

**VILLAGE OF ANGEL FIRE  
Council Regular Meeting Minutes  
Tuesday April 12, 2011 at the Village Hall**

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**I. Call to Order**

Mayor Hamilton called the meeting to order at 5:30PM

**II. Pledge of Allegiance**

Mayor Hamilton called for the Pledge of Allegiance.

**III. Roll Call**

Present were Mayor Hamilton, Mayor Pro-tem Howe, Councilor Germscheid, Councilor May Councilor Welker. Also present were Village Administrator Larry Leahy and Assistant Village Clerk Deborah Bredthauer. A full quorum was present.

**IV. Approval of Agenda**

Mayor Pro-tem Howe made the motion to approve the agenda as published; Councilor May seconded the motion. Motion carried 4-0.

**V. Consent Agenda**

- 1. Consider Approval of the March 22<sup>nd</sup>, 2011 Regular Council Meeting Minutes
- 2. Consider Approval of Dennis Edwards and Lynn Heafey as the members of the Citizens Financial Review Committee.

Mayor Pro-tem Howe made the motion to approve the consent agenda with one change, to move Item #2 down to new business item A and to move all others down 1. Councilor May seconded. Motion carried 4-0

**VI. Requests and Responses from the Audience (Limited to 3 minutes) - None**

**VII. Announcements and Proclamations - None**

**VIII. Reports**

**a. Governing Reports**

Mayor Pro-tem Howe reported that the Wellness and Healing retreat went very well. That it went beyond their expectations. Councilor Germscheid clarified the e-mail she sent about the sustainability grant and that there is no financial match but that there will be a request for some in kind services. Mayor Hamilton reported ,that he along with Mayor Pro-tem Howe and Councilor Welker attended the NMML District meeting in Espanola .Mayor Hamilton went over some of the items discussed at that meeting .Mayor Hamilton introduced Mayor Richard Cordova of Eagle Nest . Mayor Cordova thanked the Mayor and Council for their support of the annual fireworks display in Eagle Nest on the 4<sup>th</sup> of July.

Report from Jerry Smith and Bruce Jassman with the Kit Carson Board of Trustees (see attached)

Report from Carl Abrams with the PID board. (see attached)

**b. Administrator's Reports**

Administrator Leahy gave a report on lodger's tax. He also reported about the RFP for the auditor. The administrator also went over the controls that will be in place during the thinning grant project. Updated the progress on gathering information for itinerant vendors. Went over the process for setting fire restrictions. Reported how Butch and the streets department were going to address the issue with the culverts.

Mayor Hamilton requested that Peter Hofstetter with Holy Cross Hospital be placed on the work session agenda.

**c. Staff Reports**

Mark Rivera's trails report will be moved to the April 26<sup>th</sup> meeting.

**1) Old Business**

- A. Consider Approval of the 2<sup>nd</sup> reading to amend Chapters 2-9-2 and 2-10-4 of the Village Personnel Policy. (Public Hearing)

1 HR Director Patti Galliher explained that this was a 2<sup>nd</sup> read of the policy change for council  
2 approval. Mayor Hamilton open the public hearing at 6:19 pm, with no input the public  
3 hearing was closed. Mayor Pro-tem Howe made the motion to approve second reading of  
4 changes to personal policy 2-9-2 prohibited activities #9 DWI/DUI and personnel policy 2-  
5 10-4 Drug Free workplace prohibited activities d and e. Councilor May seconded . With no  
6 discussion the motion carried 4-0 with Mayor Pro-tem Howe –aye, Councilor Germscheid-  
7 aye, Councilor Welker-aye, Councilor May-aye

8 **2) New Business**

9 **A. Consider Approval of Dennis Edwards and Lynn Heafey as members of the**  
10 **Citizens Financial Review Committee.**

11 Mayor Pro-tem Howe made the motion to approve Dennis Edwards and Lynn Heafey as  
12 member of the Citizens Financial Review Committee. Councilor Welker seconded.  
13 Mayor Pro-tem Howe invited Lynn Heafey to go over her qualifications. Councilor May  
14 would like to see a confidentiality agreement in place for members to sign when they  
15 become members. Motion Carried 4-0

16 **B. Consider Approval of awarding Canepa and Vidal a contract for legal services.**

17 Administrator Leahy went over the RFP process. Mayor Pro-tem Howe made the motion  
18 to approve a contract for legal services with Canepa and Vidal. Councilor May seconded.  
19 Mayor Hamilton went over the scoring of the two RFP's. With some discussion the  
20 motion carried 3-1 ,with Mayor Pro-tem Howe –aye, Councilor Germscheid-aye,  
21 Councilor May-aye, Councilor Welker -nay

22 **C. Consider Approval of Resolution 2011-08 Disposal of Assets**

23 Administrator Leahy went over the process for disposal of assets and that we would be  
24 keeping one of the ATV's for the sports complex. Mayor Pro-tem Howe made the motion  
25 to approve resolution 2011-08 authorizing sale of certain village owned surplus property.  
26 Councilor May seconded. With some discussion the motion carried 4-0 with Mayor Pro-  
27 tem Howe-aye, Councilor Germscheid-aye, Councilor Welker-aye, and Councilor May-  
28 aye.

29 **D. Consider Approval of the use of Tasers by the Village of Angel Fire police**  
30 **Department**

31 Chief Collins presented this item to council. Mayor Pro-tem Howe made the motion to  
32 approve the use of Tasers by Village of Angel Fire police department. Councilor Welker  
33 seconded. With some discussion the motion carried 4-0

34 **E. Consider Approval of Resolution 2011-09 Granting Preliminary and Final Plat**  
35 **approval of the Plaza @ North Angel Fire Road Subdivision.**

36 In the absents of Mark Rivera Community Development Director Administrator Leahy  
37 went over this item for council. Mayor Pro-tem Howe made the motion to approve  
38 resolution # 2011-09 granting preliminary and final plat approval of the Plaza @ North  
39 Angel Fire road subdivision Councilor May seconded. Mayor Hamilton recused himself  
40 from the discussion as he was the realtor on both sides. With some discussion the motion  
41 carried 4-0 with Mayor pro-tem –aye, Councilor Germscheid-aye, Councilor Welker –  
42 aye, Councilor May-aye.

43 **X. Adjournment**

44 Councilor Germscheid made the motion to adjourn the meeting at 7:19pm;  
45 Councilor May seconded the motion. Motion carried 4-0.

46 **Passed, Approved and Adopted on this 26<sup>h</sup> day of April 2011.**

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50 **Stuart Hamilton, Mayor**

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52 **ATTEST:**

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56 **Terry Cordova, Village Clerk**

Village of Angel Fire Council  
3388 Mountain View Blvd.  
P.O. Box 610  
Angel Fire, NM 87710

April 12, 2011

Subject: Status Report

Dear Village of Angel Fire Council:

Upon behalf of the Angel Fire Public Improvement District 2007-1 (District) please find below a Status Report for the above project as presented at the Village Council Meeting April 12, 2011. This summary is not intended to be comprehensive, but to provide brief documentation of status.

Please do not hesitate to contact us if you have any questions regarding this information.

Sincerely,  
HDR Engineering, Inc.



Carl Abrams, P.E.  
Project Manager

### Status Report

#### Design Schedule:

- Final Construction Plans (**bold = update**): Water Storage Tank Country Club 1B; AF West Village; Country Club Units 1&2; AF Village North/Village Unit 2 Block G; Country Club 1A; Country Club 1B; Chalets Unit 4; Chalets Unit 2G, including Water Storage Tank
- 100% Design Plans (**bold – update**): none
- 90% Design Plans (**bold = update**): Chalets Unit 1A **on hold pending El Vado Place Bridge Resolution**

Design Review Process: HDR reviews design submittals on behalf of PID & Village for conformance to Village Standards. HDR provided Statement of No Objection to Glenn Boone, Village Public Works Director for each of the above Construction Plan sets. Future Statements to be submitted to Larry Leahy, Village Administrator.

#### Construction Schedule:

- AUI remobilized: 5-day/8-hour schedule
- AUI: 3-crews. AUI additional crews & H-Excavation to mobilize May 1.
- Traffic control signage installed at all PID roads; most areas simply closed
- To date AUI has been paid \$20M out of their \$24M contract
  - Dry Utilities 40%
  - Sewer 98%
  - Water 90%
  - Roads 75%
- Current construction status & activities (summary on PID website and in Chronicle):
  - CC 1B (Aspens) Water Storage Tank: complete
  - South AF Road Extension: final grading complete; new church driveway open
  - Chalets Unit 1A Caballo Lane: **currently on hold**; waterline, dry utilities & road complete; final grading & seeding remain
  - CC 1&2: sewer & waterline complete; dry utilities 15%; road rough grading complete; crews testing sewer lines
  - AF West Village: sewer & waterline complete; dry utilities 85%; roads nearly complete; crews preparing manhole collars
  - AF Village North: **currently on hold**; roads nearly complete, sewer & waterline complete; dry utilities complete except Valley Road South
  - CC1B: **currently on hold**; road rough grading complete; waterline complete; dry utilities 50%
  - Chalets Unit 2G: **currently on hold**; Water Storage Tank complete, road rough grading complete, waterline 50%; dry utilities 30%
  - Chalets Unit 4: **currently on hold**; road rough grading complete; waterline & dry utilities complete
  - Chalets Unit 1A El Vado Place: **currently on hold**; El Vado Place Bridge pending contract with Reiman Corp. South West
- Reminder that for safety, all visitors must check in with AUI

Completion Schedule (in order of anticipated completion):

- Country Club 1A: October 28, 2010 Substantial completion
- Chalets 1A: Caballo Lane Partial 2011
- Country Club 1&2: 2011
- AF West Village: 2011
- AF Village North: 2011
- Chalets 4: 2011
- Country Club 1B: 2011
- Chalets 2G: 2011
- Chalets 1A: El Vado Place Partial 2011 (by Reiman Corp. South West)

# **IF THE TRUSTEES OF KIT CARSON ELECTRIC COOP WERE LOOKING OUT FOR YOU, WOULD THEY...**

- **LOSE \$7 MILLION** of cash credits owed to members on propane and internet fiascos?
- **SPEND \$2.3 MILLION** of cash credits owed to members on a command center that has no tenants?
- **Subject you and other members to a \$19 MILLION LOAN** for broadband without any business plan to recover it?
- **Ask to raise your fixed monthly charge from \$10 to \$20.50** and your overall residential rates an average of 8.1% to cover the above losses and liabilities?

**KCEC TRUSTEES ARE OUT OF CONTROL  
AND THEY MUST BE REMOVED NOW!!!**

For information/questions, leave a message at: [stopkcrateincrease@yahoo.com](mailto:stopkcrateincrease@yahoo.com)

**PETITION FOR REMOVAL OF TRUSTEES OF  
KIT CARSON ELECTRIC COOPERATIVE, INC.**

Pursuant to Article I, Section 9 of the By-Laws of Kit Carson Electric Cooperative, Inc. (KCEC), Members and Petitioners: Maria/Peter Adang, P.O. Box 785, Ranchos de Taos, NM 87557; Linda R. Bence, P.O. Box 469, Taos, NM 87571; Andrew D. Chavez, 24 Vista del Valle, Ranchos de Taos, NM 87557; Jode Cisneros, Box 555, Questa, NM 87556; David R. Genth, P.O. 836, El Rito, NM 87530; Ernesto Gonzales, HC 65, Box 11, Vadito, NM 87579; Rita Larrow, P.O. 405, El Rito, NM 87530; Jerome Lucero, 4176 NDCBU, Taos, NM 87571; David Rael, 228 Peralta Rd., 4168 NDCBU, Taos, NM 87571 and Kathleen Vanderbrook, P.O. 254, El Rito, NM 87530; hereby charge the following-named trustees of KCEC with the listed improper actions detrimental to the Cooperative and its Members, request that these matters be placed on the agenda for the 2011 KCEC Annual Meeting on June 18, 2011, and petition for the removal of said trustees from office in the manner specified in the By-Laws:

**CHARGES**

1. Breach of fiduciary duty; misfeasance; nonfeasance; attempted imposition of an unreasonable and/or unlawful rate increase; unlawful engagement in unregulated business activities; unfitness, unwillingness and persistent failure to manage KCEC effectively; hostility and lack of cooperation with other trustees which substantially impairs the administration of KCEC; excessive borrowing for unregulated business activities that jeopardizes the viability of KCEC.
2. Conflict of interest.

**TRUSTEE**

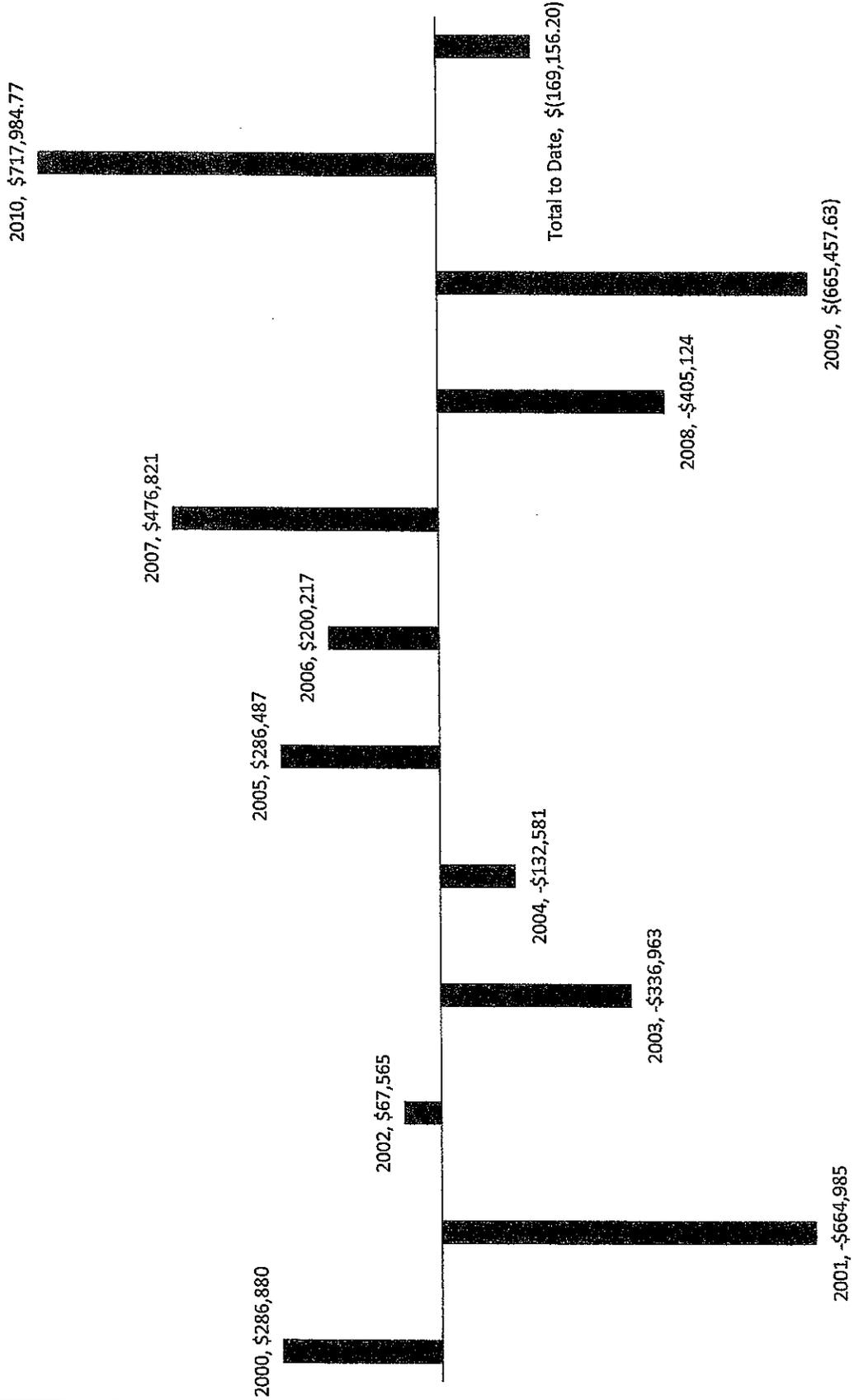
Bobby Ortega, Manuel Medina, Francis Cordova, Toby Martinez, Arturo Rodarte, Ambrose Mascarenas, Chris Duran, Jerry Smith and Bruce Jassman.

Arturo Rodarte

I hereby certify that I am a member of the Kit Carson Electric Cooperative, Inc.

# PROPANE 10 YEAR FINANCIAL PERFORMANCE

## PROFIT AND LOSS CHART



## TALKING POINTS

Should 700 members be able to remove nine of the eleven Kit Carson Electric Cooperative, Inc. Trustees you voted in?

Should the two remaining KCEC Trustees be able to handpick who would replace them?

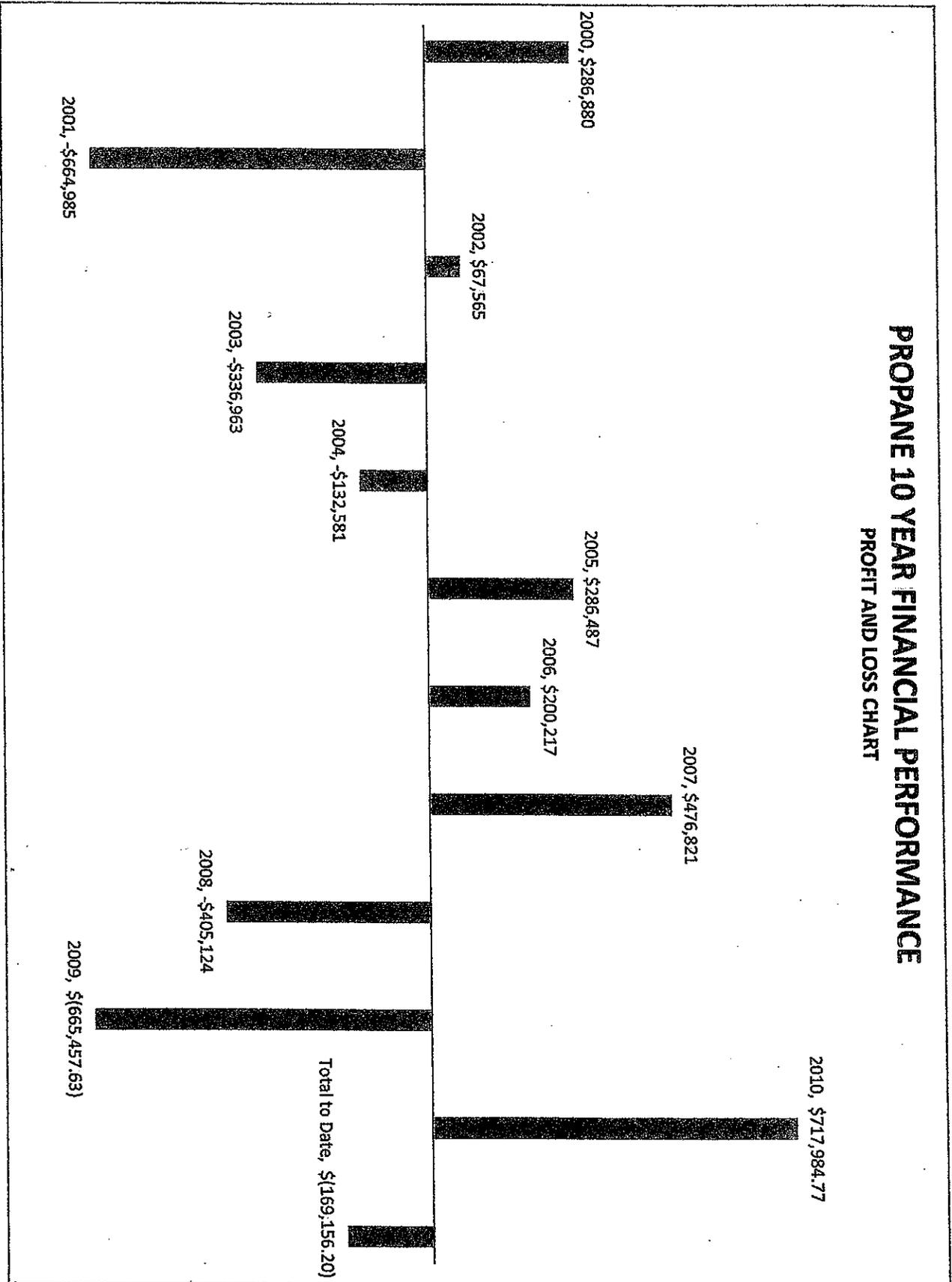
Relative to the proposed rate increase to date KCEC has paid about \$84,549.95 in attorney fees and about \$46,283.53 in consultant fees; a total of \$130,833.48.

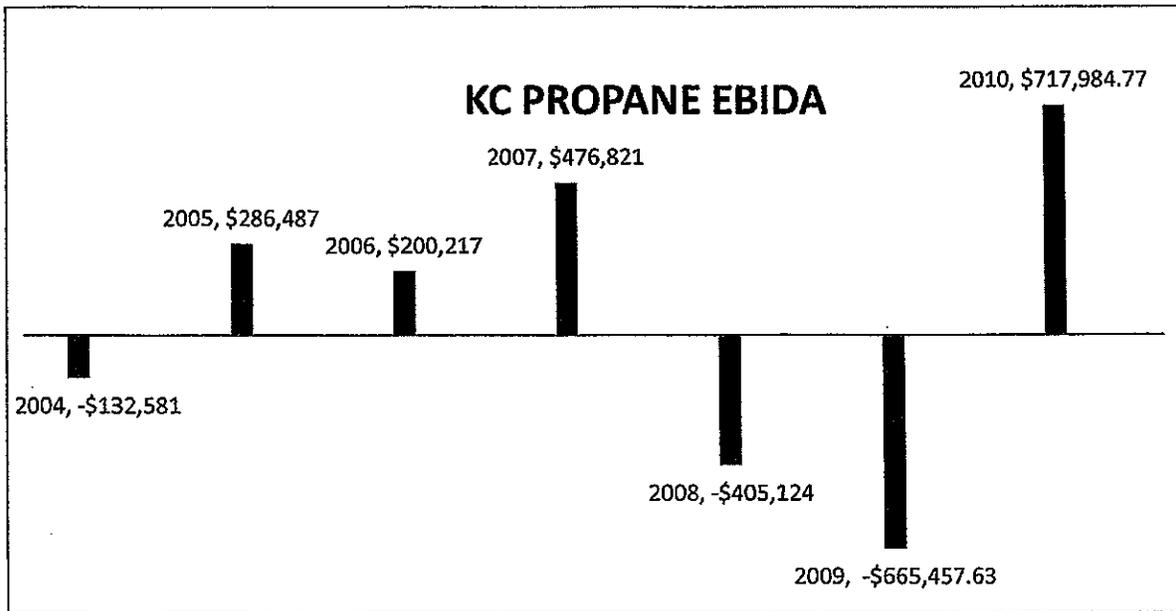
1. Did KCEC lose \$7 Million of cash credits owed to member on propane and internet fiascos?
  - Capital Credits are based on Margins. The Cooperative did not have margins in 2009 and 2010 due to energy efficiency and higher fixed costs members were not allocated capital credits for those years. With the rate increase fixed costs will be covered, the Cooperative will have a margin and will be able to allocate capital credits for future disbursement.

The following chart reflects Propane's Earnings Before Interest Depreciation and Amortization (EBIDA)

# PROPANE 10 YEAR FINANCIAL PERFORMANCE

## PROFIT AND LOSS CHART





2. Did KCEC Spend \$2.3 million of cash credits owed to members on a command center that has no tenants? The Regional Command and Dispatch Center (Command Center) will open its doors very soon. The Command Center will allow KCEC to monitor its system more closely, address outages in a more timely manner, house sensitive data in a secure location, and will allow for the collaboration with other entities to facilitate a quicker response to emergencies (fire, vehicle accidents, and other emergency situations). \$2,310,000.00 was a loan and \$550,050.00 was a grant. KCEC must utilize general funds for projects and then is reimbursed once projects are completed and inspected.
  
3. Did KCEC Subject you and other members to pay a \$19 million loan for broadband without any business plan to recover it.
  - The Broadband project will afford many opportunities for KCEC, its members and businesses in Northern New Mexico. KCEC will be able to monitor energy usage minute to minute and help consumers learn how to conserve at the right times to decrease their bill. Higher bandwidth through Broadband means you can watch Netflix, search the web and your children can play video games on their game systems via the internet simultaneously. The fiber will be there. Only those who partake in the service help to pay for it through their Broadband Service package; not through electric rates.

The following is a Base Case Financial Model for the Broadband Project. KCEC also has a Conservative Financial Model and an Aggressive Financial Model.

## Fiber Network Preliminary Summary Financial Model – Base Case

	2011	2012	2013	2014	2015
<i>Units:</i>					
Video	1,162	4,134	8,142	8,589	8,847
HSD - open network providers	581	2,067	4,071	4,295	4,423
In-house HSD	581	2,067	4,071	4,295	4,423
Telephone	594	2,114	4,168	4,392	4,524
Institution HSD	163	580	1,143	1,206	1,242
<b>Total revenue</b>	<b>390,635</b>	<b>1,412,466</b>	<b>3,534,743</b>	<b>4,606,976</b>	<b>4,791,255</b>
<b>Total operating expense</b>	<b>609,756</b>	<b>933,940</b>	<b>1,381,344</b>	<b>1,410,403</b>	<b>1,466,819</b>
<b>Operating cash flow</b>	<b>(219,122)</b>	<b>478,526</b>	<b>2,153,399</b>	<b>3,196,573</b>	<b>3,324,436</b>
Capital expenditures (non-grant related)	900,000	-	129,881	130,923	134,851
Debt service (principal + interest)	256,072	840,335	1,218,031	1,181,783	1,181,783
<b>Net cash from/to fiber network</b>	<b>(1,975,194)</b>	<b>(361,809)</b>	<b>935,368</b>	<b>2,014,790</b>	<b>2,142,653</b>

### Notes:

- The above financial model assumes that 45% of members, or approximately 10,000, take at least one service from the network. The network achieves cash flow positive results at a customer take rate as low as 30% (see next slide).
  - The above assumes a hybrid wholesale/retail model, with Kit Carson Telecom also offering certain high-speed data services.
  - The above is subject to change based on final pricing and product decisions
4. Did KCEC ask to raise your fixed monthly charge from \$10.00 to \$20.50 and your overall residential rates an average of 8.1% to cover the above losses and liabilities.
- Prices are going up everywhere. Should KCEC compromise service and safety cutting necessities to recover the cost difference associated with supplies and equipment? The cost of service study reflects that your share of the cost for poles, wires, transformers, service drops and the meter that gives you access to the electric grid is \$26.00 per month. KCEC is only proposing to charge you \$20.50; \$5.50 less than the actual cost.