

A G E N D A

. . . for the Regular Meeting of the Farmington City Council to be held at 6:00 p.m., Tuesday, June 14, 2016 in the Council Chamber, City Hall, 800 Municipal Drive, Farmington, New Mexico. . .

1. Roll Call and Convening the Meeting:
2. Invocation: Pastor Nathan Wheeler of East Side Church of Christ.
3. Pledge of Allegiance:
4. Acceptance of Consent Agenda: Those items on the agenda that are marked with an asterisk (*) have been placed on the Consent Agenda and will be voted on without discussion with one motion. If any item proposed does not meet with approval of all Councilors or if a citizen so requests, that item will be heard under Business from the Floor.
5. *Approval of Minutes for:
 - (a) the Regular Meeting of the City Council held May 24, 2016; and ----- **14**
 - (b) the Regular Work Session of the City Council held May 17, 2016. --- **15**
6. *Approval to Declare worn-out, unusable or obsolete vehicles and equipment (Administrative Services, Central Warehouse, General Services and Vehicle Maintenance) surplus to the needs of the City and not essential for municipal purposes, and to authorize the City Manager or his designee to dispose of such surplus property pursuant to State Statutes. ----- **1**
7. *Approval of Bid for purchase of wire and cable (Electric) being awarded to Border States Electric as the lowest and best bidder per category after application of five percent in-state preference (\$410,386.04). Bids opened May 25, 2016 with six bidders participating. ----- **2**
8. *Approval of Bid for purchase of construction materials for the Cottonwood Substation (Electric) being awarded to the lowest and best bidder meeting specifications per category after application of five percent in-state preference [Category 1 – Stuart C. Irby \$226,290; Category 2 – Western United \$74,336; and Categories 3 and 4 – McKinley Sales Co. \$173,594]. Bids opened May 18, 2016 with five bidders participating. ----- **3**
9. *Approval of Bid for the abatement and demolition of the old Daily Times buildings (General Services) being awarded to Young Environmental Services, Inc. doing business as Envirotech, Inc. as the lowest and best bidder after application of five percent in-state preference (\$199,995). Bids opened June 7, 2016 with three bidders participating. ----- **4**

- 10. *Approval of Intergovernmental Agreement for Animal Care and Control between the City and San Juan County to house and care for San Juan County animals. -----5
- 11. *Recommendation from the Airport Advisory Commission to approve the second amendment to the Rental Vehicle Concession Agreements between the City and Avis Budget Car Rental Group, Inc.; Hertz System Licensee; EAN Holdings, LLC and Micar, Inc. for a temporary base rate reduction for operations at the Four Corners Regional Airport through June 30, 2017 (unanimous recommendation for approval).-----6
- 12. *Approval of Warrants up to and including June 11, 2016.
- 13. Recommendations from the Planning and Zoning Commission:-----7

Acceptance of Consent Agenda: The items marked with an asterisk (*) have been placed on the Planning and Zoning Commission Consent Agenda and will be voted on without discussion by one motion. If an item does not meet with approval of all Councilors or if a citizen so requests, the item will be removed from the Consent Agenda and heard in regular order.

*(1) Adoption of the recommendation from the Planning and Zoning Commission as contained within the Community Development Department Petition Report to approve Petition No. SUP 16-30 from the City of Farmington, represented by Cory Styron, requesting for a Special Use Permit for a private day care in the MF-M, Multiple-Family Medium-Density Residential, District for property located at 4500 Wildflower Mesa Drive, subject to building and fire code requirements.

The recommendation of the Planning and Zoning Commission passed by a vote of 10-0 on May 26, 2016. -----8

*(2) Adoption of the recommendation from the Planning and Zoning Commission as contained within the Community Development Department Petition Report to approve Petition No. SUP 16-31 from Lance Myler requesting a Special Use Permit to allow a family care unit to be constructed next to a primary residence located at 7110 Driftwood Avenue (1.04 acres), subject to a drainage plan being prepared, stamped and sealed by a New Mexico Professional Engineer and submitted to the City with the building permit application. The plan must consider both onsite and offsite storm water.

The recommendation of the Planning and Zoning Commission passed by a vote of 10-0 on May 26, 2016. -----9

- 14. Community Development Block Grant (CDBG) 2016 Annual Action Plan public service project presentations (\$55,297 is available for award): ----- 10

- (a) Big Brothers Big Sisters of Central New Mexico;
- (b) Frontline Mission, Inc.;

- (c) Identity, Inc.;
- (d) Navajo United Methodist Center;
- (e) Northwest New Mexico Seniors, Inc.;
- (f) People Assisting the Homeless (PATH);
- (g) San Juan College Daycare; and
- (h) San Juan County Partnership.

15. New Business:

(a) Mayor

- (1) Appointment to the Lodgers' Tax Advisory Board.

(b) Councilors

(c) City Manager

(d) City Attorney

(1) Resolution No. 2016-1591

-urging the citizens of Farmington to abstain from using fire sources that could lead to deadly and/or destructive consequences during periods of extreme drought. ----- 11

(2) Ordinance No. 2016-1289 – Final Action

-authorizing the execution and delivery of a Loan and Subsidy Agreement ("Loan Agreement") between the City and the New Mexico Finance Authority, evidencing a special limited obligation of the City to pay a principal amount of no more than \$2,448,240, together with interest, expenses and administrative fees, and to accept a loan subsidy of no more than \$816,080, for the purpose of financing the costs of a water system improvement project; providing for the payment of the principal of, administrative fees and interest due under the Loan Agreement solely from the net revenues of the City's water system; setting an interest rate for the loan; approving the form of and other details concerning the Loan Agreement; ratifying actions taken; repealing all action inconsistent with this ordinance; and authorizing the taking of other actions in connection with the execution and delivery of the Loan Agreement
[Staff is requesting that this ordinance be tabled to the June 28, 2016 regular City Council meeting] ----- 12

(e) City Clerk

16. Business from the Floor:

- (1) Items removed from Consent Agenda for discussion.
- (2) Any other Business from the Floor.

17. Closed Meeting to discuss the acquisition of real property for drainage purposes, pursuant to Section 10-15-1H(8) NMSA 1978, and to discuss request for proposals for solid waste collection services and behavioral health care services, pursuant to Section 10-15-1H(6) NMSA 1978.

18. Proposal: Recommendation from the Chief Procurement Officer to award the proposal for behavior health care services (General Services) to Presbyterian Medical Services Total Behavioral Health as the sole proposal is deemed to be advantageous and in the best interest of the City. Proposals opened May 31, 2016. ----- **13**

19. Adjournment.

AGENDA ITEM SUPPORT MATERIALS ARE AVAILABLE FOR INSPECTION AND/OR PURCHASE AT THE OFFICE OF THE CITY CLERK, 800 MUNICIPAL DRIVE, FARMINGTON, NEW MEXICO.

ATTENTION PERSONS WITH DISABILITIES: The meeting room and facilities are fully accessible to persons with mobility disabilities. If you plan to attend the meeting and will need an auxiliary aid or service, please contact the City Clerk's Office at 599-1106 or 599-1101 prior to the meeting so that arrangements can be made.

CITY OF FARMINGTON
INTER-OFFICE MEMORANDUM

TO: Mayor Roberts and City Council

FROM: Kristi Benson, CPPO, CPPB
Chief Procurement Officer

DATE: June 7, 2016

SUBJECT: Declaration of Worn-Out, Unusable or Obsolete Property

USING DEPARTMENT: Vehicle Maintenance (General Services)
=====

The Central Purchasing Division of the Administrative Services Department concurs with the recommendations from the Central Warehouse and Vehicle Maintenance to declare the attached list of vehicles and equipment as worn-out, unusable or obsolete.

If it is determined the best disposal method for this property is through the City's internet-based Public Surplus auction system, authorization is requested to grant the Warehouse Superintendent authority to issue an immediate e-mail award notification to the highest cash bid received meeting the bidding requirements set forth.

Kristi Benson (Presenter)
Consent Agenda, City Council Meeting 6/14/2016

xc: Brooke Quintana, Accounting, Controller
Sarah Talley, Accounting, Staff Accountant – Grants Administrator
Debi Dalton, Accounting, Staff Accountant – Fixed Assets
Jerry Parson, Vehicle Maintenance Superintendent
Edward Smylie, General Services Director
Bob Schrag, Warehouse Superintendent

Surplus Vehicles

UNIT #	VIN / SERIAL #	YEAR	MAKE	MODEL / DESCRIPTION
4	772723	1990	John Deere	Loader/Backhoe 310C 4X4
5	1FDYW82AXMVA31427	1991	Ford	LNT 8000 DRW Tandem Axle
662	1GBGK34N5LE253245	1990	Chevrolet	K3500 Rgcb C/C W/U-body
880	1W9CE8918HS6G2609	1991	Wood Chuck	2T Wood/Chuck Chipper
9070	1GCGK24N5RE225606	1994	Chevrolet	K2500 4x4 Long Bed Pickup
9097	2FTHF25F3SCA32656	1995	Ford	F250 2WD RegCab W/Ubody
9274	1FTDF17W4VKB91451	1997	Ford	F150 2WD LWB RegCab
9352	80235	1998	Toro	580D Groundmaster Mower
9389	FZ-03291	1978	Fermont	60kW Mobile Generator MIL
9390	FZ-04467	1982	Fermont	60kW Stationary Generator MIL
9409	1GCFP22J0J3335816	1988	Chevrolet	SWAT Personnel Carrier
9432	2FAFP71W8YX187900	2000	Ford	Crown Vic Marked Unit
9576	2FAFP71W52X132988	2002	Ford	Crown Vic Marked Unit
9621	2G1WF52E939303361	2003	Chevrolet	Impala Sedan 4Dr
9643	2FAFP71W73X206509	2003	Ford	Crown Vic Marked Unit
9710	1HTMMAAR05H118747	2005	IHC	4300 SBA 4X2 DRW DT466
9715	1HTMMAAR95H118746	2005	IHC	4300 DRW DT466 W/DGDK
9853	2FAFP71W56X143219	2006	Ford	Crown Vic Marked Unit
9896	5UPTU12277B001861	2007	Haulrite	Utility Flatbed Trailer
9898	1HTMMAAR97H485200	2007	IHC	4300 DT466 W/Terex TCX55
10075	1FTDF1863VKC81334	1997	Ford	F150 4X4 SRW Reg Cab

CITY OF FARMINGTON
INTER-OFFICE MEMORANDUM

TO: Mayor Roberts and City Council
FROM: Kristi Benson, CPPO, CPPB *KBS*
Chief Procurement Officer
DATE: May 31, 2016
SUBJECT: Wire and Cable, Bid #16-115237
USING DEPARTMENT: Electric Utility
=====

A bid opening was held on May 25, 2016 for Wire and Cable. Six (6) bidders responded.

The Central Purchasing Department concurs with the recommendation from the Electric Utility to award the bid to the following bidders, as responsible bidders submitting the lowest responsive bids meeting specifications for the categories listed below. The in-state preference was given to qualified bidders.

<u>CATEGORY</u>	<u>AWARDED BIDDERS</u>	<u>TOTAL AWARDED AMOUNT</u>
1: Copper, Aluminum, ASCR, Service & Steel Wire	Border States Electric	\$278,113.99
2: Tray Cable	Border States Electric	\$8,192.05
3: 500 Copper Cable	Border States Electric	\$124,080.00

Kristi Benson (Presenter)
Consent Agenda/Council Meeting 6/14/16

xc: H. Andrew Mason – Administrative Services Director
Rodney Romero – Acting Electric Utility Director
Bob Schrag – Warehouse Superintendent

File – 16-115237/EM

ITEM DESCRIPTION	Border States Electric 865 S. Browning Pkwy Farmington, NM Thomas Powell	Western United Electrical Supply 7311 La Moreada PL Albuquerque, NM Adam Tomczak	Graybar 14603 E. Moncrieff Pl Aurora, CO 80011 Kevin Mielcarek	American Wire Group 2875 NE 191st Street Suite 305 Miami, FL 33180 Alla Gerenshteyn	Wesco 3333 Los Arboles Albuquerque, NM Bob Martini	Stuart C. Irby 2417 Aztec Albuquerque, NM Holly Nyman
A. CATEGORY 1: COPPER, ALUMINUM, ASCR, SERVICE & STEEL WIRE AND CABLE	X	\$278,113.99	NO BID	\$268,681.95	\$284,997.09	\$323,573.42
TOTAL BID WITH IN-STATE PREFERENCE		\$254,208.29	NO BID	\$266,681.95	\$284,997.09	\$307,394.75
B. CATEGORY 2: TRAY (CONTROL) CABLE	X	\$8,192.05	NO BID	\$13,698.57	NO BID	\$9,888.07
TOTAL BID WITH IN-STATE PREFERENCE		\$7,782.45	NO BID	\$13,698.57	NO BID	\$9,393.67
C. CATEGORY 3: 500 COPPER CABLE	X	\$124,080.00	\$136,999.50	\$150,000.00	\$131,850.00	\$136,500.00
TOTAL BID WITH IN-STATE PREFERENCE		\$117,876.00	\$130,149.53	\$150,000.00	\$131,850.00	\$129,675.00
	BID SIGNED: YES	YES	YES	YES	YES	YES
	IN-STATE OR VETERANS PREFERENCE: L1749788656	L1388212688	L1646626352	NO	NOT SUBMITTED	L0142770224
	PAYMENT TERMS: NET 30	NET 30	NET 30	1% 10 DAYS	NET 30	NET 30
	DELIVERY: 90 CAL DAYS	STOCK - 8 WEEKS	STOCK - 8 WEEKS	1-9 WEEKS	10-60 CAL DAYS	90 CAL DAYS
	ADDENDA ACKNOWLEDGED: YES	YES	YES	YES	YES	YES
	TAX FORM INITIALED (if applicable): YES	YES	YES	YES	YES	YES
	* Total cost error on category 1 & 2	* Total cost error on category 1	* Total cost error on category 1	* Total cost error on category 1	* Total cost error on category 1	* Total cost error on category 1 & 3
	Total corrected cost did not change outcome read aloud at bid opening	Total corrected cost did not change outcome read aloud at bid opening	Total corrected cost did not change outcome read aloud at bid opening	Total corrected cost did not change outcome read aloud at bid opening	Total corrected cost did not change outcome read aloud at bid opening	Exceptions to specifications Total corrected cost did not change outcome read aloud at bid opening

CITY OF FARMINGTON
INTER-OFFICE MEMORANDUM

TO: Mayor Roberts and City Council
FROM: Kristi Benson, CPPO, CPPB *KB*
Chief Procurement Officer
DATE: June 1, 2016
SUBJECT: Construction Materials for Cottonwood Substation, Bid #16-115505
USING DEPARTMENT: Electric Utility
=====

A bid opening was held on May 18, 2016 for the Construction Materials for Cottonwood Substation. Five (5) bidders responded with one (1) submitting an alternate.

The Central Purchasing Department concurs with the recommendation from the Electric Utility to award the bid to the following bidders, as responsible bidders submitting the lowest responsive bids meeting specifications for the categories listed below. The in-state preference was given to qualified bidders.

<u>CATEGORY</u>	<u>AWARDED BIDDERS</u>	<u>TOTAL AWARDED AMOUNT</u>	<u>ESTIMATED APPLICABLE TAXES</u>
1: 115 kV Circuit Breaker	Stuart C. Irby	\$226,290.00	\$16,264.59
2: 115 kV Circuit Switcher	Western United	\$74,336.00	\$5,688.12
3: 115 kV GOAB Switch	McKinley Sales Co.	\$98,150.00	\$7,483.94
4: 115 kV Voltage Transformer	McKinley Sales Co.	\$75,444.00	\$5,752.61

Kristi Benson (Presenter)
Consent Agenda/Council Meeting 6/14/16

xc: H. Andrew Mason – Administrative Services Director
Rodney Romero – Acting Electric Utility Director
John Armenta – Electric Engineering Manager

File – 16-115505/EM

CITY OF FARMINGTON - ABSTRACT SCHEDULE									
BID - Construction Materials for Cottonwood Substation, 16-115505 OPENING DATE: May 18, 2016 @ 2:00 PM									
	Stuart C. Irbay 2417 Aztec Road Albuquerque, NM	Western United 7311 La Morada Place Albuquerque, NM Primary	McKinley Sales Co. 8325 Washington Street Albuquerque, NM	Western United 7311 La Morada Place Albuquerque, NM Alternate	Graybar Electric 281 Menaut Blvd Albuquerque, NM	Wesco 3333 Los Arboles Albuquerque, NM			
CATEGORY 1: 115 KV Circuit Breaker									
TOTAL BID - CATEGORY ONE:	X	\$226,290.00	Incomplete Bid	\$238,840.00	No Bid	\$277,624.00			
TOTAL BID - CATEGORY ONE WITH IN-STATE PREFERENCE APPLIED:		\$214,975.50		\$226,898.00		\$263,742.80			
CATEGORY 2: 115 KV Circuit Switcher									
TOTAL BID - CATEGORY TWO:		\$74,488.00	No Bid	\$122,514.00	No Bid	\$123,776.00			
TOTAL BID - CATEGORY TWO WITH IN-STATE PREFERENCE APPLIED:		\$70,763.60		\$116,388.30		\$117,587.20			
CATEGORY 3: 115 KV Gang Operated Air Break Switch									
TOTAL BID - CATEGORY ONE:		\$106,210.00	X	\$98,150.00	\$108,193.00	\$101,205.00			
TOTAL BID - CATEGORY ONE WITH IN-STATE PREFERENCE APPLIED:		\$100,899.50		\$93,242.50	\$108,193.00	\$96,144.75			
CATEGORY 4: 115 KV Voltage Transformer									
TOTAL BID - CATEGORY TWO:		\$109,686.00	X	\$104,076.00	No Bid	\$103,260.00			
TOTAL BID - CATEGORY TWO WITH IN-STATE PREFERENCE APPLIED:		\$104,201.70		\$98,872.20	No Bid	\$98,097.00			
IN-STATE PREFERENCE:									
ESTIMATED APPLICABLE TAXES	L0142770224	\$16,264.59	L0657299408	L1388212688	No	\$43,258.76			
PAYMENT TERMS:	NET 30	NET 30	NET 30	NET 30	NET 30	NET 30			
DELIVERY:	175 CAL. DAYS	18-22 WEEKS	VARIOUS	18-22 WEEKS	8-10 WEEKS	12-20 WEEKS			

CITY OF FARMINGTON
INTER-OFFICE MEMORANDUM

TO: Mayor Roberts and City Council

FROM: Kristi Benson, CPPO, CPPB *KB*
Chief Procurement Officer

DATE: June 9, 2016

SUBJECT: Abatement and Demolition of Buildings, Bid #16-115356

USING DEPARTMENT: General Services Department

=====

A bid opening was held on June 7, 2016 for Abatement and Demolition of Buildings (Old Daily Times). Three bidders responded.

The Central Purchasing Department concurs with the recommendation from the General Services Department to award the bid to Young Environmental Services, Inc. dba Envirotech, Inc. from Farmington, New Mexico as the lowest bidder meeting specifications for a total awarded amount of (\$199,995.00) plus estimated applicable taxes of (\$15,249.62). The in-state preference was given to qualified bidders.

Kristi Benson (Presenter)
Consent Agenda/Council Meeting 6/14/16

xc: H. Andrew Mason, CPFO, Administrative Services Director
Edward Smylie, General Services Director
File – 16-115356

CITY OF FARMINGTON - ABSTRACT
 ABATEMENT AND DEMOLITION OF BUILDINGS
 COF PROJECT #CCEXP
 BID #16-115356
 OPENING DATE: 6/7/2016 @ 2:00 P.M.

GENERAL SERVICES DEPARTMENT ENGINEER'S ESTIMATE \$125,000.00	Young Environmental Services, Inc. dba Envirotech, Inc. 5796 US Hwy 64 Farmington, NM 87401 Donald Ortiz (505) 632-0615	Spray Systems Environmental 2202 W Medtronic Way, Ste 108 Tempe, AZ 85281 Shawn Seery (480) 967-8300	Keers Remediation, Inc. 5904 Florence Ave NE Albuquerque, NM 87113 Amarante Jaramillo Jr (505) 823-9006
TOTAL BID:	✓ \$199,995.00	\$218,640.00	\$238,000.00
TOTAL BID WITH IN-STATE PREFERENCE APPLIED:	\$189,995.25	N/A	\$226,100.00
ESTIMATED APPLICABLE TAXES:	\$15,249.62	\$16,671.30	\$18,147.50
BIDDER'S ESTIMATE OF TAXES FORM INITIALED:	yes	yes	no
BID SIGNED:	yes	no	yes
NM CONTRACTOR'S LICENSE NO.:	32099	60610	90935
NM DEPT OF WORKFORCE SOLUTIONS - PUBLIC WORKS NO.:	2290920110728	1746720150218	187422011601
LIST OF SUBCONTRACTORS:	yes	yes	yes
BID BOND ENCLOSED:	yes	yes	yes
BIDDER'S QUALIFICATIONS:	yes	yes	yes
RESIDENT CONTRACTOR PREFERENCE:	L1567199184	na	L2049001424
DRUG-FREE WORKPLACE CERTIFICATION:	yes	yes	yes
CONTRACTOR'S SAFETY CERTIFICATION:	yes	yes	yes
ADDENDA ACKNOWLEDGED:	yes	yes	yes

Tax rate error. Estimate tax amount corrected.

Price extension error on total Total cost corrected

The corrected total cost did not affect the bid outcome as read at the bid opening.

City of Farmington

Mayes, Rob <rmayes@fmtn.org>

Animal Shelter compromise proposal

1 message

Mayes, Rob <rmayes@fmtn.org>

Mon, May 9, 2016 at 3:07 PM

To: "Carpenter, Kim" <kcarpenter@sjcounty.net>

Cc: jack@fortnerlaw.com, Tommy Roberts <troberts@fmtn.org>, Cory Styron <cstyron@fmtn.org>, Julie Baird <jbaird@fmtn.org>

Kim,

As you know the City has subsidized SJC for the past 2 years based on calculations on our previously agreed upon formula to determine the cost for the service rendered. The formula is similar to our jail contract where the new year fee is determined by the previous year actual. The subsidy for FY2015 was \$222,699 and for FY2016 it was \$167,059. These substantial discounts were offered to SJC in good faith in recognition of our long past partnership and certainly with a fair assumption as investment in what we would have believed was a long term future partnership.

All the trends are indisputable and dramatically going the right way with our current partnership. Costs are down, intake is down, spay & Neuter is up, adoption is up, live release up, rescue is up and euthanasia is down.

Citizens residing in the unincorporated jurisdiction of SJC brought to our shelter 43% of the total intake last year. This represents 3214 living breathing animals. That's 62 a week and over 10 per day. We do not believe it is reasonable to believe that we can turn 10 SJC customer-citizens away every single day without serious ramifications for us all.

To nurture our partnership and maintain the positive trends, I am willing to propose and recommend the following to the City Council. I believe they would seriously consider this compromise. The goal is to phase out the subsidy while continuing the positive trends. Keep in mind the expense and intake trends are downward, and could mitigate the annual amount of the subsidy phase out. In other words the annual increase to the County could be less.

FY2017- 20% subsidy (\$103,208) = \$412,828

FY 2018- 13% subsidy

FY2019- 6% subsidy

FY2020- 0% subsidy

This would represent a potential additional subsidy to SJC of over \$200,000 over the next 3 years and total 5 year subsidy of nearly \$600,000.

Rob Mayes, MA, MBA, ICMA-CM

City Manager

City of Farmington

800 Municipal Drive

Farmington, NM 87401-2663

Direct 505.599.1114 Fax 505.599.8430

rmayes@fmtn.org

This email should not be considered private communication. Administrative personnel regularly access this email in the performance of official city business. Please call the number above if you intend confidential or personal communication.

Animal Care and Control
Intergovernmental Agreement

This agreement is made and entered into this _____ of _____, 2016 and between the City of Farmington a municipal corporation (City), and the County of San Juan, New Mexico (County) for the operation of an animal care facility and animal services, including but not limited to, spay and neuter, adoption, animal rescue, transportation and disposal services provided by the City for the County.

The parties also desire to work cooperatively on specific projects that are of mutual benefit to both entities in lieu of payment for services for the animal facility by the County.

IT IS THEREFORE AGREED AS FOLLOWS:

1. The City will be responsible for the operation of the Farmington Regional Animal Shelter facility located at 133 Browning Parkway, Farmington New Mexico.
2. City will provide this facility and services for domestic animals, including livestock, to the County. A County domestic animal or livestock originates in San Juan County and outside the city limits of Farmington. The facility shall be operated pursuant to City of Farmington City Code, Chapter 6, Article 2.
3. County residents recovering or adopting animals from the Farmington Facility will be assessed fees in accordance with the current adopted fee schedule.
4. City shall provide the personnel required to properly staff the animal care facility. City of Farmington personnel policies shall be the controlling policy at the animal care facility.
5. City shall bill the County a flat \$412,828.00 annually for the cost for domestic animals. The amount is to be paid in quarterly installments.

Livestock will also be billed monthly for the actual animal care cost.

This agreement period is July 1, 2016 through June 30, 2017 shall be a fixed cost based.

6. Animals on Court hold:
 - a. Farmington Regional Animal Shelter personnel must receive a court order if an animal is to be held beyond ten (10) day rabies observation period.
 - b. Holds beyond ten (10) days, regardless of case disposition, will be billed to the County (not animal owner) at the rate of \$25.00 per day until final decision is reached.
 - c. In the absence of a court order, animals will be held for the owner for seven (7) days beyond the ten (10) day rabies observation period. Animals remaining in the care of the Farmington facility beyond that period of time may be adopted, placed in a rescue program, or euthanized in compliance with established policies.
7. Payment shall be remitted to the City no later than the 10th day of the month following the monthly billing for services rendered.
8. There will be strict accountability of all receipts and distributions under this Agreement. For specific services or projects completed by the County for the City for the Farmington Regional Animal Shelter, a monetary value will be given, which shall be agreed upon by both entities. The County shall be credited on the monthly billing for those services completed.
9. The term of this Agreement shall be indefinite, but is subject to review by the parties annually to discuss issues of cost, and/or operational changes. This Agreement may be terminated upon thirty (30) day written notice by either of the parties to the other, except that the notice of termination shall not affect the validity of the performance of any contractors or subcontractors which were executed to effectuate the purpose of this Agreement.
10. Notwithstanding any other provision of this Agreement, it shall not become effective until executed and approved by their respective governing bodies.

City of Farmington

San Juan County, New Mexico

By: _____
Tommy Roberts, Mayor

By: _____
Scott Eckstein, Chairman
Board of County Commissioners

ATTEST:

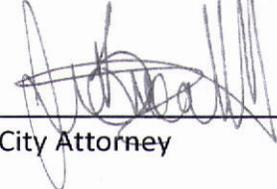
ATTEST:

City Clerk

County Clerk

APPROVED AS TO FORM:

APPROVED AS TO FORM:



City Attorney

San Juan County Attorney

City of Farmington

Memorandum

May 31, 2016

To: Mayor and Council

CC: Rob Mayes

From: Mike Lewis

Subject: Airport Car Rentals – Base Rate Reduction

The FAA regulation changes in 2013 resulted in extreme declines in airline traffic provided by Great Lakes that has contributed to a decreased amount of rental car customers. As a result, I have received a number of requests from the rental car agencies located at the Four Corners Regional Airport terminal for some relief from their sales volume based lease rates for the property that they occupy because of sharply declining revenues.

With that in mind I approached the Airport Advisory Commission with a recommendation that in order to maintain the number of rental car company options that we have today that we consider reducing the monthly fees to help ensure their collective survival.

The current fee structure is based on the rental car agencies paying 10% of their monthly gross sales, with a minimum fee of \$2,500 if their gross drops below \$25,000 of their property lease rate.

I recommended to the Airport Advisory Commission that we cut the minimum to \$1,250 for gross sales below \$25,000 until the end of the current fiscal year in order to provide some immediate relief. This was based on the fact that in all of 2013, 2014, 2015, and 2016 only 9 times did any of the agencies pay above the \$2,500 minimum. In addition, during 2014, 2015, and YTD 2016, 10% of their reported gross sales would have exceeded the proposed \$1,250 value less than 10% of the time.

With that in mind and since the revenues have actually decreased, I am recommending that City Council reauthorize this new minimum rate until June 30, 2017 or until the revenues increase on a regular basis above \$25,000 per month. The Airport Advisory Commission agreed unanimously.

RENTAL VEHICLE CONCESSION AGREEMENT
SECOND AMENDMENT
#14-101579 A

This Second Amendment to the Rental Vehicle Concession Agreement is made and entered into this 1st day of July, 2016 between the City of Farmington, a municipal corporation in San Juan County, New Mexico ("CITY"), and Avis Budget Car Rental Group, Inc., ("Operator").

The Rental Vehicle Concession Agreement dated February 1, 2014, between the City and Operator is amended to read as follows:

The City Council of the City of Farmington, on September 22, 2015, approved the amendment to the Rental Vehicle Concession Agreement dated February 1, 2014, between the City and Operator is amended to read as follows:

ARTICLE 3, Page 5

3.04 Rental Payment: City and Operator agree to temporarily reduce the Minimum Monthly Guarantee rent as follows: ~~\$2,500~~ **\$1,250** monthly, or; Ten percent (10%) of Operators Gross Revenues, **if gross revenue is \$25,000 or greater.**

3.05 Monthly – One twelfth (1/12th) of the annual Base Rent (~~\$2,500~~ **\$1,250/month**), or a payment of Percentage of Gross Revenue as described above. ...

City and Operator agree to reevaluate this reduction on **June 30, 2017.**

The City and Operator agree that the Agreement is herein modified only as to the change(s) stated above. The remaining provisions of such Agreement shall remain unchanged.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed on their behalves by their duly authorized representatives as of the date set forth above.

CITY OF FARMINGTON
A Municipal Corporation

AVIS BUDGET CAR RENTAL GROUP,
INC.

By: _____
Title: Mayor

By: _____
Duly Authorized Signature

Date: _____

By: _____
(Printed Name)

(SEAL)
ATTEST:

City Clerk

Title: _____

Date: _____

Date: _____

APPROVED AS TO FORM:

Kristi Benson

Chief Procurement Officer

Date: *6-1-16*

Julia Bavin

Department Head

Date: *5/23/16 5/31/16*

Samuel Ford

Legal Department Approved to Form

Date: *5/31/2016*

Signer has read the document and affirms that it is true and complete and accurately represents the agreement of the parties.

NOTARY PUBLIC SIGNATURE
(REQUIRED)

State of New Mexico
County of San Juan

(SEAL) Signature of notarial officer
My commission expires:

RENTAL VEHICLE CONCESSION AGREEMENT
SECOND AMENDMENT
#14-101579 B

This Second Amendment to the Rental Vehicle Concession Agreement is made and entered into this 1st day of July, 2016 between the City of Farmington, a municipal corporation in San Juan County, New Mexico ("CITY"), and Hertz System Licensee, ("Operator")

The Rental Vehicle Concession Agreement dated February 1, 2014, between the City and Operator is amended to read as follows:

The City Council of the City of Farmington, on September 22, 2015, approved the amendment to the Rental Vehicle Concession Agreement dated February 1, 2014, between the City and Operator is amended to read as follows:

ARTICLE 3, Page 5

3.04 Rental Payment: City and Operator agree to temporarily reduce the Minimum Monthly Guarantee rent as follows: ~~\$2,500~~ **\$1,250** monthly, or; Ten percent (10%) of Operators Gross Revenues, **if gross revenue is \$25,000 or greater.**

3.05 Monthly – One twelfth (1/12th) of the annual Base Rent (~~\$2,500~~ **\$1,250/month**), or a payment of Percentage of Gross Revenue as described above. ...

City and Operator agree to reevaluate this reduction on **June 30, 2017.**

The City and Operator agree that the Agreement is herein modified only as to the change(s) stated above. The remaining provisions of such Agreement shall remain unchanged.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed on their behalves by their duly authorized representatives as of the date set forth above.

CITY OF FARMINGTON
A Municipal Corporation

By: _____
Title: Mayor

Date: _____

(SEAL)
ATTEST:

City Clerk

Date: _____

HERTZ SYSTEM LICENSEE

By: _____
Duly Authorized Signature

By: _____
(Printed Name)

Title: _____

Date: _____

APPROVED AS TO FORM:

Kristi Benson

Chief Procurement Officer

Date: 6-1-16

Julia Brim

Department Head

Date: 5/23/16 5/31/16

Russel Aford

Legal Department Approved to Form

Date: 5/31/16

Signer has read the document and affirms that it is true and complete and accurately represents the agreement of the parties.

NOTARY PUBLIC SIGNATURE
(REQUIRED)

State of New Mexico
County of San Juan

(SEAL) Signature of notarial officer
My commission expires:

RENTAL VEHICLE CONCESSION AGREEMENT
SECOND AMENDMENT
#14-101579 C

This Second Amendment to the Rental Vehicle Concession Agreement is made and entered into this 1st day of July, 2016 between the City of Farmington, a municipal corporation in San Juan County, New Mexico ("CITY"), and EAN Holdings, LLC, a Delaware limited liability company, ("Operator").

The Rental Vehicle Concession Agreement dated February 1, 2014, between the City and Operator is amended to read as follows:

The City Council of the City of Farmington, on September 22, 2015, approved the amendment to the Rental Vehicle Concession Agreement dated February 1, 2014, between the City and Operator is amended to read as follows:

ARTICLE 3, Page 5

3.04 Rental Payment: City and Operator agree to temporarily reduce the Minimum Monthly Guarantee rent as follows: ~~\$2,500~~ **\$1,250** monthly, or; Ten percent (10%) of Operators Gross Revenues, **if gross revenue is \$25,000 or greater.**

3.05 Monthly – One twelfth (1/12th) of the annual Base Rent (~~\$2,500~~ **\$1,250/month**), or a payment of Percentage of Gross Revenue as described above. ...

City and Operator agree to reevaluate this reduction on **June 30, 2017.**

The City and Operator agree that the Agreement is herein modified only as to the change(s) stated above. The remaining provisions of such Agreement shall remain unchanged.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed on their behalves by their duly authorized representatives as of the date set forth above.

CITY OF FARMINGTON
A Municipal Corporation

EAN HOLDINGS, LLC
A Delaware limited liability company

By: _____
Title: Mayor

By: _____
Duly Authorized Signature

Date: _____

By: _____
(Printed Name)

(SEAL)
ATTEST:

City Clerk

Title: _____

Date: _____

Date: _____

APPROVED AS TO FORM:

Krist Benson

Chief Procurement Officer

Date:

6-1-16

Department Head

Date:

5/23/16 5/31/16

Legal Department Approved to Form

Date:

5/31/16

Signer has read the document and affirms that it is true and complete and accurately represents the agreement of the parties.

NOTARY PUBLIC SIGNATURE
(REQUIRED)

State of New Mexico
County of San Juan

(SEAL) Signature of notarial officer
My commission expires:

RENTAL VEHICLE CONCESSION AGREEMENT
SECOND AMENDMENT
#14-101579 D

This Second Amendment to the Rental Vehicle Concession Agreement is made and entered into this 1st day of July 2016 between the City of Farmington, a municipal corporation in San Juan County, New Mexico ("CITY"), and Micar, Inc., an Independent Budget System Licensee, ("Operator").

The Rental Vehicle Concession Agreement dated February 1, 2014, between the City and Operator is amended to read as follows:

The City Council of the City of Farmington, on September 22, 2015, approved the amendment to the Rental Vehicle Concession Agreement dated February 1, 2014, between the City and Operator is amended to read as follows:

ARTICLE 3, Page 5

3.04 Rental Payment: City and Operator agree to temporarily reduce the Minimum Monthly Guarantee rent as follows: ~~\$2,500~~ **\$1,250** monthly, or; Ten percent (10%) of Operators Gross Revenues, **if gross revenue is \$25,000 or greater**.

3.05 Monthly – One twelfth (1/12th) of the annual Base Rent (~~\$2,500~~ **\$1,250/month**), or a payment of Percentage of Gross Revenue as described above. ...

City and Operator agree to reevaluate this reduction on June 30, 2017.

The City and Operator agree that the Agreement is herein modified only as to the change(s) stated above. The remaining provisions of such Agreement shall remain unchanged.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed on their behalves by their duly authorized representatives as of the date set forth above.

CITY OF FARMINGTON
A Municipal Corporation

MICAR, INC.
An Independent Budget System Licensee

By: _____
Title: Mayor

By: _____
Duly Authorized Signature

Date: _____

By: _____
(Printed Name)

(SEAL)
ATTEST:

City Clerk

Title: _____

Date: _____

Date: _____

APPROVED AS TO FORM:

Kristi Benson

Chief Procurement Officer

Date: *6-1-16*

Julie Bani

Department Head

Date: *5/23/16 5/31/16*

Nancy Howard

Legal Department Approved to Form

Date: *5/31/16*

Signer has read the document and affirms that it is true and complete and accurately represents the agreement of the parties.

NOTARY PUBLIC SIGNATURE (REQUIRED)

State of New Mexico
County of San Juan

(SEAL) Signature of notarial officer
My commission expires:

- * **Adoption** of the Planning and Zoning Commission Action as contained within the Community Development Petition Report and **approval** of SUP 16-30, a request from the City of Farmington, represented by Cory Styron, Director of Parks, Recreation and Cultural Affairs, for a Special Use Permit for a Private Day Care in the MF-M Multiple Family Medium Density Residential District, for property located at 4500 Wildflower Mesa Drive, subject to meeting all requirements of the building and fire codes. (Cindy Lopez)

Recommendation of approval by the Planning and Zoning Commission on May 26, 2016 which passed by a vote of 10-0.

- * **Adoption** of the Planning and Zoning Commission Action as contained within the Community Development Petition Report and **approval** of SUP 16-31, a request from Lance Myler for a Special Use Permit to allow a Family Care Unit to be constructed next to a primary residence for 1.04 acres, for property located at 7110 Driftwood Avenue with the following condition:

A drainage plan shall be prepared, stamped and sealed by a New Mexico Professional Engineer and submitted to the City of Farmington with the building permit application for review. The plan must consider onsite and offsite storm water. (Keith Neil)

Recommendation of approval by the Planning and Zoning Commission on May 26, 2016 which passed by a vote of 10-0.

**COMMUNITY DEVELOPMENT
ACTION SUMMARY**
**Petition SUP 16-30-Special Use Permit for a Day Care
at 4500 Wildflower Mesa Drive.**

A. STAFF REPORT, May 26, 2016

PROJECT INFORMATION

Applicant	City of Farmington
Representative	Cory Styron, Director of Parks, Recreation and Cultural Affairs
Date of Application	April 27, 2016
Requested Action	Approval of a special use permit to allow a day care in the MF-M Multiple Family Medium Density Residential District.
Location	4500 Wildflower Mesa Drive.
Existing Land Use	Vacant Building
Existing Zoning	MF-M Multiple Family Medium Density Residential District
Surrounding Zoning & Land Use	North, South, East & West: MF-M Multiple Family Medium Density Residential/ Vacant on north, west and east & School on south
Notice	Publication of Notice for public hearings of the Planning and Zoning Commission appeared in the Daily Times on Sunday May 8, 2016. Property owners within 100 feet were sent notice by certified mail on Wednesday, May 4, 2016 and a sign was posted on Friday, May 13, 2016.
Staff Planner	Cynthia Lopez, Senior Planner

STAFF ANALYSIS

Petition Description and History

The City of Farmington, represented by Cory Sytron, Director of Parks, Recreation and Cultural Affairs is requesting a special use permit to allow a day care for a vacant building of approximately 3,728 square feet located at 4500 Wildflower Mesa Drive in the MF-M Multiple Family Medium Density Residential District. The Gold Star Academy has been awarded a lease from the City of Farmington to run a day care in the building that will implement programming to meet the needs of infants and toddlers, early childhood, pre-kindergarten, youth, "teens", and enrolled high school students. Day care for toddler and pre-kindergarten care shall be provided, as well as, a licensed after-school program, summer programs & activities, and diverse cultural heritage programs.

Pursuant to Section 2.3 the Use Table of the UDC, a day care in the MF-M district requires approval of a special use permit. Section 2.4.16 of the UDC states that a day care may provide care for seven or more adults or children; that a site plan shall be approved and filed with the findings of fact as part of the approval of an SUP; day

cares are to comply with “all applicable state requirements for the location of such facilities and the minimum square feet of safe, outdoor recreation area and usable floor area for every person the day care facility is licensed to accommodate. No portion of such recreation area shall be located within the required front yard area of the property”; the outdoor area shall be screened; and, a landscaping hedge or fence shall be provided along any rear or side property line adjoining any residentially zoned property.

Special Use Permit Criteria - Section 8.9.4 of the UDC

Section 8.9.4 of the UDC sets forth the criteria for review of a special use permit. The section states that an SUP may be approved where it is reasonably determined that there will be no significant negative impact upon residents of surrounding property or upon the public. Criteria are listed as follows:

A. Effect on environment: The location, size, design, and operation characteristics of the proposed use shall not be detrimental to the health, welfare, and safety of the surrounding neighborhood or its occupants, not be substantially or permanently injurious to the neighboring property.

The property to the north, east and west of 4500 Wildflower Mesa Drive is vacant land. To the south are Mesa View Middle School and Esperanza Elementary School. The building at 4500 Wildflower Mesa is located on a 3 acre parcel of land. This building was previously used as a Community Center, which is a similar use to the day care. This use will not be detrimental to the health, welfare and safety of the surrounding neighborhood.

B. Compatible with surrounding area: The proposed site plan, circulation plan, and schematic architectural designs shall be harmonious with the character of the surrounding area with relationship to scale, height, landscaping and screening and density.

The building and parking lot are located back from Wildflower Mesa Drive sufficiently to be able to accommodate traffic circulation. The building and paved parking lot has access to Wildflower Mesa Drive through a paved driveway. There are thirteen parking spaces provided in the parking lot.

C. External impacts minimized: The proposed use shall not have negative impacts on existing uses in the area and in the city through the creation of noise, glare, fumes, dust, smoke, vibration, fire hazard, or other injurious or noxious impact. The applicant shall provide adequate mitigation responses to the impacts.

There are no negative impacts concerning noise, glare fumes, dust smoke, or vibration. The day care is located on a 3 acre parcel of land and surrounded on three sides by vacant land and on the south by schools which is a similar use.

D. Infrastructure impacts minimized: The proposed use shall not have negative impacts on existing uses in the area and in the city through impacts

on public infrastructure such as roads, parking facilities and water and sewer systems, and on public services such as police and fire protection and solid waste collection, and the ability of existing infrastructure and services to provide services adequately.

The proposed day care has been in operation for many years and is already supplied with water and sewer. The driveway and parking area are paved. The fire codes will need to be addressed during the remodel of the building to accommodate the day care use.

E. Consistent with the UDC and Comprehensive Plan: The proposed use will be consistent with purposes of this UDC, the Comprehensive Plan, and any other statutes, ordinances or policies that may be applicable, and will support rather than interfere with the uses otherwise permitted in the zone in which it is located.

The Comprehensive Plan calls for this area to be Residential Single-Family Suburban.

F. Parcel size: The proposed use may be required to have additional land area, in excess of the minimum lot area otherwise required by the underlying zoning district, as necessary to ensure adequate mitigation of impacts on surrounding land uses and the zoning district.

The parcel is 3 acres in size.

G. Site Plan: The proposed use shall be required to comply with the site plan review procedures and standards of Section 8.5, site plan review, as specified.

The building exists. An aerial map is provided showing the building and parking area.

ISSUES

Community Development Director: Mary Holton --505-599-1285

- The tenet plans to provide the “after-school” programming that was previously provided by the Crouch Mesa Community Center. It is a City program located adjacent to two schools and should be approved.

Chief Building Official: Derrick Childers-- 505-599-1305

- If the building is used for the care of children 2 ½ years or less the occupancy classification will be a Child Care Facility—Group I-4. This will require the building to have a Fire Suppression System, unless the rooms used for child care have a door from each room exiting directly to the exterior of the Building. This will allow the building to be classified as a Group E and will not require a Fire Suppression System.

Fire Department: David Douady-- 505-599-2361

- The maximum number of children 2 ½ years of age that can receive care for less than 24 hours in this facility is five (5). In addition only rooms with an exit directly to the exterior of the building shall be utilized to provide care for them. The codes allow for up to 100 children meeting the 2 ½ years of age or less, provided there is an exit directly from every space providing care for them; however, this exception shall apply to the entire facility and currently does not

meet that requirement. This building does not have exits directly to the exterior of the building from all spaces housing children. If the facility wishes to provide care for more than five (5) children of this age, additional exiting directly to the exterior must be installed from all spaces that could provide care for children.

STAFF CONCLUSION

Staff concludes approval of SUP 16-30 is appropriate. The building proposed for the day care is on a 3 acre parcel of land that is surrounded by vacant land on the north, east and west and two schools to the south. The building was previously used as a community center that provided for “after-school activities”. Therefore, there should not be any adverse effects on the surrounding area.

STAFF RECOMMENDATION

The Community Development Department recommends approval of Petition SUP 16-30, a request from the City of Farmington, represented by Cory Styron, for a special use permit for a day care located at 4500 Wildflower Mesa Drive, in the MF-M Multiple Family Medium Density Residential District subject to meeting all requirements of the building and fire codes.

B. FINDINGS OF THE PLANNING AND ZONING COMMISSION

The Planning and Zoning Commission held a public hearing on January 10, 2013 and made the following findings:

1. The petitioner for SUP 16-30 is the City of Farmington, represented by Cory Styron, Director of Parks, Recreation and Cultural Affairs.
2. The petitioner is requesting a Special Use Permit for a day care in the MF-M Multiple Family Medium Density Residential District. The Gold Star Academy was granted an RFP by Parks, Recreation and Cultural Affairs to run a day care, after-school program, summer programs & activities and diverse cultural heritage programs at this location.
3. The property is located at 4500 Wildflower Mesa Drive on a 3 acre parcel of land. There is an existing building of approximately 3,728 square feet. Previously the building housed a Community Center.
4. The use meets the criteria for a Special Use Permit as required by Section 8.9.4 of the Unified Development Code.
5. The day care is required to meet all building and fire codes and to comply with New Mexico statutes for day cares.
6. The petitioner’s representative was present at the hearing and spoke in favor of the request. The Gold Star Academy representative was present and spoke in favor of the request. There was no one present who was opposed to the request.

Planning & Zoning Commission Discussion of Petition SUP 16-30 on May 26, 2016

Senior Planner Cindy Lopez presented the staff report for SUP 16-30, a request from the City of Farmington, represented by Cory Styron, Director of Parks, Recreation and Cultural Affairs (PRCA), for a Special Use Permit for a Private Day Care in the MF-M Multiple Family Medium Density Residential District for property located at 4500 Wildflower Drive.

The property is owned by the City of Farmington PRCA. The Gold Star Academy has been awarded a lease from the City of Farmington to run a day care in the building for toddler and pre-kindergarten care, as well as, a licensed after-school program and summer programs.

Ms. Lopez stated that the properties to the north, east and west of 4500 Wildflower Mesa Drive are vacant land. To the south are Mesa View Middle School and Esperanza Elementary School. The building at 4500 Wildflower Mesa is located on a 3 acre parcel of land. This building was previously used as a Community Center. The building and parking lot are located back from Wildflower Mesa Drive enough to accommodate traffic.

Staff concludes approval of SUP 16-30 is appropriate.

Cory Styron, PRCA Director with the City of Farmington, 901 Fairgrounds Road, informed the Commissioners that the building had originally been called Halvorson House and was a half-way house for the County. It was built as a large residential house, which makes it difficult to monitor children in multiple rooms. In 2014, discussion began on using the structure as a day care for 3 year olds and older. Children below 3 years of age present fire and management challenges.

Barbara Tedrow of 3101 McColm Drive and owner of Gold Star Academy stated that she is expanding her day care services to that area of Farmington. Ms. Tedrow stated that she will be instituting a pilot phase of a New Mexico Pre-K program for 3 year olds and wished to serve 3 year olds and after school programs.

Planning & Zoning Commission Action of Petition SUP 16-30 on May 26, 2016

A motion was made by Commissioner Waldroup and seconded by Commissioner Washburn to **approve** Petition SUP 16-30, a request from the City of Farmington, represented by Cory Styron, for a special use permit for a day care located at 4500 Wildflower Mesa Drive, in the MF-M Multiple Family Medium Density Residential District subject to meeting all requirements of the building and fire codes.

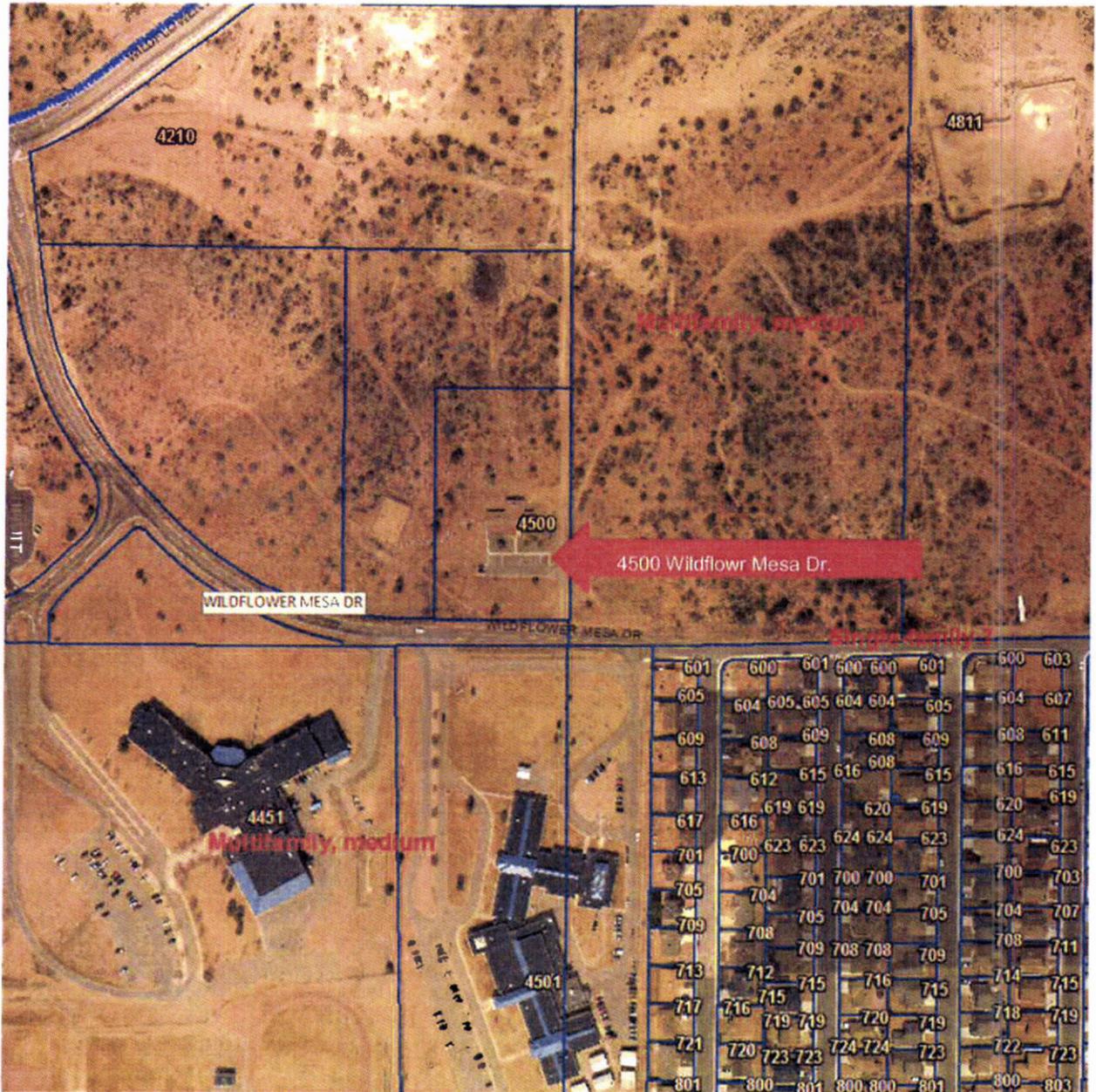
AYE: Chair Cardon, Commissioners Brown, Davis, Freeman, Jaques, Langenfeld, Ragsdale, Thompson, Waldroup and Washburn.

NAY: None

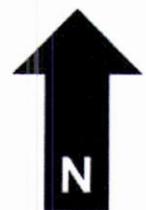
Abstained: None

Absent: None

Motion Passed 10-0



SUP 16-30 Private Day Care - 4500 Wildflower Mesa Drive





Site Plan- 4500 Wildflower Mesa Drive

PLANNING MEMO COMMENTS SUMMARY

SUP 16-30 4715 WILDFLOWER MESA DR

Deadline: 5/4/16

City of Farmington Departments

CD	Director – Mary Holton	The tenant plans to provide the "after-school" programming that was previously provided by the Crouch Mesa Community Center. It was a City sponsored program located adjacent to two schools and should be approved.
CD	Addressing – Planning Division	
CD	Chief Building Official – Derrick Childers	5/3/16-Building Inspection has the following comment on SUP 16-30 4500 Wildflower Mesa Drive. If the building is used for the care of children 2 1/2 years or less the occupancy classification will be a Child Care Facility Group I-4. This will require the building to have a Fire Suppression System, unless the rooms used for child care have a door from each room exiting directly to the exterior of the building. This will allow the building to be classified as a Group E and will not require a Fire Suppression System.
CD	Long Range Planner	
CD	MPO – Duane Wakan	
CD	Oil & Gas Inspector – Leona Simms	
CITY	City Manager's Office – Julie Baird	No comments from City Manager Office on SP 16-30 thanks Julie
ELEC	Customer Care Manager – Nicki Parks	No comment
ELEC	Electrical Engineering - Luwil Aligarbes	No comment
ELEC	T & D	
FIRE	Fire Marshall –Brandy Vega	This project has changed significantly from the initial use. The plans reviewed and accepted are for an after school program. The change to a day-care facility changes the use classification of the building and may require changes to the building. Brandy Vega
FIRE	Captain-David Doudy	The maximum number of children 2 ½ years of age that can receive care for less than 24 hours in this facility is five (5). In addition only rooms with an exit directly to the exterior of the building shall be utilized to provide care for them. The codes allow for up to 100 children meeting the 2 ½ years of age or less, provided there is an exit directly from every space providing care for them; however, this exception shall apply to the entire facility and currently does not meet that requirement. This building does not have exits directly to the exterior of the building from all spaces housing children. If the facility wishes to provide care for more than five (5) children of this age, additional exiting directly to the exterior must be installed from ALL spaces that could provide care for children
LEGAL	City Attorney – Jennifer Breakell	

LEGAL	Deputy City Attorney-Russel Frost	Legal has no objections to the petition, with stipulation that building meets all building, occupancy, and fire codes for a day care serving "infants and toddlers, early childhood, pre-kindergarten, youth, "teens", and enrolled high school students".
POLICE	Code Compliance – Todd Johnston	
POLICE	Sergeant Flores	
PRCA	Cory Styron	
PW	City Engineer- Nica Westerling	No engineering issues identified.
PW	Engineering – Toni Sitta	No comment
PW	Streets Superintendent – Jim Couch	
PW	Traffic Engineer– Charles Trask	
PW	Water/Waste Water – Manuel Tso	No comment

Other Entities

New Mexico Gas Company-Ronnie Owens	
CenturyLink-Diane Willatto	No comment
Enterprise Field Services	
Comcast Cable-Mark Johnson	
CH2MHILL OMI-Ron Rosen	
Williams Field Services	
Farmington School District-Cindy Lyons	

PETITION APPLICATION



Incomplete applications
may not be accepted.

Return completed
application to:

Planning Division
Community Development Department
City of Farmington
800 Municipal Drive
Farmington, NM 87401 (505) 599-1317

PROJECT TYPE (Check Those Applicable)

- Annexation / Zoning
- Preliminary Plat
- Final Plan

- Summary Plat
- Special Use Permit
- Variance (ARB)

- Zone Change to
 - Temporary Use Permit
- Proposed Length of Use:
- Well site equipment modification

INFORMATION

Applicant's Name: C.O.F. PRCA	Project Location: 4500 Wildflower Mesa Dr.
Address: 800 Municipal Dr.	Existing Use: Community Center
E-Mail: cstyron@fntn.org	Proposed Use: Private Day Care
Telephone: 599-1402	Current Zoning: UF-M
Relationship to Property Owner:	Assessor's Parcel I.D. and/or Tax I.D. Number: 207.3171023296

Legal Description of Subject Property: Esperanza Subd. Replat 'A' Lot 2A

Is Property subject to deed restrictions, covenants, or homeowners' association agreements? Yes No *NO*
If Yes, please provide copy with application.

REPRESENTATIVE / CONTACT PERSON (if other than applicant)

Name: Cory Styron	E-Mail: cstyron@fntn.org
Phone: 599-1402	Address:

OWNERSHIP

PROPERTY OWNER (Identify General Partners, Managing Partner, Corporation President and Secretary. Specify type of ownership interest: Fee, Real Estate Contract, Option to Purchase)		MORTGAGE HOLDERS (If any)	
Name:	Phone:	Name:	Phone:
Address:		Address:	

OWNER CERTIFICATION: I certify that I am an owner and the information and exhibits herewith are true and correct to the best of my knowledge in filing this application. I am acting with the knowledge and consent of all persons in interest and understand that without the consent of all persons in interest the requested action cannot lawfully be accomplished. I give my permission for authorized officials of the City of Farmington or Planning and Zoning Commission to enter the premises described in this application. I understand applications will generally be reviewed by City Council at their first regular session following the P&Z review.

Owner's Signature: *[Signature]*

****** STAFF USE ONLY ******

Received By *Cindy*

Date *4/27/16* Fee Received *[initials]*

Project File No. *SUP 16-30 Wildflower Mesa*

Date of Hearing/Meeting: *May 26 P&Z - June 12 CC*

- Site Plan
- Ownership List (subject and surrounding properties)
- Legal Description
- Project Description

City of Farmington

Walker, Karen <kwalker@fmntn.org>

P&Z Notice of Hearing

fmn-far-legals <far-legals@daily-times.com>
 To: "Walker, Karen" <kwalker@fmntn.org>

Wed, May 4, 2016 at 4:41 PM

Karen,

We are having technical difficulties and I am unable to receive scans at the moment. I have pasted a snip-it of your ad. I have only charged you for one affidavit. Does this work?

Advertiser CITY OF FM (LEGAL ADS)		Agency CITY OF FM (LEGAL ADS)		Pricing \$107.63	
Account # 47657	Phone #1 505-599-1101	Account # 47657	Phone #1 505-599-1101	Total Due \$107.63	

Ad Order # 0001113991	Order Status Ready	Current Queue Ready	Ordered By Karen Walker	Sold By Gonzalez, M
Order Credit Status Credit Status OK	Ad Type CLS Legal liner	Color <NONE>	Width 2	Depth 84 Li

Number	Type	Cost	Ad Sub Type	Color	Width	Depth	Split
0001113991-01	CLS Leg...	\$100...		<NONE>	2.00col	84 Li	

Product	Placement/...	Position	Start	End	In...	Cost	Ad Number
FM Daily...	Legal	0152-Legal Noti...	5/8/2016	5/8/2016	1	\$92...	000111399...
FM Online	Legal	0152-Legal Noti...	5/8/2016	5/8/2016	1	\$8.07	000111399...

Customer Note(s)
 9/22/14 DO NOT APPLY ANY UNAPPLIED MONIES UNTIL YOU TALK TO MELISSA GONZALES FIRST ALLOW ACCT TO RUN MARLENE AND DEBBIE OF CITY OF FM LEGALS ARE WORKING ON PAST BALANCE - MAY BE MISAPPLIED PAYMENTS W/ OTHER ACCTS -MARLENE BELIEVES THEY DO NOT DWE -RL

Package
 <NONE>

Sales Prompts/Reminders
 6 Orders Today totalling \$609.45
 27 Orders Current Period totalling \$2,673.29

5/4/2016-0001113991-01-1

**P&Z PLANNING & ZONING COMMISSION
 NOTICE OF PUBLIC HEARING**

Notice is hereby given that the following applications have been filed with the Planning and Zoning Commission of the City of Farmington, New Mexico:

Petition No. SUP 16-30 - a request from the City of Farmington, represented by Cory Styron, Director of Parks, Recreation and Cultural Affairs, for a Special Use Permit for a Private Day Care in the MF-M Multiple Family Medium Density Residential District for property located at 4500 Wildflower Mesa Drive, in the City of Farmington, San Juan County, New Mexico, as described below:

LEGAL DESCRIPTION
 Esperanza Subdivision, Replat A, Lot 2A
 Otherwise known as
 4500 Wildflower Mesa Drive

Petition No. SUP 16-31 - a request from Lance Myler for a Special Use Permit to allow a Family Care Unit to be constructed next to a primary residence for property located at 7100 Driftwood Avenue, in the City of Farmington, San Juan County, New Mexico, as described below:

LEGAL DESCRIPTION
 Ridgeview Subdivision Number Two,
 Block 1, Lot 11.
 Otherwise known as 7100 Driftwood Avenue

Pursuant to the provisions of Section 3-21-6, New Mexico Statutes Annotated, 1978 Compilation, notice is hereby given that this petition will be considered at the regularly scheduled Public Hearing of the Planning and Zoning Commission of the City of Farmington on **Thursday, May 26, 2016 at 3:00 p.m.** in the City Council Chambers at City Hall, 800 Municipal Drive, Farmington, New Mexico. If forwarded by the Commission, this petition will be considered by the City Council on **Tuesday, June 14, 2016 at 6:00 p.m.** in the City Council Chambers. All interested individuals are invited to attend the hearing and shall have an opportunity to be heard with respect to the subject Petitions.

Karen Walker
 Administrative Assistant

Local No. 72677 published in The Daily Times on May 8, 2016.

Thank you,
Melissa Blakesley
 Legal Clerk/Classifieds
 Direct Line: 505-564-4566
 Fax: 505-564-4567
 megonzalez@daily-times.com

**NOTICE OF PUBLIC HEARING
SPECIAL USE PERMIT
PETITION NO. SUP 16-30**

May 4, 2016

Dear Property Owner:

Notice is hereby given that an application has been filed with the Planning and Zoning Commission of the City of Farmington, New Mexico, a request from the City of Farmington, represented by Cory Styron, Director of Parks, Recreation and Cultural Affairs, for a Special Use Permit for a Private Day Care in the MF-M Multiple Family Medium Density Residential District, for property located at 4500 Wildflower Mesa Drive, in the City of Farmington, San Juan County, New Mexico, as described below:

LEGAL DESCRIPTION

Esperanza Subdivision, Replat A, Lot 2A

Otherwise known as 4500 Wildflower Mesa Drive

Pursuant to the provisions of Section 3-21-6, New Mexico Statutes Annotated, 1978 Compilation, notice is hereby given that the petition will be heard in a public hearing by the Planning and Zoning Commission of the City of Farmington on **Thursday, May 26, 2016 at 3:00 p.m.** in the City Council Chambers at City Hall, 800 Municipal Drive, Farmington, New Mexico. If forwarded by the Commission, this item will be reviewed by the City Council on **Tuesday, June 14, 2016 at 6:00 p.m.** in the City Council Chambers. All persons shall have an opportunity to be heard why said application should be granted or denied. All persons in interest and citizens are invited to attend said hearing.

You are receiving this letter because you may own property within 100 feet (excluding public right-of-way) of the proposed change. You are invited to attend the hearings noted above or submit written comments prior to the meeting to the Planning Division -- Community Development Department at 800 Municipal Drive, Farmington, New Mexico 87401. Please be advised that this petition could be cancelled or withdrawn prior to the meeting date.

If you have any questions regarding this notice, or would like additional information regarding this petition, please contact Cindy Lopez at 505-599-1448 or clopez@fmtn.org.

Sincerely,



Karen Walker
Administrative Assistant

4500 Wildflower Mesa Dr. - Day Care

San Juan County

100 S. Oliver Dr.

Aztec, NM 87410

Patrick B. English

15648 CO RD. 250

Durango, CO 81301-8695

Farmington School District No. 5

P.O. Box 5850

Farmington, NM 87499

Jose Hernandez

P.O. Box 774

Farmington, NM 87499

**COMMUNITY DEVELOPMENT
 ACTION SUMMARY**
**Petition SUP 16-31 Special Use Permit allowing a detached Family Care
 Unit (Mother-in-law Quarters) at 7110 Driftwood Ave.**

A. STAFF REPORT, May 17, 2016

PROJECT INFORMATION

Applicant	Lance Myler
Representative	Same
Date of Application	April 29, 2016
Requested Action	Approval of a special use permit to allow a detached Family Care Unit in the RE-1 Residential Estate 1 Acre zoning district.
Location	7110 Driftwood Ave.
Existing Land Use	Residential
Existing Zoning	RE-1 Residential Estate 1 Acre
Surrounding Zoning & Land Use	North, South, East & West: RE-1 Residential Estate, Residential
Notice	Publication of Notice for public hearings of the Planning and Zoning Commission appeared in the Daily Times on Sunday May 15, 2016. Property owners within 100 feet were sent notice by certified mail on Wednesday May 4, 2016 and a sign was posted on Friday, May 13, 2016.
Staff Planner	Keith M. Neil, Associate Planner

STAFF ANALYSIS

Petition Description and History

The petitioner requests a special use permit to allow a detached Family Care Unit to be located at 7110 Driftwood Ave.

Pursuant to Section 2.5.7 of the UDC, detached family care units are permitted when it is determined by the City Council that it is impractical to attach the unit to the principal building due to special conditions on the petitioner's property, including but not limited to the location or design of existing structures, the restriction of setbacks, of the size or shape of the lot. The floor area of the detached unit shall not exceed 500 square feet and must meet the required height and setback requirements of the principal structure with a minimum side yard of at least 5 feet and minimum separation from the principal structure of 10 feet.

This section also states that as an accessory to a single-family dwelling a maximum of one family care unit may be permitted on a lot with a single-family dwelling in a

residential zoning district. Both the single-family dwelling and the family care unit shall remain under single ownership.

In terms of occupancy, both the principal structure and unit shall be occupied by one family, but no more than two persons may occupy the unit. At least one person living in the unit or in the principal structure shall be the owner of the property and at least one person shall be 55 years of age or older.

The UDC further states that the entrance to the unit shall not be directly from the front of the principal dwelling and all exterior modifications shall maintain the appearance of a single-family dwelling. The unit will also be required to have on additional off-street parking space behind the required front yard setback.

The proposed Family Care Unit will have a 24' x 24' two car garage approximately 576 square feet to meet the requirements for off-street parking. The Family Care Unit itself will have a living space, floor area of approximately 528 square feet. This exceeds the allowable 500 square feet but the proposed larger unit can be approved with this Special Use Permit.

The slope of the parcel required the leveling off of the front portion of the property for the construction of the principal dwelling. The rear of the property sits substantially lower than the principal dwelling and would require a substantial amount of fill dirt to bring the area up to grade for the construction of the Family Care Unit. The proposed area for construction to the north of the principal dwelling is currently flat serves as the best location for the unit.

The petitioner has stated that the roof lines of the principal dwelling do not accommodate the addition on the side of the house. Additionally the proposed unit would cover up the master bedroom windows. The proposed location will allow the petitioner to place the unit in such a position that will not divert attention from the principal dwelling.

The proposed unit will be constructed for the petitioner's mother-in-law who is currently 79 years of age and will be the sole inhabitant.

At such a time that the use is terminated, the petitioner has plans to remove the stove and replace it with a cabinet, whereby the use becoming a Guesthouse. According to the UDC Section 2.5.8, a distinguishing characteristic between a Guesthouse and a Family Care Unit is the inclusion of a natural gas stub or 220-volt wiring in the kitchen area of the Family Care Unit. A Guesthouse does not allow for a natural gas stub or 220-volt wiring in the kitchen area.

Special Use Permit Criteria - Section 8.9.4 of the UDC

Section 8.9.4 of the UDC sets forth the criteria for review of a special use permit. The section states that an SUP may be approved where it is reasonably determined that there will be no significant negative impact upon residents of surrounding property or upon the public. Criteria are listed as follows:

- A. Effect on environment: The location, size, design, and operation characteristics of the proposed use shall not be detrimental to the health, welfare, and safety of the surrounding neighborhood or its occupants, not be substantially or permanently injurious to the neighboring property.

The proposed use will not be detrimental to the surrounding properties. The Family Care Unit will meet all required setbacks and height restrictions as well as maintain the existing nature of the area.

- B. Compatible with surrounding area: The proposed site plan, circulation plan, and schematic architectural designs shall be harmonious with the character of the surrounding area with relationship to scale, height, landscaping and screening and density.

The site is in the RE-1 Residential Estate 1 Acre zoning district. The proposed Family Care Unit is allowed in the RE-1 residential district and is compatible with the surrounding area.

- C. External impacts minimized: The proposed use shall not have negative impacts on existing uses in the area and in the city through the creation of noise, glare, fumes, dust, smoke, vibration, fire hazard, or other injurious or noxious impact. The applicant shall provide adequate mitigation responses to the impacts.

There are no negative impacts concerning noise, glare fumes, dust smoke, or vibration. Pursuant to UDC 3.12, standards pertain but are not limited to building setbacks, building height, screening, dumpsters, and outdoor lighting.

- D. Infrastructure impacts minimized: The proposed use shall not have negative impacts on existing uses in the area and in the city through impacts on public infrastructure such as roads, parking facilities and water and sewer systems, and on public services such as police and fire protection and solid waste collection, and the ability of existing infrastructure and services to provide services adequately.

The proposed use will not have a negative impact of infrastructure. The Family Care Unit will be located in an area that is accessible to all protection services.

- E. Consistent with the UDC and Comprehensive Plan: The proposed use will be consistent with purposes of this UDC, the Comprehensive Plan, and any other statutes, ordinances or policies that may be applicable, and will support rather than interfere with the uses otherwise permitted in the zone in which it is located.

The Comprehensive Plan calls for this area to be residential. An SUP for a Family Care Unit in a residential district is consistent with the UDC and the Comprehensive Plan.

- F. Parcel size: The proposed use may be required to have additional land area, in excess of the minimum lot area otherwise required by the underlying zoning district, as necessary to ensure adequate mitigation of impacts on surrounding land uses and the zoning district.

N/A

- G. Site Plan: The proposed use shall be required to comply with the site plan review procedures and standards of Section 8.5, site plan review, as specified.

A conceptual site plan was provided to the Building Division of Community Development.

Engineering: Toni Sitta- 599-1399

- All Improvements must have positive drainage away from the house to the street, and finished floor elevation must be a minimum of 18" above the flow line of the gutter measured at the center of the lot. If curb and gutter are absent flow line is at the edge of roadway measured at the center of the lot. (Construction Standard No D-612)
- If the above conditions cannot be met, then a drainage plan shall be prepared, stamped and sealed by a New Mexico Professional Engineer and submitted to the City with the building permit application for review. The plan must consider onsite and offsite storm water.

STAFF CONCLUSION

Staff concludes approval of SUP 16-31 is appropriate with the mitigating of drainage concerns presented by staff.

STAFF RECOMMENDATION

The Community Development Department recommends approval of Petition SUP 16-31, a request from Lance Myler for a special use permit to allow a detached Family Care Unit 7110 Driftwood Ave., in the RE-1 Residential Estate 1 Acre zoning district subject to the following condition:

- A. A drainage plan shall be prepared, stamped and sealed by a New Mexico Professional Engineer and submitted to the City of Farmington with the building permit application for review. The plan must consider onsite and offsite storm water.

FINDINGS OF THE PLANNING AND ZONING COMMISSION

On May 26, 2016, the Planning and Zoning commission held a public meeting for SUP 16-31 and made the following findings:

1. The petitioner is Lance Myler who is the property owner of a residence at 7110 Driftwood Ave. in the RE-1 Residential Estate 1 Acre District.
2. The petitioner is requesting a Special Use Permit for a detached Family Care Unit to be located to the north of the principal structure.

3. The petitioner is requesting an additional 28 square feet of living space over the allowable 500 square feet and is constructing a 576 square foot garage for off-street parking.
4. The petitioner's mother-in-law, who is 79 years old, will be occupying the family care unit.
5. The use is compatible with the scale, building size and intensity of land use with the surrounding area. It will not create excessive additional traffic and it will not generate noise, smoke, or other environmental pollutants that are foreign to the neighborhood.
6. At such time that the use is no longer necessary, the petitioner will remove the stove and replace it with a cabinet to meet the requirements for a guesthouse.

Planning and Zoning Commission Discussion of Petition SUP 16-31 on May 26, 2016

Associate Planner Keith Neil presented the staff report for SUP 16-31, a request from Lance Myler to allow a detached family care unit (Mother-in-law quarters), for property located at 7110 Driftwood Avenue.

According to the Unified Development Code (UDC), explained Mr. Neil, detached family care units are permitted when it is determined by the Planning & Zoning Commission and the City Council that it is not practical to attach the unit to the principal building due to special conditions to the lot or to the principal structure. The lot has grading issues toward the rear that would require extensive dirt work, and the principal structure's master bedroom faces the north side of the house which makes it impractical to attach the family care unit.

According to the UDC, the floor area of the detached unit shall not exceed 500 square feet. The petitioner is asking for a 528 square foot unit. The additional square footage can be approved with this Special Use Permit. The unit will also have a minimum side yard of at least 5 feet and a minimum separation from the principal structure of 10 feet.

Mr. Neil stated that an accessory unit to a single-family dwelling must remain under single ownership. Both the principal structure and the accessory unit shall be occupied by one family, and no more than two persons may occupy the accessory unit. At least one person shall be 55 years of age or older. The proposed unit will be constructed for the petitioner's mother-in-law who is currently 79 years of age.

The UDC further states that the entrance to the unit shall not be directly from the front of the principal dwelling and all exterior modifications shall maintain the appearance of a single-family dwelling. The proposed unit will have a side entrance that faces the principal structure. The family care unit will also be required to have an additional off-street parking space behind the required front yard setback. The unit will have an attached 24' x 24' two car garage that is approximately 576 square feet to meet the requirements for off-street parking.

At such time that the use is no longer necessary, the petitioner has plans to remove the stove and replace it with a cabinet which will meet the requirement for a guesthouse.

The proposed family care unit will not negatively affect the neighborhood and is compatible with the UDC. Staff received one concern from a neighbor on the drainage of the lot. City Engineer, Toni Sitta, looked at the property and made recommendations.

Staff concludes approval is appropriate with the mitigating of drainage concerns.

Commissioner Thompson asked to have the difference between a guest house and a Family Care Unit explained. Mr. Neil said the only difference was that a guest house could not contain a kitchen stove. The reason for this is to try to prevent property owners from renting the units to people who are not part of the family. Mr. Thompson asked if the utilities could be separated. Mr. Neil said the utilities could not be separated.

Lance Myler of 7110 Driftwood, stated that the garage will be attached to the unit and the garage doors will face the front of the property. The primary entrance to the unit will be on the side of the unit. Mr. Myler stated that City staff have been very helpful. He felt this was the best option to have the ability to take care of his Mother-in-Law and still give her autonomy.

Mr. Thompson asked if there were covenants in the neighborhood. Mr. Myler said there were not any covenants and that there were several homes in the area with guest houses. Mr. Myler said he did not have any issues with the condition of a drainage plan by a New Mexico Professional Engineer.

Planning & Zoning Commission Action of Petition SUP 16-31 on May 26, 2016

A motion was made by Commissioner Freeman and seconded by Commissioner Davis to **approve** Petition SUP 16-31 a request from Lance Myler for a Special Use Permit to allow a Family Care Unit to be constructed next to a primary residence for 1.04 acres, for property located at 7110 Driftwood Avenue with the following condition:

- A drainage plan shall be prepared, stamped and sealed by the New Mexico Professional engineer and submitted to the City of Farmington with the building permit application for review. The plan must consider on-site and off-site storm water.

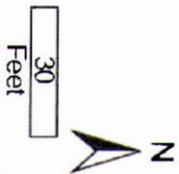
AYE: Chair Cardon, Commissioners Brown, Davis, Freeman, Jaquez, Langenfeld, Ragsdale, Thompson, Waldroup, and Washburn.

NAY: None

Abstained: None

Absent: None

Motion passed 10-0



**AREA UNDER CONSIDERATION
SUP 16-31 Driftwood**

**COMMUNITY
DEVELOPMENT
DEPARTMENT**

Date: 4/29/2016

materially changed and that the use will continue to comply with the conditions of this section and original special use permit. It is the responsibility of the owner of the property to apply to the director of the community development department for renewal of the special use permit six months prior to the end of the five-year period. If the renewal has not been granted prior to the end of the five-year period the owner will be required to re-submit an application for a special use permit in order to continue the apartment use.

2.5.5 Caretaker residences. Caretaker residences shall be allowed as an accessory use to a residential use provided that care is provided for not more than four children, including those who live in the residence.

2.5.6 Day care, home-based. Home-based day care facilities shall be allowed as an accessory use to a residential use provided care is provided for not more than four children, including those who live in the residence.

2.5.7 Family care units. Family care units may be allowed as an accessory to a single-family dwelling by special use permit, subject to the standards of this section.

- A. *Accessory to single-family dwelling.* A maximum of one family care unit may be permitted on a lot with a single-family dwelling in a residential zoning district. Both the single-family dwelling and the family care unit shall remain under single ownership.
- B. *Occupancy.* The principal dwelling and the family care unit together shall be occupied by one family, as defined in section 11.1, but no more than two persons may occupy the family care unit. In addition, at least one person living in either the principal dwelling or family care unit shall be an owner of the property and at least one person shall be 55 years of age or older or, regardless of age, a totally disabled person in accordance with the standards of disability established by the Social Security Administration.
- C. *Attached unit standards.* Family care units attached to or part of the principal building shall conform to the minimum height and setback requirements for the principal building. The floor area of an attached unit shall not exceed 30 percent of the floor of the principal dwelling up to a maximum of 700 square feet.
- D. *Detached unit standards.* Family care units may be detached from the principal building only when the city council finds that it is impractical to attach the unit to the principal building due to special conditions on the petitioner's property, including but not limited to the location or design of existing structures, the restriction of setbacks, or the size or shape of the lot.
 - (1) The floor area for a detached unit shall in no case exceed 500 square feet.
 - (2) Detached units shall conform to the minimum height and setback requirements for the principal building; provided, however, that where such units are separated at least ten feet from the principal structure, they may be constructed in a rear yard subject to the standards of subsection 2.8.3C(4)c.
 - (3) Notwithstanding other provisions to the contrary, the minimum side yard shall be at least five feet.
- E. *Exterior modifications.* The entrance to the family care unit shall not be directly from the exterior of the front of the principal dwelling, and any exterior modifications shall maintain the appearance of a single-family dwelling.
- F. *Parking.* In addition to the parking spaces required for the principal dwelling, one additional off-street parking space shall be provided behind the required front yard setback.
- G. *Approval period.* Such use may be approved for a period of up to five years. Such permit may be renewed administratively by the director for successive five-year periods upon making a

determination that the conditions existing at the time of issuance of the original permit have not materially changed and that the use will continue to comply with the conditions of this section and the original special use permit.

- H. *Appeal.* Any person aggrieved by an administrative decision made pursuant to this paragraph may appeal to the ARB as provided in section 8.15, appeals of administrative decisions.
- I. *Conversion.* The family care unit shall be converted into an integral part of the single-family

approved time period, whichever is earlier. A plan showing the specific physical modifications which will be made to the property upon the termination of the use shall be submitted with the application for the special use permit.

2.5.8 Guesthouses. Guesthouses (a maximum of one) may be allowed as an accessory use to single-family dwellings, subject to compliance with the standards of this section.

- A. *General.* All guesthouses shall comply with the standards of this subsection.
 - (1) Guesthouses may be utilized by guests and persons employed on-site by the resident family of the principal dwelling, and may not be rented or sold separately from the principal dwelling unit.
 - (2) Notwithstanding other provisions to the contrary, guesthouses:
 - a. Shall comply with the setback standards applicable to the primary dwelling; and
 - b. May be built to the same height as otherwise allowed for the primary dwelling.
 - (3) Guesthouses and the primary dwelling shall share utilities. Separate utility meters shall not be allowed. Guesthouses shall not have a natural gas stub or 220-volt wiring in the kitchen area.
 - (4) One off-street parking space shall be required for each guesthouse, in addition to that otherwise required. Notwithstanding other provisions to the contrary, in all cases:
 - a. The additional required parking space shall be located on the same lot as the primary dwelling unit; and
 - b. Tandem parking shall be allowed.
 - (5) Guesthouses shall have an open floor plan where the kitchen is not a separate room.
- B. *Attached guesthouses.*
 - (1) Attached guesthouses may be allowed in all residential districts.
 - (2) Attached guesthouses must connect to the principal dwelling unit via an interior doorway.
- C. *Detached guesthouses.*
 - (1) Detached guesthouses may be allowed only in the RE-20, RE-1, RE-2 and RA districts.
 - (2) Detached guesthouses shall meet all development standards generally applicable to accessory buildings or structures, including but not limited to, minimum building setbacks and building height.

2.5.9 Home occupations. A home occupation shall be allowed as an accessory use to a residential dwelling and shall be subject to compliance with the standards of this section.

- A. The use is carried on entirely within the residence by persons living at the residence;
- B. The occupation is clearly incidental and secondary to the principal use of the residence;
- C. The use and all related activities shall occupy no more than 25 percent of the floor area of the

PLANNING MEMO COMMENTS SUMMARY

SUP 16-31 SUP 16-31 7110 DRIFTWOOD

Deadline: 5/12/16

City of Farmington Departments

CD	Director	Comments will be incorporated into the staff memo.
CD	Addressing – Planning Division	
CD	Chief Building Official	
CD	Long Range Planner	
CD	MPO	
CD	Oil & Gas Inspector	
CITY	City Manager's Office	Julie Baird-No Comment on the SUP 16-31
ELEC	Customer Care Manager	No comment
ELEC	Electrical Engineering	No comment
ELEC	T & D	
FIRE	Fire Marshall	
LEGAL	City Attorney	
LEGAL	Deputy City Attorney	
POLICE	Code Compliance	
POLICE	Sergeant	
PRCA	Director	
PW	City Engineer	No engineering issues for the special use. They will need to submit a drainage plan with the building permit.
PW	Engineering	No comment Drainage Issue: All Improvements must have positive drainage away from the house to the street, and finished floor elevation must be a minimum of 18" above the flow line of the gutter measured at the center of the lot. If curb and gutter are absent flow line is at the edge of roadway measured at the center of the lot. (Construction Standard No D-612) If the above conditions cannot be met, then a drainage plan shall be prepared, stamped and sealed by a New Mexico Professional Engineer and submitted to the City with the building permit application for review. The plan must consider onsite and offsite stormwater.
PW	Streets Superintendent	
PW	Traffic Engineer	



Neil, Keith <kneil@fmtn.org>

Family Care Unit Documentation

Monica Nagl <monica@stokerlaw.net>
To: "Neil, Keith" <kneil@fmtn.org>

Mon, May 9, 2016 at 10:09 AM

Keith,

Thank you for emailing the documents related to 7110 Driftwood. We do have concerns about the impact the proposed construction could have on drainage in the area. Our property (7105 Dellwood Court) is the lowest lying property in this section, and we have engineered drainage to avoid flooding. There is a wash which runs between our property and 7110 Driftwood. If the construction changes the water route, it could lead to flooding of our property.

Monica Nagl
monica@stokerlaw.net
(505) 326-0404

[Quoted text hidden]

[Quoted text hidden]

Notice: New Mexico law requires government agencies to disclose to the public, upon request, most written communications, including those in electronic form. Persons communicating with City officials or employees should expect that any communications could be released to the public and that this disclosure could include the email addresses of those communicating with City officials or employees.

PETITION APPLICATION



Incomplete applications
may not be accepted.

Return completed
application to:

Planning Division
Community Development Department
City of Farmington
800 Municipal Drive
Farmington, NM 87401 (505) 599-1317

PROJECT TYPE (Check Those Applicable)

- Annexation / Zoning
- Preliminary Plat
- Final Plan

- Summary Plat
- Special Use Permit
- Variance (ARB)

- Zone Change to
 - Temporary Use Permit
- Proposed Length of Use:**
- Well site equipment modification

INFORMATION

Applicant's Name: <u>Lance Myler</u>	Project Location: <u>7110 Driftwood</u>
Address: <u>7110 Driftwood Dr.</u>	Existing Use: <u>residential</u>
E-Mail: <u>myler.lance@gmail.com</u>	Proposed Use: <u>Family Care Unit</u>
Telephone: <u>(315) 244-2192</u>	Current Zoning: <u>RE-1</u>
Relationship to Property Owner: <u>self</u>	Assessor's Parcel I.D. and/or Tax I.D. Number: <u>R2000210</u>

Legal Description of Subject Property: Ridgeview SD #2 Block 1, Lot 11

Is Property subject to deed restrictions, covenants, or homeowners' association agreements? Yes

If Yes, please provide copy with application.

REPRESENTATIVE / CONTACT PERSON (if other than applicant)

Name:	E-Mail:
Phone:	Address:

OWNERSHIP

<p>PROPERTY OWNER (Identify General Partners, Managing Partner, Corporation President and Secretary. Specify type of ownership interest: Fee, Real Estate Contract, Option to Purchase)</p> <p>Name: <u>Candace C Myler</u> Phone: <u>315 869 9886</u></p> <p>Address: <u>same</u></p>	<p>MORTGAGE HOLDERS (If any)</p> <p>Name: <u>Wells Fargo</u> Phone: <u>800 222 0238</u></p> <p>Address: <u>Po Box 10335 Des Moines Iowa 50306</u></p>
---	--

OWNER CERTIFICATION: I certify that I am an owner and the information and exhibits herewith are true and correct to the best of my knowledge in filing this application. I am acting with the knowledge and consent of all persons in interest and understand that without the consent of all persons in interest the requested action cannot lawfully be accomplished. I give my permission for authorized officials of the City of Farmington or Planning and Zoning Commission to enter the premises described in this application. I understand applications will generally be reviewed by City Council at their first regular session following the P&Z review.

Owner's Signature: [Signature] Candace C Myler

*** STAFF USE ONLY ***

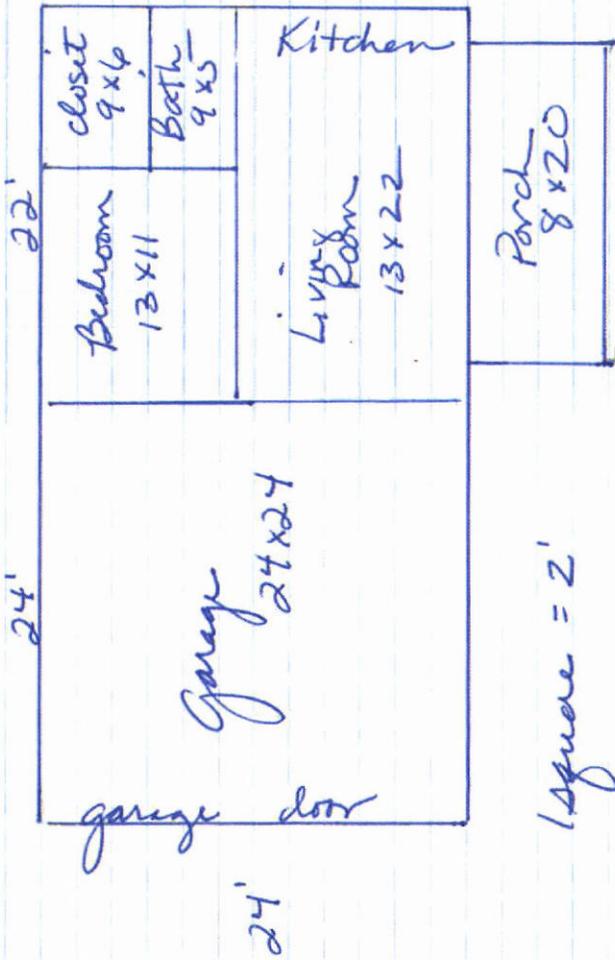
<p>Received By <u>KN</u></p> <p>Date <u>4/27/16</u> Fee Received</p> <p>Project File No. <u>SVA 16-31 7110 Driftwood</u></p> <p>Date of Hearing/Meeting:</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Site Plan <input type="checkbox"/> Ownership List (subject and surrounding properties) <input type="checkbox"/> Legal Description <input type="checkbox"/> Project Description
--	--

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A
N

Lance Myler 7110 Inftwood.

46'



528 ✓
Living Space
576 ✓
Garage

Lance Myler
7110 Driftwood
Farmington, 87402

Special Use Permit Project Description

The building 24'X46'(a detached unit) consists of

A two car garage, 24'x24'

A living space 24'x22' under code 2.5.7 Family Care Unit. We will retain ownership of the property. The space will be occupied by my mother-in-law (my wife's mother), who is 79 years old. We are building this now because, while my mother-in-law is in excellent physical health, her memory is becoming undependable. We are striving to provide her with maximum independence and adequate support in a sustainable situation.

We are requesting a detached unit because the roof lines of the principal residence do not accommodate an addition on the side of the house. Even without the roof line issues, there is only room for it on the north side of the house. If we were to attach it, we would block the windows in the master bedroom. By building a detached structure we can tuck the building into a location that will make it all but invisible from the front of the house.

The elevation facing the road will be a garage door, consistent with the garage doors already on the house. There will be an entrance to the living space from the garage, which will be the one most frequently used. There will also be a door to the outside that will face the patio at the rear of the principal residence.

The garage will meet the additional off-street parking requirement.

Upon termination of the special use, we will remove the stove and replace it with a cabinet. With this modification, it will meet the code for a guest house. .

**CORRECTION NOTICE FOR
P&Z PLANNING & ZONING COMMISSION
NOTICE OF PUBLIC HEARING**

The notice for Petition No. SUP 16-31 - a request from Lance Myler for a Special Use Permit to allow a Family Care Unit to be constructed next to a primary residence for property located at 7110 Driftwood Avenue, is incorrectly listed as 7100 Driftwood Avenue.

LEGAL DESCRIPTION

Ridgeview Subdivision Number Two, Block 1,
Lot 11.

Otherwise known as 7110 Driftwood Avenue

Pursuant to the provisions of Section 3-21-6, New Mexico Statutes Annotated, 1978 Compilation, notice is hereby given that this petition will be considered at the regularly scheduled Public Hearing of the Planning and Zoning Commission of the City of Farmington on Thursday, May 26, 2016 at 3:00 p.m. in the City Council Chambers at City Hall, 800 Municipal Drive, Farmington, New Mexico. If forwarded by the Commission, this petition will be considered by the City Council on Tuesday, June 14, 2016 at 6:00 p.m. in the City Council Chambers. All interested individuals are invited to attend the hearing and shall have an opportunity to be heard with respect to the subject Petitions.

Karen Walker
Administrative Assistant

Legal No. 72685 published in The Daily Times
on May 11, 2016.

**NOTICE OF PUBLIC HEARING
SPECIAL USE PERMIT
PETITION NO. SUP 16-31**

May 4, 2016

Dear Property Owner:

Notice is hereby given that an application has been filed with the Planning and Zoning Commission of the City of Farmington, New Mexico, a request from Lance Myler for a Special Use Permit to allow a Family Care Unit to be constructed next to a primary residence for 1.04 acres, for property located at 7100 Driftwood Avenue, in the City of Farmington, San Juan County, New Mexico, as described below:

LEGAL DESCRIPTION

Ridgeview Subdivision Number Two, Block 1, Lot 11.

Otherwise known as 7100 Driftwood Avenue

Pursuant to the provisions of Section 3-21-6, New Mexico Statutes Annotated, 1978 Compilation, notice is hereby given that the petition will be heard in a public hearing by the Planning and Zoning Commission of the City of Farmington on **Thursday, May 26, 2016 at 3:00 p.m.** in the City Council Chambers at City Hall, 800 Municipal Drive, Farmington, New Mexico. If forwarded by the Commission, this item will be reviewed by the City Council on **Tuesday June 14, 2016 at 6:00 p.m.** in the City Council Chambers. All persons shall have an opportunity to be heard why said application should be granted or denied. All persons in interest and citizens are invited to attend said hearing.

You are receiving this letter because you may own property within 100 feet (excluding public right-of-way) of the proposed change. You are invited to attend the hearings noted above or submit written comments prior to the meeting to the Planning Division -- Community Development Department at 800 Municipal Drive, Farmington, New Mexico 87401. Please be advised that this petition could be cancelled or withdrawn prior to the meeting date.

If you have any questions regarding this notice, or would like additional information regarding this petition, please contact Keith Neil at 505-599-1333 or kneil@fmtn.org.

Sincerely,



Karen Walker
Administrative Assistant

**NOTICE OF PUBLIC HEARING
SPECIAL USE PERMIT
PETITION NO. SUP 16-31**

May 9, 2016

Dear Property Owner:

NOTE: The previous notice listed the address for Special Use Permit 16-31 as 7100 Driftwood Avenue. The address for this petition is actually 7110 Driftwood Avenue.

Notice is hereby given that an application has been filed with the Planning and Zoning Commission of the City of Farmington, New Mexico, a request from Lance Myler for a Special Use Permit to allow a Family Care Unit to be constructed next to a primary residence for 1.04 acres, for property located at 7110 Driftwood Avenue, in the City of Farmington, San Juan County, New Mexico, as described below:

LEGAL DESCRIPTION

Ridgeview Subdivision Number Two, Block 1, Lot 11.

Otherwise known as 7110 Driftwood Avenue

Pursuant to the provisions of Section 3-21-6, New Mexico Statutes Annotated, 1978 Compilation, notice is hereby given that the petition will be heard in a public hearing by the Planning and Zoning Commission of the City of Farmington on Thursday, May 26, 2016 at 3:00 p.m. in the City Council Chambers at City Hall, 800 Municipal Drive, Farmington, New Mexico. If forwarded by the Commission, this item will be reviewed by the City Council on Tuesday June 14, 2016 at 6:00 p.m. in the City Council Chambers. All persons shall have an opportunity to be heard why said application should be granted or denied. All persons in interest and citizens are invited to attend said hearing.

You are receiving this letter because you may own property within 100 feet (excluding public right-of-way) of the proposed change. You are invited to attend the hearings noted above or submit written comments prior to the meeting to the Planning Division -- Community Development Department at 800 Municipal Drive, Farmington, New Mexico 87401. Please be advised that this petition could be cancelled or withdrawn prior to the meeting date.

If you have any questions regarding this notice, or would like additional information regarding this petition, please contact Keith Neil at 505-599-1333 or kneil@fmtn.org.

Sincerely,



Karen Walker
Administrative Assistant

GUARDIAN ABSTRACT & TITLE CO., INC.
221 NORTH AUBURN
FARMINGTON, NEW MEXICO 87401

PROPERTY OWNERS WITHIN 100 FEET, EXCLUDING ROADWAYS AND ALLEYS OF
 THE FOLLOWING DESCRIBED PROPERTY: **Ridgeview Subdivision Number Two**
Block 1, Lot 11

OWNER: Myler, Lance and Candace C.
 7110 Driftwood DR
 Farmington, NM 87402
 1530/446

<u>ADJOINING OWNER</u>	<u>ADDRESS</u>	<u>LEGAL DESCRIPTION</u>
Singleton, Lynette R. 1506/859	7120 Driftwood DR Farmington, NM 87402-1003	Ridgeview Subdivision Number Two Block 1 Lot 10
Grant, Keith R. and Karen J. 1463/917	7121 Dellwood CT Farmington, NM 87402-5045	Ridgeview Subdivision Number Three Block 1 Lot 3
Tull, Graham D. and Ginger T. 1482/127	7111 Dellwood CT Farmington, NM 87402	Ridgeview Subdivision Number Three Block 1 Lot 2
Stoker, Arlon L. and Nagl, Monica 1453/4	7105 Dellwood CT Farmington, NM 87402	Ridgeview Subdivision Number Three Block 1 Lot 1
City of Farmington 1291/810	800 Municipal DR Farmington, NM 87401-2663	Ridgeview Subdivision Number Three Tract A

Malone, Ryan and
Heather D.
1540/826

7100 Driftwood DR
Farmington, NM
87402

Ridgeview Subdivision
Number Two
Block 1
Lot 12

Salazar, Alfredo Martinez
Martinez, Alfredo Salazar
Salazar, Reyna G.
1541/346

7101 Driftwood DR
Farmington, NM
87402

Ridgeview Subdivision
Number Two
Block 1
Lot 1

Callaghan, Scott L. and
Susie M.
1588/957

385 Rainbow Road
Durango, CO
81303

Ridgeview Subdivision
Number Two
Block 1
Lot 2

Mascarenas, Mary Alice
1598/222

4768 Sunrise CIR
Farmington, NM
87401

Ridgeview Subdivision
Number Two
Block 1
Lot 3

CITY OF FARMINGTON
INTER-OFFICE MEMORANDUM

TO: Mayor Roberts and City Council

FROM: Kristi Benson, CPPO, CPPB
Chief Procurement Officer

DATE: June 1, 2016

SUBJECT: RFP: Community Development Block Grant (CDBG)
2016 Annual Action Plan, RFP #16-115180, Presentations

USING DEPARTMENT: Community Development
=====

A proposal opening was held on May 17, 2016, for the Community Development Block Grant (CDBG) 2016 Annual Action Plan. Eight (8) offers were submitted for *public service projects*.

The Central Purchasing Department concurs with the recommendation from the evaluation committee to submit all eight (8) offers to City Council for presentations. Offerors will present in alphabetical order, as listed below:

- Big Brothers Big Sisters of Central New Mexico
- Frontline Mission, Inc.
- Identity, Inc.
- Navajo United Methodist Center
- Northwest New Mexico Seniors, Inc.
- People Assisting the Homeless (PATH)
- San Juan College Daycare
- San Juan County Partnership

The CDBG grant amount available for this RFP is \$55,297.00. Direction to staff and award will be scheduled for the June 21, 2016 council meeting.

Kristi Benson, CPPO, CPPB (Presenter)
Council Meeting June 14, 2016

xc: H. Andrew Mason, Administrative Services Director
Mary Holton, Community Development Director
Teresita Clashin, Associate Planner
File – 16-115180

Evaluation Committee:
Derrick Childers, Community Development
Melody Coyner, Legal
Tim Conyers, Human Resources

RESOLUTION NO. 2016-1591

A RESOLUTION URGING CITIZENS OF THE CITY OF FARMINGTON TO ABSTAIN FROM USING FIRE SOURCES THAT COULD LEAD TO DEADLY AND/OR DESTRUCTIVE CONSEQUENCES DURING PERIODS OF EXTREME DROUGHT

WHEREAS, the City of Farmington and surrounding areas are prone to dry weather conditions; and

WHEREAS, these dry weather conditions create the potential for extreme fire danger; and

WHEREAS, open burning, the disposal of improperly extinguished cigarettes, the use of fireworks and other fire sources exacerbate the potential for fire danger under these conditions; and

WHEREAS, the governing body of the City of Farmington is very concerned that under these dry conditions even a small fire could quickly spread and endanger people and property within the city; and

WHEREAS, the governing body of the City of Farmington encourages all citizens when using fireworks to take safety precautions, follow the manufacturer's instructions and warnings, and ensure children are supervised at all times; and

WHEREAS, the citizens of Farmington are encouraged to be courteous to neighbors and/or pets while using fireworks; and

WHEREAS, the governing body hereby instructs the Police and Fire Department personnel enforcing fireworks laws and ordinances this Independence Day Holiday season to not issue warnings or warning citations, but to issue and prosecute citations to and against all fireworks offenders.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF FARMINGTON, that:

That all citizens of and visitors to the city of Farmington are urged to be aware of fire risks and to abstain from the use of fire sources, including all fireworks, in ways that could lead to deadly and/or destructive consequences during periods of concerning weather and elevated fire danger.

PASSED, APPROVED, SIGNED AND ADOPTED this 14th day of June, 2016.

Tommy Roberts, Mayor

SEAL

ATTEST:

Andrea Jones, Deputy City Clerk

ORDINANCE NO. 2016-1289

AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AND SUBSIDY AGREEMENT ("LOAN AGREEMENT") BY AND BETWEEN THE CITY OF FARMINGTON, NEW MEXICO (THE "GOVERNMENTAL UNIT") AND THE NEW MEXICO FINANCE AUTHORITY, EVIDENCING A SPECIAL LIMITED OBLIGATION OF THE GOVERNMENTAL UNIT TO PAY A PRINCIPAL AMOUNT OF NO MORE THAN \$2,448,240, TOGETHER WITH INTEREST, EXPENSES, IF ANY, AND ADMINISTRATIVE FEES THEREON, AND TO ACCEPT A LOAN SUBSIDY OF NO MORE THAN \$816,080, FOR THE PURPOSE OF FINANCING THE COSTS OF A WATER SYSTEM IMPROVEMENT PROJECT; PROVIDING FOR THE PLEDGE AND PAYMENT OF THE PRINCIPAL OF, ADMINISTRATIVE FEES AND INTEREST DUE UNDER THE LOAN AGREEMENT SOLELY FROM THE NET REVENUES OF THE GOVERNMENTAL UNIT'S WATER SYSTEM; SETTING AN INTEREST RATE FOR THE LOAN; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN AGREEMENT; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS ORDINANCE; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN AGREEMENT.

Capitalized terms used in the following recitals have the same meaning as defined in Section 1 of this Ordinance, unless the context requires otherwise.

WHEREAS, the Governmental Unit is a legally and regularly created, established, organized and existing municipality under the general laws of the State; and

WHEREAS, the Governing Body has determined and hereby determines that the Project may be financed with amounts borrowed under the Loan Agreement and that it is in the best interest of the Governmental Unit and the public it serves that the Loan Agreement be executed and delivered and that the financing of the construction of the Project take place by executing and delivering the Loan Agreement; and

WHEREAS, the Governing Body has determined that it may lawfully pledge the Pledged Revenues for the payment of amounts due under the Loan Agreement; and

WHEREAS, other than as described in Exhibit "A" to the Loan Agreement, the Pledged Revenues have not heretofore been pledged to secure the payment of any obligation which is currently outstanding; and

WHEREAS, there have been presented to the Governing Body, and there presently are on file with the City Clerk, this Ordinance and the form of the Loan Agreement; and

WHEREAS, the Governing Body hereby determines that the Project to be financed by the Loan Agreement is to be used for governmental purposes of the Governmental Unit; and

WHEREAS, all required authorizations, consents and approvals in connection with (i) the use and pledge of the Pledged Revenues to the Finance Authority (or its assigns) for the payment of amounts due under the Loan Agreement, (ii) the use of the proceeds of the Loan Agreement to finance the Project, and (iii) the authorization, execution and delivery of the Loan Agreement, which are required to have been obtained by the date of the Ordinance have been obtained or are reasonably expected to be obtained prior to the Closing Date.

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF FARMINGTON, SAN JUAN COUNTY, NEW MEXICO:

Section 1. Definitions. Capitalized terms defined in this Section 1 shall, for all purposes, have the meaning herein specified, unless the context clearly requires otherwise (such meanings to be equally applicable to both the singular and the plural forms of the terms defined):

"Administrative Fee" or "Administrative Fee Component" means the 0.25% annual fee payable to the Finance Authority as 0.125% of the Loan Agreement Principal Amount then outstanding as a part of each Loan

Agreement Payment for the costs of originating and servicing the Loan, as shown in the Final Loan Agreement Payment Schedule.

"Aggregate Disbursements" means, at any time after the Closing Date, the sum of all Disbursements.

"Aggregate Forgiven Disbursements" means the amount of Subsidy provided in the form of principal forgiveness, and shall at any time after the Closing Date be equal to the product of the Subsidy times the Aggregate Disbursements, up to the Maximum Forgiven Principal.

"Aggregate Repayable Disbursements" means, at any time after the Closing Date, the Aggregate Disbursements less the Aggregate Forgiven Disbursements.

"Approved Requisition" means a requisition in the form of Exhibit "C" to the Loan Agreement, together with supporting documentation submitted to and approved by the Finance Authority pursuant to Section 4.2 of the Loan Agreement.

"Authorized Officers" means the Mayor, Public Works Director, City Manager and City Clerk of the Governmental Unit.

"Bonds" means drinking water state revolving loan fund revenue bonds, if any, issued hereafter by the Finance Authority and related to the Loan Agreement and the Loan Agreement Payments.

"Closing Date" means the date of execution, delivery and funding of the Loan Agreement authorized by this Ordinance.

"DWSRLF Act" means the general laws of the State, particularly the Drinking Water State Revolving Loan Fund Act, NMSA 1978, §§ 6-21A-1 through 6-21A-9, as amended; NMSA 1978, §§ 3-31-1 through 3-31-12, as amended; and enactments of the Governing Body relating to this Ordinance including the Loan Agreement.

"Debt Service Account" means the debt service account established in the name of the Governmental Unit and administered by the Finance Authority to pay the Loan Agreement Payments under the Loan Agreement as the same become due.

"Disbursement" means an amount caused to be paid by the Finance Authority for an Approved Requisition for costs of the Project, including the Expense Fund Component.

"Drinking Water State Revolving Loan Fund" means the drinking water state revolving loan fund established by the DWSRLF Act.

"Environmental Protection Agency" means the Environmental Protection Agency of the United States.

"Expense Fund" means the expense fund hereby created to be held and administered by the Finance Authority to pay Expenses.

"Expense Fund Component" means an amount equal to one percent (1%) of each Disbursement for the Project, minus any amount forgiven under the Loan Agreement, simultaneously withdrawn and deposited in the Expense Fund to pay Expenses.

"Expenses" means the Finance Authority's costs of issuance of the Loan Agreement and the Bonds, if any, and periodic and regular fees and expenses incurred by the Finance Authority in administering the Loan Agreement, including legal fees.

"Final Requisition" means the final requisition of moneys to be submitted by the Governmental Unit, which shall be submitted by the Governmental Unit on or before the date provided for in Section 4.1(b) of the Loan Agreement.

"Final Loan Agreement Payment Schedule" means the schedule of Loan Agreement Payments due on the Loan Agreement following the Final Requisition, as determined on the basis of the Aggregate Repayable Disbursements.

"Finance Authority" means the New Mexico Finance Authority, created by the New Mexico Finance Authority Act, NMSA 1978, §§ 6-21-1 through 6-21-31, as amended.

"Fiscal Year" means the period commencing on July 1 of each calendar year and ending on the last day of June of the next succeeding calendar year, or any other twelve-month period which any appropriate authority may hereafter establish for the Governmental Unit as its fiscal year.

"Governing Body" means the duly organized City Council of the Governmental Unit and any successor governing body of the Governmental Unit.

"Governmental Unit" means the City of Farmington, San Juan County, New Mexico.

"Gross Revenues" means all income and revenues directly or indirectly derived by the Governmental Unit from the operation and use of the System, or any part of the System, for any particular Fiscal Year period to which the term is applicable, and includes, without limitation, all revenues received by the Governmental Unit, or any municipal corporation or agency succeeding to the rights of the Governmental Unit, from the System and from the sale and use of water services or facilities, or any other service, commodity or facility or any combination thereof furnished by the System.

Gross Revenues do not include:

(a) Any money received as (i) grants or gifts from the United States of America, the State or other sources or (ii) the proceeds of any charge or tax intended as a replacement therefore or other capital contributions from any source which are restricted as to use;

(b) Gross receipts taxes, other taxes and/or fees collected by the Governmental Unit and remitted to other governmental agencies; and

(c) Condemnation proceeds or the proceeds of any insurance policy, except any insurance proceeds derived in respect of loss of use or business interruption.

"Herein," "hereby," "hereunder," "hereof," "hereinabove" and "hereafter" refer to this entire Ordinance and not solely to the particular section or paragraph of this Ordinance in which such word is used.

"Interest Component" means the portion of each Loan Agreement Payment paid as interest accruing on the Aggregate Repayable Disbursements then outstanding, calculated from the date of each Disbursement.

"Interest Rate" means the rate of interest on the Loan Agreement as shown on the Term Sheet.

"Loan" means the funds to be loaned to the Governmental Unit by the Finance Authority pursuant to the Loan Agreement, up to the Maximum Principal Amount.

"Loan Agreement" means the loan and subsidy agreement and any amendments or supplements thereto, including the exhibits attached to the loan agreement.

"Loan Agreement Payment" means, collectively, the Principal Component, the Interest Component, Expenses, and the Administrative Fee Component to be paid by the Governmental Unit as payment on the Aggregate Repayable Disbursements under the Loan Agreement, as shown on Exhibit "B" thereto.

"Loan Agreement Principal Amount" means, as of any date of calculation, the Aggregate Repayable Disbursements (including the Expense Fund Component), up to the Maximum Repayable Amount.

"Maximum Forgiven Principal" means the maximum amount of loan subsidy available in the form of principal forgiveness, which is equal to seventy-five percent (75%) of the Maximum Principal Amount. The Maximum Forgiven Principal is \$816,080.

"Maximum Repayable Principal" means the maximum amount of Aggregate Repayable Disbursements repayable by the Governmental Unit pursuant to the Loan Agreement, and is equal to the Maximum Principal Amount less the Maximum Forgiven Principal. The Maximum Repayable Principal is \$2,448,240.

"Maximum Principal Amount" means \$3,264,320.

"NMSA" means the New Mexico Statutes Annotated, 1978 Compilation, as amended and supplemented from time to time.

"Net Revenues" means the Gross Revenues of the System owned and operated by the Governmental Unit minus Operation and Maintenance Expenses of the System, indirect charges, amounts expended for capital replacements and repairs of the System, required set asides for debt and replacement requirements and any other payments from the gross revenues reasonably required for operation of the System.

"Operation and Maintenance Expenses" means all reasonable and necessary current expenses of the System, for any particular Fiscal Year or period to which such term is applicable, paid or accrued, related to operating, maintaining and repairing the System, including, without limiting the generality of the foregoing:

(a) Legal and overhead expenses of the Governmental Unit directly related and reasonably allocable to the administration of the System;

(b) Insurance premiums for the System, including, without limitation, premiums for property insurance, public liability insurance and workmen's compensation insurance, whether or not self-funded;

(c) Premiums, expenses and other costs (other than required reimbursements of insurance proceeds and other amounts advanced to pay debt service requirements on System bonds) for credit facilities;

(d) Any expenses described in this definition other than expenses paid from the proceeds of System bonds;

(e) The costs of audits of the books and accounts of the System;

(f) Amounts required to be deposited in any rebate fund;

(g) Salaries, administrative expenses, labor costs, surety bonds and the cost of water, materials and supplies used for or in connection with the current operation of the System; and

(h) Any fees required to be paid under any operation, maintenance and/or management agreement with respect to the System.

Operation and Maintenance Expenses do not include any allowance for depreciation, payments in lieu of taxes, franchise fees payable or other transfers to the Governmental Unit's general fund, liabilities incurred by the Governmental Unit as a result of its negligence or other misconduct in the operation of the System, any charges for the accumulation of reserves for capital replacements or any Operation and Maintenance Expenses payable from moneys other than Gross Revenues.

"Ordinance" means this Ordinance No. ____ adopted by the Governing Body of the Governmental Unit on June 14, 2016, approving the Loan Agreement and pledging the Pledged Revenues to the payment of the Loan Agreement Payments as shown on the Term Sheet and the Final Loan Agreement Payment Schedule, as supplemented from time to time in accordance with the provisions hereof.

"Parity Obligations" means any obligations of the Governmental Unit under the Loan Agreement and any other obligations now outstanding or hereafter issued or incurred, payable from or secured by a pledge of the Pledged Revenues and issued with a lien on the Pledged Revenues on a parity with the Loan Agreement, including any such obligations shown on the Term Sheet.

"Pledged Revenues" means the Net Revenues.

"Project" means the project described in the Term Sheet.

"Senior Obligations" means any bonds or other obligations of the Governmental Unit now outstanding or hereafter issued or incurred, payable from or secured by a pledge of the Pledged Revenues and issued with a lien on the Pledged Revenues superior to the lien created by the Loan Agreement, including any such obligations shown on the Term Sheet.

"State" means the State of New Mexico.

"Subordinated Obligations" means any bonds or other obligations of the Governmental Unit now outstanding or hereafter issued or incurred with a lien on the Pledged Revenues subordinate to the lien created by the Loan Agreement and subordinate to any other outstanding Parity Obligations having a lien on the Pledged Revenues, including any such obligations shown on the Term Sheet.

"Subsidy" means the subsidy in the form of principal forgiveness for the Governmental Unit, to be applied proportionally at the time of each Disbursement to the Governmental Unit, being seventy-five (75%) of such Disbursement.

"System" means the public utility designated as the Governmental Unit's water system, and all improvements or additions thereto, including additions and improvements to be acquired or constructed with the proceeds of this Loan Agreement.

"Term Sheet" means Exhibit "A" to the Loan Agreement.

"Unrequisitioned Principal Amount" means the amount, if any, by which the Maximum Principal Amount exceeds the Aggregate Disbursements at the time the Governmental Unit submits the certificate of completion required pursuant to Section 6.3 of the Loan Agreement.

Section 2. Ratification. All action heretofore taken (not inconsistent with the provisions of this Ordinance) by the Governing Body and officers of the Governmental Unit directed toward the acquisition and completion of the Project, and the execution and delivery of the Loan Agreement shall be, and the same hereby is, ratified, approved and confirmed.

Section 3. Authorization of the Project and the Loan Agreement. The acquisition and completion of the Project and the method of financing the Project through execution and delivery of the Loan Agreement are hereby authorized and ordered. The Project is for the benefit and use of the Governmental Unit.

Section 4. Findings. The Governmental Unit hereby declares that it has considered all relevant information and data and hereby makes the following findings:

A. Moneys available and on hand for the Project from all sources other than the Loan Agreement are not sufficient to defray the cost of acquiring and constructing the Project.

B. The Pledged Revenues may lawfully be pledged to secure the payment of amounts due under the Loan Agreement.

C. It is economically feasible and prudent to defray, in whole or in part, the costs of the Project by the execution and delivery of the Loan Agreement.

D. The Project and the execution and delivery of the Loan Agreement in the Maximum Principal Amount pursuant to the DWSRLF Act to provide funds for the financing of the Project are necessary or advisable in the interest of the public health, safety, and welfare of the residents and the public served by the Governmental Unit.

E. The Governmental Unit will acquire and construct the Project, in whole or in part, with the net proceeds of the Loan.

F. Other than as described in Exhibit "A" to the Loan Agreement, the Governmental Unit does not have any outstanding obligations payable from Pledged Revenues which it has incurred or will incur prior to the initial execution and delivery of the Loan Agreement.

G. The net effective interest rate on the Maximum Repayable Amount does not exceed the current market rate, which is the maximum rate permitted by federal law.

Section 5. Loan Agreement - Authorization and Detail.

A. Authorization. This Ordinance has been adopted by the affirmative vote of at least a two-thirds majority of the Governing Body. For the purpose of protecting the public health, conserving the property, and protecting the general welfare and prosperity of the public served by the Governmental Unit and acquiring and constructing the Project, it is hereby declared necessary that the Governmental Unit, pursuant to the DWSRLF Act, execute and deliver the Loan Agreement evidencing a special limited obligation of the Governmental Unit to pay a principal amount of \$2,448,240 and interest thereon, and to accept a loan subsidy in the amount of \$816,080 and the execution and delivery of the Loan Agreement is hereby authorized. The Governmental Unit shall use the proceeds of the Loan and Subsidy (i) to finance the acquisition and completion of the Project and (ii) to pay the Administrative Fee and Expenses of the Loan Agreement and the costs of issuance of the Bonds, if any. The Project will be owned by the Governmental Unit.

B. Detail. The Loan Agreement shall be in substantially the form of the Loan Agreement presented at the meeting of the Governing Body at which this Ordinance was adopted. The Loan shall be in an amount not to exceed the Maximum Principal Amount of \$3,264,320. The Loan Agreement Principal Amount shall be payable in installments of principal due on May 1 of the years designated in the Final Loan Agreement Payment Schedule and bear interest payable on May 1 and November 1 of each of the years designated in the final Loan Agreement Payment Schedule, at the rates designated in the Loan Agreement, including Exhibit "A" thereto, which rates include the Administrative Fee.

Section 6. Approval of Loan Agreement. The form of the Loan Agreement as presented at the meeting of the Governing Body at which this Ordinance was adopted is hereby approved. Authorized Officers are hereby individually authorized to execute, acknowledge and deliver the Loan Agreement with such changes, insertions and omissions as may be approved by such individual Authorized Officers, and the City Clerk is hereby authorized to affix the seal of the Governmental Unit on the Loan Agreement and attest the same. The execution of the Loan Agreement by an Authorized Officer shall be conclusive evidence of such approval.

Section 7. Special Limited Obligation. The Loan Agreement shall be secured by the pledge of the Pledged Revenues as set forth in the Loan Agreement and shall be payable solely from the Pledged Revenues. The Loan Agreement, together with interest thereon and other obligations of the Governmental Unit thereunder, shall be a special, limited obligation of the Governmental Unit, payable solely from the Pledged Revenues as provided in this Ordinance, and the Loan Agreement shall not constitute a general obligation of the Governmental Unit or the State, and the holders of the Loan Agreement may not look to any general or other fund of the Governmental Unit for payment of the obligations thereunder. Nothing contained in this Ordinance nor in the Loan Agreement, nor any other instruments, shall be construed as obligating the Governmental Unit (except with respect to the application of the Pledged Revenues) or as imposing a pecuniary liability or a charge upon the general credit of the Governmental Unit or against its taxing power, nor shall a breach of any agreement contained in this Ordinance, the Loan Agreement, or any other instrument impose any pecuniary liability upon the Governmental Unit or any charge upon its general credit or against its taxing power. The Loan Agreement shall never constitute an indebtedness of the Governmental Unit within the meaning of any State constitutional provision or statutory limitation and shall never constitute or give rise to a pecuniary liability of the Governmental Unit or a charge against its general credit or taxing power. Nothing herein shall prevent the Governmental Unit from applying other funds of the Governmental Unit legally available therefor to payments required by the Loan Agreement, in its sole and absolute discretion.

Section 8. Disposition of Proceeds; Completion of Acquisition and Completion of the Project.

A. Debt Service Account; Disbursements. The Governmental Unit hereby consents to creation of the Debt Service Account to be held

and maintained by the Finance Authority as provided in the Loan Agreement.

The proceeds derived from the execution and delivery of the Loan Agreement shall be disbursed promptly upon receipt of an Approved Requisition (as defined in the Loan Agreement).

Until the acquisition and completion of the Project or the date of the Final Requisition, the money disbursed pursuant to the Loan Agreement shall be used and paid out solely for the purpose of acquiring and constructing the Project in compliance with applicable law and the provisions of the Loan Agreement.

B. Prompt Completion of the Project. The Governmental Unit will complete the Project with all due diligence.

C. Certification of Completion of the Project. Upon the acquisition and completion of the Project, the Governmental Unit shall execute and send to the Finance Authority a certificate stating that the completion of and payment for the Project has been completed.

D. Finance Authority Not Responsible for Application of Loan Proceeds. The Finance Authority shall in no manner be responsible for the application or disposal by the Governmental Unit or by its officers of the funds derived from the Loan Agreement or of any other funds herein designated.

Section 9. Deposit of Pledged Revenues; Distributions of the Pledged Revenues and Flow of Funds.

A. Deposit of Pledged Revenues. Pledged Revenues shall be paid by the Governmental Unit to the Finance Authority in an amount sufficient to pay principal, interest, Administrative Fees, Expenses and other amounts due under the Loan Agreement, as provided in Section 5.2 of the Loan Agreement.

B. Termination on Deposits to Maturity. No payment shall be made into the Debt Service Account if the amount in the Debt Service Account totals a sum at least equal to the entire aggregate amount of Loan Agreement Payments to become due as to principal, interest on, Administrative Fees and any other amounts due under the Loan Agreement, in which case moneys in such account in an amount at least equal to such principal, interest and Administrative Fee requirements shall be used solely to pay such obligations as the same become due, and any moneys in excess thereof in such accounts shall be transferred to the Governmental Unit and used as provided in Section 9.C of this Ordinance.

C. Use of Surplus Revenues. After making all the payments required to be made by this Section and any payments required by outstanding Parity Obligations, any moneys remaining in the Debt Service Account shall be transferred to the Governmental Unit on a timely basis and applied to any other lawful purpose, including, but not limited to, the payment of any Parity Obligations or bonds or obligations subordinate and junior to the Loan Agreement, or purposes authorized by the Governmental Unit, the Constitution and laws of the State, as the Governmental Unit may from time to time determine.

Section 10. Lien on Pledged Revenues. Pursuant to the Loan Agreement, the Pledged Revenues are hereby authorized to be pledged, and are hereby pledged, and the Governmental Unit grants a lien on the Pledged Revenues and security interest therein, for the payment of the principal, interest, Administrative Fees, and any other amounts due under the Loan Agreement, subject to the uses thereof permitted by and the priorities set forth in this Ordinance. The Loan Agreement constitutes an irrevocable first lien, but not necessarily an exclusive first lien, on the Pledged Revenues as set forth herein and therein, and the Governmental Unit shall not create a lien on the Pledged Revenues superior to that of the Loan Agreement without the express prior written approval of the Finance Authority.

Section 11. Authorized Officers. Authorized Officers are hereby individually authorized and directed to execute and deliver any and all papers, instruments, opinions, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this Ordinance, the Loan Agreement and all other transactions contemplated hereby and thereby. Authorized Officers are

hereby individually authorized to do all acts and things required of them by this Ordinance and the Loan Agreement for the full, punctual and complete performance of all the terms, covenants and agreements contained in this Ordinance and the Loan Agreement including, but not limited to, the execution and delivery of closing documents and reports in connection with the execution and delivery of the Loan Agreement, and the publication of the summary of this Ordinance set out in Section 17 of this Ordinance (with such changes, additions and deletions as may be necessary).

Section 12. Amendment of Ordinance. Prior to the Closing Date, the provisions of this Ordinance may be supplemented or amended by ordinance or resolution of the Governing Body with respect to any changes which are not inconsistent with the substantive provisions of this Ordinance. After the Closing Date, this Ordinance may be amended without receipt by the Governmental Unit of any additional consideration, but only with the prior written consent of the Finance Authority.

Section 13. Ordinance Irrepealable. After the Closing Date, this Ordinance shall be and remain irrepealable until all obligations due under the Loan Agreement shall be fully paid, canceled and discharged, as herein provided.

Section 14. Severability Clause. If any section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

Section 15. Repealer Clause. All bylaws, orders, resolutions and ordinances, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any bylaw, order, resolution or ordinance, or part thereof, heretofore repealed.

Section 16. Effective Date. Upon due adoption of this Ordinance, it shall be recorded in the book of the Governmental Unit kept for that purpose, authenticated by the signatures of the Mayor and City Clerk, and the title and general summary of the subject matter contained in this Ordinance (set out in Section 17 below) shall be published in a newspaper which is of general circulation in the Governmental Unit, and the Ordinance shall be in full force and effect thereafter, in accordance with law.

Section 17. General Summary for Publication. Pursuant to the general laws of the State, the title and a general summary of the subject matter contained in this Ordinance shall be published in substantially the following form:

[Remainder of page intentionally left blank.]

[Form of Summary of Ordinance for Publication]

City of Farmington, New Mexico
Notice of Adoption of Ordinance

Notice is hereby given of the title and of a general summary of the subject matter contained in Ordinance No. _____, duly adopted and approved by the Governing Body of the City of Farmington, New Mexico (the "Governmental Unit"), on June 14, 2016. Complete copies of the Ordinance are available for public inspection during normal and regular business hours in the office of the City Clerk at 800 Municipal Drive, Farmington, New Mexico.

The title of the Ordinance is:

CITY OF FARMINGTON, NEW MEXICO
ORDINANCE NO. _____

AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AND SUBSIDY AGREEMENT ("LOAN AGREEMENT") BY AND BETWEEN THE CITY OF FARMINGTON, NEW MEXICO (THE "GOVERNMENTAL UNIT") AND THE NEW MEXICO FINANCE AUTHORITY, EVIDENCING A SPECIAL LIMITED OBLIGATION OF THE GOVERNMENTAL UNIT TO PAY A PRINCIPAL AMOUNT OF NO MORE THAN \$2,448,240, TOGETHER WITH INTEREST, EXPENSES, IF ANY, AND ADMINISTRATIVE FEES THEREON, AND TO ACCEPT A LOAN SUBSIDY OF NO MORE THAN \$816,080, FOR THE PURPOSE OF FINANCING THE COSTS OF A WATER SYSTEM IMPROVEMENT PROJECT; PROVIDING FOR THE PLEDGE AND PAYMENT OF THE PRINCIPAL OF, ADMINISTRATIVE FEES AND INTEREST DUE UNDER THE LOAN AGREEMENT SOLELY FROM THE NET REVENUES OF THE GOVERNMENTAL UNIT'S WATER SYSTEM; SETTING AN INTEREST RATE FOR THE LOAN; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN AGREEMENT; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS ORDINANCE; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN AGREEMENT.

The title sets forth a general summary of the subject matter contained in the Ordinance.

This notice constitutes compliance with NMSA 1978, § 6-14-6.

[End of Form of Summary for Publication.]

Section 18. Execution of Agreements. The City of Farmington through its Governing Body agrees to authorize and execute all such agreements with the New Mexico Finance Authority as are necessary to consummate the Loan contemplated herein and consistent with the terms and conditions of the Loan Agreement and this Ordinance.

PASSED, APPROVED AND ADOPTED THIS 28TH DAY OF JUNE, 2016.

CITY OF FARMINGTON, SAN JUAN COUNTY,
NEW MEXICO

By _____
Tommy Roberts, Mayor

[SEAL]

ATTEST:

By _____
Dianne Smylie, City Clerk

[Remainder of page intentionally left blank.]

CITY OF FARMINGTON, NEW MEXICO
ORDINANCE NO. ____

AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AND SUBSIDY AGREEMENT (“LOAN AGREEMENT”) BY AND BETWEEN THE CITY OF FARMINGTON, NEW MEXICO (THE “GOVERNMENTAL UNIT”) AND THE NEW MEXICO FINANCE AUTHORITY, EVIDENCING A SPECIAL LIMITED OBLIGATION OF THE GOVERNMENTAL UNIT TO PAY A PRINCIPAL AMOUNT OF NO MORE THAN \$2,448,240, TOGETHER WITH INTEREST, EXPENSES, IF ANY, AND ADMINISTRATIVE FEES THEREON, AND TO ACCEPT A LOAN SUBSIDY OF NO MORE THAN \$816,080, FOR THE PURPOSE OF FINANCING THE COSTS OF IMPROVING AND BETTERING THE GOVERNMENTAL UNIT’S A-WATER SYSTEM IMPROVEMENT PROJECT; PROVIDING FOR THE PLEDGE AND PAYMENT OF THE PRINCIPAL OF, ADMINISTRATIVE FEES AND INTEREST DUE UNDER THE LOAN AGREEMENT SOLELY FROM THE NET REVENUES OF THE GOVERNMENTAL UNIT’S WATER SYSTEM; SETTING AN INTEREST RATE FOR THE LOAN; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN AGREEMENT; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS ORDINANCE; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN AGREEMENT.

Capitalized terms used in the following recitals have the same meaning as defined in Section 1 of this Ordinance, unless the context requires otherwise.

WHEREAS, the Governmental Unit is a legally and regularly created, established, organized and existing municipality under the general laws of the State; and

WHEREAS, the Governmental Unit now owns, operates and maintains an electric light and power, water and sanitary sewer system which it had previously owned and operated as a single joint utility designated as the “Utility System” but pursuant to Ordinance No. 2015-1274, adopted January 13, 2015, such systems are now owned and operated as three separate municipal utility systems; and

WHEREAS, Utility System revenue bonds payable from the net revenues of the Utility System previously were issued by the Governmental Unit but no longer are outstanding; and

WHEREAS, there presently are no outstanding Policy Costs or Reimbursement Obligations relating to any municipal bond insurance or debt service fund relating to any Utility System, Credit Facility, Reimbursement Obligation, or Qualified Swap (all as such capitalized terms were defined in the indentures authorizing such Utility System revenue bonds) and no other outstanding obligations payable from and secured by an irrevocable pledge of the net revenues of the Utility System which constituted an irrevocable lien thereon; and

Authorizing Ordinance
City of Farmington, Loan No. 3397-DW

WHEREAS, the Governmental Unit has executed and entered into a loan and subsidy agreement dated as of January 15, 2010 and being No. 2314-ADW (the "2010 Loan"), pursuant to its Ordinance No. 2009-1313, adopted December 8, 2009, whereby it has borrowed \$2,109,688 from the State Drinking Water Revolving Loan Fund to better and repair the Governmental Unit's water system (herein the "Water System") such loan being payable only from the Net Revenues of the Water System (the "Pledged Revenues"); and

WHEREAS, the Government Unit has executed and entered into a loan and subsidy agreement dated as of January 18, 2013 and being No. 2759-DW (the "2012 Loan"), pursuant to its Ordinance No. 2012-1262, adopted December 11, 2013, whereby it has borrowed \$4,469,250 from the State Drinking Water Revolving Loan Fund to improve and better the Water System by replacing and upgrading water meters, acquiring and installing ancillary equipment for reading the meters and billing customers for use of such water system and any construction in connection therewith, all located within and without the boundaries of the Governmental Unit, such loan being repayable only from the Pledged Revenues and having a lien on the Pledged Revenues; and

WHEREAS, except as aforesaid, no part of the Pledged Revenues has been pledged to any obligations of the Governmental Unit which remain outstanding; and

WHEREAS, the Governing Body has determined and hereby determines that the Project may be financed with amounts borrowed under the Loan Agreement and that it is in the best interest of the Governmental Unit and the public it serves that the Loan Agreement be executed and delivered and that the financing of the construction of the Project take place by executing and delivering the Loan Agreement; and

WHEREAS, the Governing Body has determined that it may lawfully pledge the Pledged Revenues for the payment of amounts due under the Loan Agreement; and

WHEREAS, other than as described in Exhibit "A" to the Loan Agreement, the Pledged Revenues have not heretofore been pledged to secure the payment of any obligation which is currently outstanding; and

WHEREAS, there have been presented to the Governing Body, and there presently are on file with the City Clerk, this Ordinance and the form of the Loan Agreement; and

WHEREAS, the Governing Body hereby determines that the Project to be financed by the Loan Agreement is to be used for governmental purposes of the Governmental Unit; and

WHEREAS, all required authorizations, consents and approvals in connection with (i) the use and pledge of the Pledged Revenues to the Finance Authority (or its assigns) for the payment of amounts due under the Loan Agreement, (ii) the use of the proceeds of the Loan Agreement to finance the Project, and (iii) the authorization, execution and delivery of the Loan Agreement,

which are required to have been obtained by the date of the Ordinance have been obtained or are reasonably expected to be obtained prior to the Closing Date.

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF FARMINGTON, SAN JUAN COUNTY, NEW MEXICO:

Section 1. Definitions. Capitalized terms defined in this Section 1 shall, for all purposes, have the meaning herein specified, unless the context clearly requires otherwise (such meanings to be equally applicable to both the singular and the plural forms of the terms defined):

“Administrative Fee” or “Administrative Fee Component” means the 0.25% annual fee payable to the Finance Authority as 0.125% of the Loan Agreement Principal Amount then outstanding as a part of each Loan Agreement Payment for the costs of originating and servicing the Loan, as shown in the Final Loan Agreement Payment Schedule.

“Aggregate Disbursements” means, at any time after the Closing Date, the sum of all Disbursements.

“Aggregate Forgiven Disbursements” means the amount of Subsidy provided in the form of principal forgiveness, and shall at any time after the Closing Date be equal to the product of the Subsidy times the Aggregate Disbursements, up to the Maximum Forgiven Principal.

“Aggregate Repayable Disbursements” means, at any time after the Closing Date, the Aggregate Disbursements less the Aggregate Forgiven Disbursements.

“Approved Requisition” means a requisition in the form of Exhibit “C” to the Loan Agreement, together with supporting documentation submitted to and approved by the Finance Authority pursuant to Section 4.2 of the Loan Agreement.

“Authorized Officers” means the Mayor, Public Works Director, City Manager and City Clerk of the Governmental Unit.

“Bonds” means drinking water state revolving loan fund revenue bonds, if any, issued hereafter by the Finance Authority and related to the Loan Agreement and the Loan Agreement Payments.

“Closing Date” means the date of execution, delivery and funding of the Loan Agreement authorized by this Ordinance.

“DWSRLF Act” means the general laws of the State, particularly the Drinking Water State Revolving Loan Fund Act, NMSA 1978, §§ 6-21A-1 through 6-21A-9, as amended; NMSA 1978, §§ 3-31-1 through 3-31-12, as amended; and enactments of the Governing Body relating to this Ordinance including the Loan Agreement.

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“Debt Service Account” means the debt service account established in the name of the Governmental Unit and administered by the Finance Authority to pay the Loan Agreement Payments under the Loan Agreement as the same become due.

“Disbursement” means an amount caused to be paid by the Finance Authority for an Approved Requisition for costs of the Project, including the Expense Fund Component.

“Drinking Water State Revolving Loan Fund” means the drinking water state revolving loan fund established by the DWSRLF Act.

“Environmental Protection Agency” means the Environmental Protection Agency of the United States.

“Expense Fund” means the expense fund hereby created to be held and administered by the Finance Authority to pay Expenses.

“Expense Fund Component” means an amount equal to one percent (1%) of each Disbursement for the Project, minus any amount forgiven under the Loan Agreement, simultaneously withdrawn and deposited in the Expense Fund to pay Expenses.

“Expenses” means the Finance Authority’s costs of issuance of the Loan Agreement and the Bonds, if any, and periodic and regular fees and expenses incurred by the Finance Authority in administering the Loan Agreement, including legal fees.

“Final Requisition” means the final requisition of moneys to be submitted by the Governmental Unit, which shall be submitted by the Governmental Unit on or before the date provided for in Section 4.1(b) of the Loan Agreement.

“Final Loan Agreement Payment Schedule” means the schedule of Loan Agreement Payments due on the Loan Agreement following the Final Requisition, as determined on the basis of the Aggregate Repayable Disbursements.

“Finance Authority” means the New Mexico Finance Authority, created by the New Mexico Finance Authority Act, NMSA 1978, §§ 6-21-1 through 6-21-31, as amended.

“Fiscal Year” means the period commencing on July 1 of each calendar year and ending on the last day of June of the next succeeding calendar year, or any other twelve-month period which any appropriate authority may hereafter establish for the Governmental Unit as its fiscal year.

“Governing Body” means the duly organized City Council of the Governmental Unit and any successor governing body of the Governmental Unit.

“Governmental Unit” or “City” means the City of Farmington, San Juan County, New Mexico.

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“Gross Revenues” means all income and revenues derived by the City from the operation of the Water System, or any part thereof, whether resulting from extensions, enlargements or betterments to the Water System, or otherwise, and includes all revenues received by the City or any municipal corporation or agency succeeding to the rights of the City from the Water System and from the sale and use of water service to the inhabitants of the City (including all territorial annexations which may be made while the Loan Agreement is outstanding), or from the sale and use of water service and water facilities or any combination thereof, by means of the Water System as the same may at any time exist to serve customers outside the City limits, as well as customers within the City limits, and also means all income, except as may otherwise be provided herein, derived from the investment of any money in the Water Utility System Income Fund. directly or indirectly derived by the Governmental Unit from the operation and use of the Systemthe Water System, or any part of the Systemthe Water System, for any particular Fiscal Year period to which the term is applicable, and includes, without limitation, all revenues received by the Governmental Unit, or any municipal corporation or agency succeeding to the rights of the Governmental Unit, from the Systemthe Water System and from the sale and use of water services or facilities, or any other service, commodity or facility or any combination thereof furnished by the Systemthe Water System.

Gross Revenues do not include:

(a) — ~~Any money received as (i) grants or gifts from the United States of America, the State or other sources or (ii) the proceeds of any charge or tax intended as a replacement therefore or other capital contributions from any source which are restricted as to use;~~

(b) — ~~Gross receipts taxes, other taxes and/or fees collected by the Governmental Unit and remitted to other governmental agencies; and~~

(c) — ~~Condemnation proceeds or the proceeds of any insurance policy, except any insurance proceeds derived in respect of loss of use or business interruption.~~

“Herein,” “hereby,” “hereunder,” “hereof,” “hereinabove” and “hereafter” refer to this entire Ordinance and not solely to the particular section or paragraph of this Ordinance in which such word is used.

“Interest Component” means the portion of each Loan Agreement Payment paid as interest accruing on the Aggregate Repayable Disbursements then outstanding, calculated from the date of each Disbursement.

“Interest Rate” means the per annum rate of interest on the Loan Agreement as shown on the Term Sheet.

“Loan” means the funds to be loaned to the Governmental Unit by the Finance Authority pursuant to the Loan Agreement, up to the Maximum Principal Amount.

“Loan Agreement” means the loan and subsidy agreement and any amendments or supplements thereto, including the exhibits attached to the loan agreement.

“Loan Agreement Payment” means, collectively, the Principal Component, the Interest Component, Expenses, and the Administrative Fee Component to be paid by the Governmental Unit as payment on the Aggregate Repayable Disbursements under the Loan Agreement, as shown on Exhibit “B” thereto.

“Loan Agreement Principal Amount” means, as of any date of calculation, the Aggregate Repayable Disbursements (including the Expense Fund Component), up to the Maximum Repayable Amount.

“Maximum Forgiven Principal” means the maximum amount of loan subsidy available in the form of principal forgiveness, which is equal to ~~twentyseven~~-five percent (~~2575~~%) of the Maximum Principal Amount. The Maximum Forgiven Principal is \$816,080.

“Maximum Repayable Principal” means the maximum amount of Aggregate Repayable Disbursements repayable by the Governmental Unit pursuant to the Loan Agreement, and is equal to the Maximum Principal Amount less the Maximum Forgiven Principal. The Maximum Repayable Principal is \$2,448,240.

“Maximum Principal Amount” means \$3,264,320.

“NMSA” means the New Mexico Statutes Annotated, 1978 Compilation, as amended and supplemented from time to time.

“Net Revenues” means the Gross Revenues ~~of the Systemthe Water System-owned and operated by the Governmental Unit~~ minus Operation and Maintenance Expenses ~~of the Systemthe Water System, indirect charges, amounts expended for capital replacements and repairs of the Systemthe Water System, required set asides for debt and replacement requirements and any other payments from the gross revenues reasonably required for operation of the Systemthe Water System.~~

“Operation and Maintenance Expenses” means all reasonable and necessary current expenses of the City, paid or accrued, in operating, maintaining and repairing the Water System, and shall include, without limiting the generality of the foregoing, legal and overhead expenses of the various City departments directly related and reasonably related to the administration of the Water System, insurance premiums for the Water System, the reasonable charges of depository banks and paying agents, contractual services, professional services required by the Loan Agreement, salaries and administrative expenses, labor, the cost of materials and supplies used for the current operations, but shall not include any allowance for depreciation, payment in lieu of taxes, franchise fees payable or other transfers to the City’s general fund, liabilities incurred by the City as a result of its negligence in the operation of the Water System, extensions, enlargements or betterments, or any charges for the accumulation of reserves for capital replacements. System, for any particular Fiscal Year or period to which such term is

~~applicable, paid or accrued, related to operating, maintaining and repairing the Systemthe Water System, including, without limiting the generality of the foregoing:~~

~~(a) — Legal and overhead expenses of the Governmental Unit directly related and reasonably allocable to the administration of the Systemthe Water System;~~

~~(b) — Insurance premiums for the Systemthe Water System, including, without limitation, premiums for property insurance, public liability insurance and workmen's compensation insurance, whether or not self-funded;~~

~~(c) — Premiums, expenses and other costs (other than required reimbursements of insurance proceeds and other amounts advanced to pay debt service requirements on System bonds) for credit facilities;~~

~~(d) — Any expenses described in this definition other than expenses paid from the proceeds of System bonds;~~

~~(e) — The costs of audits of the books and accounts of the Systemthe Water System;~~

~~(f) — Amounts required to be deposited in any rebate fund;~~

~~(g) — Salaries, administrative expenses, labor costs, surety bonds and the cost of water, materials and supplies used for or in connection with the current operation of the Systemthe Water System; and~~

~~(h) — Any fees required to be paid under any operation, maintenance and/or management agreement with respect to the Systemthe Water System.~~

~~Operation and Maintenance Expenses do not include any allowance for depreciation, payments in lieu of taxes, franchise fees payable or other transfers to the Governmental Unit's general fund, liabilities incurred by the Governmental Unit as a result of its negligence or other misconduct in the operation of the Systemthe Water System, any charges for the accumulation of reserves for capital replacements or any Operation and Maintenance Expenses payable from moneys other than Gross Revenues.~~

“Ordinance” means this Ordinance No. ____ adopted by the Governing Body of the Governmental Unit on ~~June 14~~ June 28, 2016, approving the Loan Agreement and pledging the Pledged Revenues to the payment of the Loan Agreement Payments as shown on the Term Sheet and the Final Loan Agreement Payment Schedule, as supplemented from time to time in accordance with the provisions hereof.

“Parity Obligations” means any obligations of the Governmental Unit under the Loan Agreement and any other obligations now outstanding or hereafter issued or incurred, payable from or secured by a pledge of the Pledged Revenues and issued with a lien on the Pledged

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Revenues on a parity with the Loan Agreement, including any such obligations shown on the Term Sheet.

“Pledged Revenues” means the Net Revenues.

“Project” means the project described in the Term Sheet.

“Senior Obligations” means any bonds or other obligations of the Governmental Unit now outstanding or hereafter issued or incurred, payable from or secured by a pledge of the Pledged Revenues and issued with a lien on the Pledged Revenues superior to the lien created by the Loan Agreement, including any such obligations shown on the Term Sheet.

“State” means the State of New Mexico.

“Subordinated Obligations” means any bonds or other obligations of the Governmental Unit now outstanding or hereafter issued or incurred with a lien on the Pledged Revenues subordinate to the lien created by the Loan Agreement and subordinate to any other outstanding Parity Obligations having a lien on the Pledged Revenues, including any such obligations shown on the Term Sheet.

“Subsidy” means the subsidy in the form of principal forgiveness for the Governmental Unit, to be applied proportionally at the time of each Disbursement to the Governmental Unit, being twentyseven-five (2575%) of such Disbursement.

“System” means the public utility designated as the Governmental Unit’s water system, and all improvements or additions thereto, including additions and improvements to be acquired or constructed with the proceeds of this Loan Agreement.

“Term Sheet” means Exhibit “A” to the Loan Agreement.

“Unrequisitioned Principal Amount” means the amount, if any, by which the Maximum Principal Amount exceeds the Aggregate Disbursements at the time the Governmental Unit submits the certificate of completion required pursuant to Section 6.3 of the Loan Agreement.

“2010 Loan” has the same meaning set forth in the sixth preamble of this Ordinance.

“2012 Loan” has the same meaning set forth in the seventh preamble of this Ordinance.

Section 2. Ratification. All action heretofore taken (not inconsistent with the provisions of this Ordinance) by the Governing Body and officers of the Governmental Unit directed toward the acquisition and completion of the Project, and the execution and delivery of the Loan Agreement shall be, and the same hereby is, ratified, approved and confirmed.

Section 3. Authorization of the Project and the Loan Agreement. The acquisition and completion of the Project and the method of financing the Project through execution and delivery

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of the Loan Agreement are hereby authorized and ordered. The Project is for the benefit and use of the Governmental Unit.

Section 4. Findings. The Governmental Unit hereby declares that it has considered all relevant information and data and hereby makes the following findings:

A. Moneys available and on hand for the Project from all sources other than the Loan Agreement are not sufficient to defray the cost of acquiring and constructing the Project.

B. The Pledged Revenues may lawfully be pledged to secure the payment of amounts due under the Loan Agreement.

C. It is economically feasible and prudent to defray, in whole or in part, the costs of the Project by the execution and delivery of the Loan Agreement.

D. The Project and the execution and delivery of the Loan Agreement in the Maximum Principal Amount pursuant to the DWSRLF Act to provide funds for the financing of the Project are necessary or advisable in the interest of the public health, safety, and welfare of the residents and the public served by the Governmental Unit.

E. The Governmental Unit will acquire and construct the Project, in whole or in part, with the net proceeds of the Loan.

F. Other than as described in Exhibit "A" to the Loan Agreement, the Governmental Unit does not have any outstanding obligations payable from Pledged Revenues which it has incurred or will incur prior to the initial execution and delivery of the Loan Agreement.

G. The net effective interest rate on the Maximum Repayable Amount does not exceed the current market rate, which is the maximum rate permitted by federal law.

Section 5. Loan Agreement - Authorization and Detail.

A. Authorization. This Ordinance has been adopted by the affirmative vote of at least a ~~three-fourth~~two-thirds majority of the Governing Body. For the purpose of protecting the public health, conserving the property, and protecting the general welfare and prosperity of the public served by the Governmental Unit and acquiring and constructing the Project, it is hereby declared necessary that the Governmental Unit, pursuant to the DWSRLF Act, execute and deliver the Loan Agreement evidencing a special limited obligation of the Governmental Unit to pay a principal amount of \$2,448,240 and interest thereon, and to accept a loan subsidy in the amount of \$816,080 and the execution and delivery of the Loan Agreement is hereby authorized. The Governmental Unit shall use the proceeds of the Loan and Subsidy (i) to finance the acquisition and completion of the Project and (ii) to pay the Administrative Fee and

Expenses of the Loan Agreement and the costs of issuance of the Bonds, if any. The Project will be owned by the Governmental Unit.

B. Detail. The Loan Agreement shall be in substantially the form of the Loan Agreement presented at the meeting of the Governing Body at which this Ordinance was adopted. The Loan shall be in an amount not to exceed the Maximum Principal Amount of \$3,264,320. The Loan Agreement Principal Amount shall be payable in installments of principal due on May 1 of the twenty (22) years designated in the Final Loan Agreement Payment Schedule and bear interest at the per annum interest rate (including the Administrative Fee) specified in the Term Sheet attached to the Loan Agreement payable on May 1 and November 1 of each of the years designated in the final Loan Agreement Payment Schedule, at the rates designated in the Loan Agreement, including Exhibit "A" thereto, which rates include the Administrative Fee.

Section 6. Approval of Loan Agreement. The form of the Loan Agreement as presented at the meeting of the Governing Body at which this Ordinance was adopted is hereby approved. Authorized Officers are hereby individually authorized to execute, acknowledge and deliver the Loan Agreement with such changes, insertions and omissions as may be approved by such individual Authorized Officers, and the City Clerk is hereby authorized to affix the seal of the Governmental Unit on the Loan Agreement and attest the same. The execution of the Loan Agreement by an Authorized Officer shall be conclusive evidence of such approval.

Section 7. Special Limited Obligation. The Loan Agreement shall be secured by the pledge of the Pledged Revenues as set forth in the Loan Agreement and shall be payable solely from the Pledged Revenues. The Loan Agreement, together with interest thereon and other obligations of the Governmental Unit thereunder, shall be a special, limited obligation of the Governmental Unit, payable solely from the Pledged Revenues as provided in this Ordinance, and the Loan Agreement shall not constitute a general obligation of the Governmental Unit or the State, and the holders of the Loan Agreement may not look to any general or other funds of the Governmental Unit for payment of the obligations thereunder. Nothing contained in this Ordinance nor in the Loan Agreement, nor any other instruments, shall be construed as obligating the Governmental Unit (except with respect to the application of the Pledged Revenues) or as imposing a pecuniary liability or a charge upon the general credit of the Governmental Unit or against its taxing power, nor shall a breach of any agreement contained in this Ordinance, the Loan Agreement, or any other instrument impose any pecuniary liability upon the Governmental Unit or any charge upon its general credit or against its taxing power. The Loan Agreement shall never constitute an indebtedness of the Governmental Unit within the meaning of any State constitutional provision or statutory limitation and shall never constitute or give rise to a pecuniary liability of the Governmental Unit or a charge against its general credit or taxing power. Nothing herein shall prevent the Governmental Unit from applying other funds of the Governmental Unit legally available therefor to payments required by the Loan Agreement, in its sole and absolute discretion.

Section 8. Disposition of Proceeds; Completion of Acquisition and Completion of the Project.

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A. Debt Service Account; Disbursements. The Governmental Unit hereby consents to creation of the Debt Service Account to be held and maintained by the Finance Authority as provided in the Loan Agreement. Gross Revenues shall be administered pursuant to the Loan Agreement, particularly Section 5.2 thereof.

The proceeds derived from the execution and delivery of the Loan Agreement shall be disbursed promptly upon receipt of an Approved Requisition (as defined in the Loan Agreement).

Until the acquisition and completion of the Project or the date of the Final Requisition, the money disbursed pursuant to the Loan Agreement shall be used and paid out solely for the purpose of acquiring and constructing the Project in compliance with applicable law and the provisions of the Loan Agreement.

B. Prompt Completion of the Project. The Governmental Unit will complete the Project with all due diligence.

C. Certification of Completion of the Project. Upon the acquisition and completion of the Project, the Governmental Unit shall execute and send to the Finance Authority a certificate stating that the completion of and payment for the Project has been completed.

D. Finance Authority Not Responsible for Application of Loan Proceeds. The Finance Authority shall in no manner be responsible for the application or disposal by the Governmental Unit or by its officers of the funds derived from the Loan Agreement or of any other funds herein designated.

Section 9. Deposit of Pledged Revenues; Distributions of the Pledged Revenues and Flow of Funds.

A. Deposit of Pledged Revenues. Pledged Revenues shall be paid by the Governmental Unit to the Finance Authority in an amount sufficient to pay principal, interest, Administrative Fees, Expenses and other amounts due under the Loan Agreement, as provided in Sections 5.2 and 5.3 of the Loan Agreement.

B. Termination on Deposits to Maturity. No payment shall be made into the Debt Service Account if the amount in the Debt Service Account totals a sum at least equal to the entire aggregate amount of Loan Agreement Payments to become due as to principal, interest on, Administrative Fees and any other amounts due under the Loan Agreement, in which case moneys in such account in an amount at least equal to such principal, interest and Administrative Fee requirements shall be used solely to pay such obligations as the same become due, and any moneys in excess thereof in such accounts shall be transferred to the Governmental Unit and used as provided in Section 9.C of this Ordinance.

C. Use of Surplus Revenues. After making all the payments required to be made by this Section and any payments required by outstanding Parity Obligations, any moneys remaining in the Debt Service Account shall be transferred to the Governmental Unit on a timely basis and applied to any other lawful purpose, including, but not limited to, the payment of any Parity Obligations or bonds or obligations subordinate and junior to the Loan Agreement, or purposes authorized by the Governmental Unit, the Constitution and laws of the State, as the Governmental Unit may from time to time determine.

Section 10. Lien on Pledged Revenues. Pursuant to the Loan Agreement, the Pledged Revenues are hereby authorized to be pledged, and are hereby pledged, and the Governmental Unit grants a lien on the Pledged Revenues and security interest therein, for the payment of the principal, interest, Administrative Fees, and any other amounts due under the Loan Agreement, subject to the uses thereof permitted by and the priorities set forth in this Ordinance. The Loan Agreement constitutes an irrevocable first lien, but not necessarily an exclusive first lien, on the Pledged Revenues as set forth herein and therein, and the Governmental Unit shall not create a lien on the Pledged Revenues superior to that of the Loan Agreement without the express prior written approval of the Finance Authority.

Section 11. Authorized Officers. Authorized Officers are hereby individually authorized and directed to execute and deliver any and all papers, instruments, opinions, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this Ordinance, the Loan Agreement and all other transactions contemplated hereby and thereby. Authorized Officers are hereby individually authorized to do all acts and things required of them by this Ordinance and the Loan Agreement for the full, punctual and complete performance of all the terms, covenants and agreements contained in this Ordinance and the Loan Agreement including, but not limited to, the execution and delivery of closing documents and reports in connection with the execution and delivery of the Loan Agreement, and the publication of the summary of this Ordinance set out in Section 17 of this Ordinance (with such changes, additions and deletions as may be necessary).

Section 12. Amendment of Ordinance. Prior to the Closing Date, the provisions of this Ordinance may be supplemented or amended by ordinance or resolution of the Governing Body with respect to any changes which are not inconsistent with the substantive provisions of this Ordinance. After the Closing Date, this Ordinance may be amended without receipt by the Governmental Unit of any additional consideration, but only with the prior written consent of the Finance Authority.

Section 13. Ordinance Irrepealable. After the Closing Date, this Ordinance shall be and remain irrepealable until all obligations due under the Loan Agreement shall be fully paid, canceled and discharged, as herein provided.

Section 14. Severability Clause. If any section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

Authorizing Ordinance
City of Farmington, Loan No. 3397-DW

Section 15. Repealer Clause. All bylaws, orders, resolutions and ordinances, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any bylaw, order, resolution or ordinance, or part thereof, heretofore repealed.

Section 16. Effective Date. Upon due adoption of this Ordinance, it shall be recorded in the book of the Governmental Unit kept for that purpose, authenticated by the signatures of the Mayor and City Clerk, and the title and general summary of the subject matter contained in this Ordinance (set out in Section 17 below) shall be published in a newspaper which is of general circulation in the Governmental Unit, and the Ordinance shall be in full force and effect thereafter, in accordance with law.

Section 17. General Summary for Publication. Pursuant to the general laws of the State, the title and a general summary of the subject matter contained in this Ordinance shall be published in substantially the following form:

[Remainder of page intentionally left blank.]

[Form of Summary of Ordinance for Publication]

City of Farmington, New Mexico
Notice of Adoption of Ordinance

Notice is hereby given of the title and of a general summary of the subject matter contained in Ordinance No. _____, duly adopted and approved by the Governing Body of the City of Farmington, New Mexico (the "Governmental Unit"), on ~~June 14~~ June 28, 2016. Complete copies of the Ordinance are available for public inspection during normal and regular business hours in the office of the City Clerk at 800 Municipal Drive, Farmington, New Mexico.

The title of the Ordinance is:

CITY OF FARMINGTON, NEW MEXICO
ORDINANCE NO. _____

AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AND SUBSIDY AGREEMENT ("LOAN AGREEMENT") BY AND BETWEEN THE CITY OF FARMINGTON, NEW MEXICO (THE "GOVERNMENTAL UNIT") AND THE NEW MEXICO FINANCE AUTHORITY, EVIDENCING A SPECIAL LIMITED OBLIGATION OF THE GOVERNMENTAL UNIT TO PAY A PRINCIPAL AMOUNT OF NO MORE THAN \$2,448,240, TOGETHER WITH INTEREST, EXPENSES, IF ANY, AND ADMINISTRATIVE FEES THEREON, AND TO ACCEPT A LOAN SUBSIDY OF NO MORE THAN \$816,080, FOR THE PURPOSE OF FINANCING THE COSTS OF IMPROVING AND BETTERING THE GOVERNMENTAL UNIT'S A-WATER SYSTEM-IMPROVEMENT PROJECT; PROVIDING FOR THE PLEDGE AND PAYMENT OF THE PRINCIPAL OF, ADMINISTRATIVE FEES AND INTEREST DUE UNDER THE LOAN AGREEMENT SOLELY FROM THE NET REVENUES OF THE GOVERNMENTAL UNIT'S WATER SYSTEM; SETTING AN INTEREST RATE FOR THE LOAN; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN AGREEMENT; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS ORDINANCE; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN AGREEMENT.

The title sets forth a general summary of the subject matter contained in the Ordinance.

This notice constitutes compliance with NMSA 1978, § 6-14-6.

[End of Form of Summary for Publication.]

Section 18. Execution of Agreements. The City of Farmington through its Governing Body agrees to authorize and execute all such agreements with the New Mexico Finance Authority as are necessary to consummate the Loan contemplated herein and consistent with the terms and conditions of the Loan Agreement and this Ordinance.

PASSED, APPROVED AND ADOPTED THIS ~~28~~14TH DAY OF JUNE, 2016.

CITY OF FARMINGTON, SAN JUAN COUNTY,
NEW MEXICO

By _____
Tommy Roberts, Mayor

[SEAL]

ATTEST:

By _____
Dianne Smylie, City Clerk

[Remainder of page intentionally left blank.]

CITY OF FARMINGTON
INTER-OFFICE MEMORANDUM

TO: Mayor Roberts and City Council
FROM: Kristi Benson, CPPO, CPPB *KB*
Chief Procurement Officer
DATE: June 8, 2016
SUBJECT: Behavioral Health Care Services, RFP #16-115785
USING DEPARTMENT: General Services
=====

A proposal opening was held on May 31, 2016 for Behavioral Health Care Services. One offer was submitted.

The name of the business submitting the sole response is Presbyterian Medical Services Totah Behavioral Health, Farmington, New Mexico.

The Central Purchasing Department concurs with the recommendation from the evaluation committee to award the contract to Presbyterian Medical Services Totah Behavioral Health as a qualified firm submitting the only responsive proposal which is deemed to be advantageous and in the best interest of the City. The single response documentation memo is attached. Award is based on the pricing schedule for services as required. The 5% in-state preference was given to the qualified Offeror.

Kristi Benson (Presenter)
Council Meeting 6/14/16 Close/Reopen

xc: H. Andrew Mason, CPFO, Administrative Services Director
Edward Smylie, General Services Director
File – 16-115785

Evaluation Committee:
Edward Smylie, General Services
Teresa Emrich, Administrative Services
Mark Gaines, Police

CITY OF FARMINGTON
CENTRAL PURCHASING
INTER-OFFICE MEMORANDUM

TO: Behavioral Health Care Services, RFP #16-115785

FROM: Jennifer Rowland, CPPB 
Buyer II

DATE: June 8, 2016

SUBJECT: Single Response Documentation

=====
Forty-three (43) companies were notified of this solicitation.

The following firms were contacted regarding this solicitation and requested information regarding their decision not to respond to the above RFP.

Their decision was based on the following:

- (1) DESERT VIEW FAMILY COUNSELING/RICK QUEVEDO: Does not provide the Intensive Outpatient Program (IOP) at this time.
- (2) SAN JUAN HEALTH PARTNERS/DEBBIE WALLS: San Juan Health Partners is contracted through San Juan Regional Medical Center. Requests go through the Human Resources Department.
- (3) COTTONWOOD CLINICAL SERVICES/KIM DUTREMAINE: Usually do not seek these types of contracts.

xc: Kristi Benson, CPPO, CPPB, Chief Procurement Officer



(Initial/Concur)

Regular Meeting of the City Council, City of Farmington, New Mexico, held in the Council Chamber at City Hall at 6:00 p.m. on Tuesday, May 24, 2016. The open regular session was held in full conformity with the laws and ordinances and rules of the Municipality.

Upon roll call, the following were found to be present, constituting a quorum:

MAYOR	Tommy Roberts
COUNCILORS	Linda G. Rodgers Sean E. Sharer Gayla A. McCulloch
THOSE ABSENT	Nate Duckett, Councilor

constituting all the members of said Governing Body.

Also present were:

CITY MANAGER	Rob Mayes
ASSISTANT CITY MANAGER	Julie Baird
CITY ATTORNEY	Jennifer Breakell
CITY CLERK	Dianne Smylie

The meeting was convened by the Mayor. Thereupon the following proceedings were duly had and taken:

INVOCATION: The invocation was offered by Pastor David Florez of The Journey Church.

Gene Schmidt, Superintendent of Farmington Municipal Schools, led the Pledge of Allegiance.

CONSENT AGENDA: The Mayor announced that those items on the agenda marked with an asterisk (*) have been placed on the Consent Agenda and will be voted on without discussion by one motion. He stated that if any item did not meet with approval of all Councilors or if a citizen so requested, that item would be removed from the Consent Agenda and heard under Business from the Floor.

*MINUTES: The minutes of the Regular Meeting of the City Council held May 10, 2016 and the minutes of the Special Work Session of the City Council held May 3, 2016.

*WARRANTS PAYABLE for the time period of May 8, 2016 through May 21, 2016, for current and prior years, in the amount of \$4,958,243.13.

There being no requests to remove any items, a motion was made by Councilor Rodgers, seconded by Councilor McCulloch to approve the Consent Agenda, as presented, and upon voice vote the motion carried unanimously.

VALEDICTORIAN AND SALUTATORIAN RECOGNITION DAY PROCLAMATION

Mayor Roberts recognized the Class of 2016 Valedictorians and Salutatorians from Farmington High School ("FHS"), Piedra Vista High School ("PVHS") and Navajo Preparatory School ("Navajo Prep") and read a Proclamation declaring May 24, 2016 as "Valedictorian and Salutatorian Recognition Day." He presented FHS Valedictorian Raimi Clark and Salutatorian Emily Bliss, PVHS Valedictorian Kristina Schwab and Salutatorian Eric Ensign and Navajo Prep Valedictorian Leniah Yazzie and Salutatorian Jennifer Etcitty with copies of the Proclamation and asked them to explain what their plans are for college.

REAPPOINTMENTS TO THE LIBRARY BOARD

Mayor Roberts asked the Council's consideration of the reappointments of Richard Gerding, Mary Keller, Daniel Sheesley and Pat Noah as members of the Library Board (terms to May 2020).

Thereupon, a motion was made by Councilor McCulloch, seconded by Councilor Rodgers to confirm the reappointments of Richard Gerding, Mary Keller, Daniel Sheesley and Pat Noah as members of the Library Board, as recommended by the Mayor, and upon voice vote the motion carried unanimously.

REAPPOINTMENTS TO THE PLANNING AND ZONING COMMISSION

Mayor Roberts asked the Council's consideration of the reappointments of Joyce Cardon, Cody Waldroup, Kristen Langenfeld, Clint Freeman, Shay Davis and Ryan Brown to the Planning and Zoning Commission (term to May 2018).

Thereupon, a motion was made by Councilor McCulloch, seconded by Councilor Rodgers to confirm the reappointments of Joyce Cardon, Cody Waldroup, Kristin Langenfeld, Clint Freeman, Shay Davis and Ryan Brown to the Planning and Zoning Commission, as recommended by the Mayor, and upon voice vote the motion carried unanimously.

CITY MANAGER BUSINESS

City Manager Rob Mayes presented and read by title Resolution No. 2016-1590 adopting a final budget for Fiscal Year 2017. The title of the resolution being:

A RESOLUTION ADOPTING AN OFFICIAL FINAL BUDGET FOR THE CITY OF FARMINGTON, NEW MEXICO FOR FISCAL YEAR 2017 AND REQUESTING STATE APPROVAL.

Mayor Roberts pointed out that one of the uncertainties in the proposed budget was whether San Juan County would retain its contractual arrangement with the Farmington Regional Animal Shelter. City Manager Rob Mayes happily reported that the San Juan County Commission voted earlier today to retain the contractual arrangement for one more year, but stated that he will be recommending a renegotiation to the contract to phase-out the 20 percent subsidy that is currently being paid by San Juan County. Noting that this will result in approximately \$80,000 less revenue, Mr. Mayes explained that a budget adjustment will have to be considered if the Council decides to approve the renegotiated contract.

Mayor Roberts expressed appreciation to staff, department heads and key budget personnel for implementing a smooth budget process despite the struggling economic conditions.

There being no further discussion, a motion was made by Councilor Rodgers, seconded by Councilor McCulloch to passed and adopt Resolution No. 2016-1590, as presented. The roll was called with the following result:

Those voting aye:	Linda G. Rodgers Sean E. Sharer Gayla A. McCulloch
Those voting nay:	None
Those absent:	Nate Duckett

The presiding officer thereupon declared that three Councilors having voted in favor thereof, the said motion carried and Resolution No. 2016-1590 was duly passed and adopted.

CITY ATTORNEY BUSINESS

In accordance with the State Open Meetings Act, City Attorney Jennifer Breakell presented and read by title a resolution setting and establishing the regular day, time and place for regular City Council meetings. The title of the resolution being:

A RESOLUTION SETTING AND ESTABLISHING A REGULAR MEETING DAY, TIME AND PLACE FOR CITY COUNCIL MEETINGS PURSUANT TO CITY COUNCIL RESOLUTION NO. 2013-1466.

Following brief consideration, a motion was made by Councilor McCulloch, seconded by Councilor Sharer to establish the regular day, time and place for regular City Council meetings as the second and fourth Tuesdays of each month at 6:00 p.m. in the Council Chamber of the

Municipal Building, 800 Municipal Drive, Farmington, New Mexico. The roll was called with the following result:

Those voting aye: Linda G. Rodgers
Sean E. Sharer
Gayla A. McCulloch

Those voting nay: None

Those absent: Nate Duckett

The presiding officer thereupon declared that three Councilors having voted in favor thereof, the said motion carried and the resolution was duly passed and adopted as presented.

Ms. Breakell introduced a proposed ordinance dealing with sanitation service. The title of the proposed ordinance being:

AN ORDINANCE AMENDING SECTION 23-2-7 OF THE CITY CODE ESTABLISHING RESIDENTIAL AND COMMERCIAL CHARGES FOR SANITATION SERVICE.

City Manager Rob Mayes asked that staff's request to proceed with publication of a notice of intent to consider adoption of the proposed ordinance be tabled indefinitely in an effort to continue the negotiations on the pending proposal for solid waste collection services.

Thereupon, a motion was made by Councilor Rodgers, seconded by Council McCulloch to table indefinitely staff's request to proceed with publication of a notice of intent to consideration adoption of a proposed ordinance concerning sanitation service, and upon voice vote the motion carried unanimously.

Ms. Breakell presented for discussion a proposed ordinance pertaining to a loan from the New Mexico Finance Authority for improvements to the City's water system. The title of such proposed ordinance being:

AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AND SUBSIDY AGREEMENT ("LOAN AGREEMENT") BETWEEN THE CITY AND THE NEW MEXICO FINANCE AUTHORITY, EVIDENCING A SPECIAL LIMITED OBLIGATION OF THE CITY TO PAY A PRINCIPAL AMOUNT OF NO MORE THAN \$2,448,240, TOGETHER WITH INTEREST, EXPENSES AND ADMINISTRATIVE FEES, AND TO ACCEPT A LOAN SUBSIDY OF NO MORE THAN \$816,080, FOR THE PURPOSE OF FINANCING THE COSTS OF A WATER SYSTEM IMPROVEMENT PROJECT; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF, ADMINISTRATIVE FEES AND INTEREST DUE UNDER THE LOAN AGREEMENT SOLELY FROM THE NET REVENUES OF THE CITY'S WATER SYSTEM; SETTING AN INTEREST RATE FOR THE LOAN; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN AGREEMENT; RATIFYING ACTIONS TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS ORDINANCE; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN AGREEMENT.

There being no discussion, Ms. Breakell announced that the proposed ordinance will be presented for final action at the June 14, 2016 regular City Council meeting.

Ms. Breakell also presented a proposed ordinance pertaining to a loan from the New Mexico Environment Department for improvements to the City's wastewater treatment facility and stated that notice of intent to consider said ordinance has been published two weeks prior to final action upon the ordinance as required by Section 3-17-3 NMSA 1978 Compilation. She recommended the ordinance, if adopted, be given the number 2016-1287. The title of the ordinance being:

AN ORDINANCE AMENDING ORDINANCE NO. 2015-1274 AND THE LOAN AGREEMENT AND NOTE AUTHORIZED THEREBY, ALL RELATING TO THE WASTEWATER CONSTRUCTION LOAN FROM THE NEW MEXICO ENVIRONMENT DEPARTMENT TO THE CITY OF FARMINGTON FOR THE PURPOSE OF FINANCING THE COST OF BETTERING AND IMPROVING THE CITY'S SANITARY SEWER SYSTEM BY EXTENDING, ENLARGING, BETTERING, REPAIRING AND OTHERWISE IMPROVING THE CITY'S EXISTING WASTEWATER TREATMENT FACILITY; AND OTHERWISE RELATING TO SUCH LOAN, LOAN AGREEMENT, NOTE, PROJECT AND THIS ORDINANCE.

After consideration of Ordinance No. 2016-1287, a motion was made by Councilor McCulloch, seconded by Councilor Rodgers that said ordinance be passed and adopted as presented. The roll was called with the following result:

Those voting aye:	Linda G. Rodgers Sean E. Sharer Gayla A. McCulloch
Those voting nay:	None
Those absent:	Nate Duckett

The presiding officer thereupon declared that three Councilors having voted in favor thereof, the said motion carried and Ordinance No. 2016-1287 was duly passed and adopted.

Lastly, Ms. Breakell presented a proposed ordinance dealing with regular meetings of the Animal Services Advisory Commission and stated that notice of intent to consider said ordinance has been published two weeks prior to final action upon the ordinance as required by Section 3-17-3 NMSA 1978 Compilation. She recommended the ordinance, if adopted, be given the number 2016-1288. The title of the ordinance being:

AN ORDINANCE AMENDING CHAPTER 6 OF THE CITY CODE DEALING WITH MEETINGS OF THE ANIMAL SERVICES ADVISORY COMMISSION.

After consideration of Ordinance No. 2016-1288, a motion was made by Councilor Rodgers, seconded by Councilor Sharer that said ordinance be passed and adopted as presented. The roll was called with the following result:

Those voting aye:	Linda G. Rodgers Sean E. Sharer Gayla A. McCulloch
Those voting nay:	None
Those absent:	Nate Duckett

The presiding officer thereupon declared that three Councilors having voted in favor thereof, the said motion carried and Ordinance No. 2016-1288 was duly passed and adopted.

SOLID WASTE COLLECTION AND STREET PAVEMENT IMPACTS/STREET DAMAGE REIMBURSEMENT FEE

Utilizing a Powerpoint presentation, Public Works Director David Sypher explained the reasons why he believes that a sanitation street damage reimbursement fee should be considered since the operation of one garbage truck is the equivalent of 4,135 vehicles averaging 5,000 pounds in weight. He noted that garbage trucks have a gross weight of 60,000 pounds and are classified as heavy trucks and stated that road damage and wear increases rapidly due to their axle weight. Furthermore, he noted that the constant turning action of garbage trucks causes an accelerated and accentuated wear on residential streets. As a result, Mr. Sypher pointed out that the 201 Streets Fund is subsidizing the 604 Sanitation Fund by approximately \$3,510,046 per year and he recommended a one-time transfer of \$1.2 million from the 604 Fund to the 201 Fund since there is currently a \$2.5 million cash balance and the goal is to have 2.5 months of reserves (or \$1.25 million). Following brief consideration, it was the consensus of the Council to proceed with the recommended one-time transfer of \$1.2 million from the 604 Fund to the 201 Fund for street damage repair.

Mr. Sypher explained that the second recommendation is to consider the adoption of a street damage reimbursement fee, noting that this a growing, nationwide trend in response to cost-of-service accounting between different funds. He recommended that the reimbursement amount be capped at \$1.2 million (\$4.50 fee for residential customers and \$5.00 fee for commercial customers per month) since implementation of the full reimbursement amount (\$3.5 million) would result in a rate increase of 58 percent. In response to inquiry from Mayor Roberts, City Manager Rob Mayes contended that he believes that the recommended \$1.2 million is a reasonable starting point, but stated that he can see where \$4.50 per

month might be too high. Also, he pointed out that staff is simply advising the Council about its ability to impose such a fee, noting that they are not seeking direction at tonight's meeting.

Expressing his thoughts on the matter, Mayor Roberts stated that he sees the primary problem being that the public has not had an opportunity to express their opinions about the proposed fee. He stated that he appreciates the initiation from staff and understands the critical need to find funding to support regular maintenance and repair of City streets. However, he advised that he is a bit hesitant about proceeding with the rate because of the current economy and he likened it to the regulations being proposed by the Bureau of Land Management with regards to the flaring of natural gas. He explained that he can see where the proposed fee would be a good idea if the timing was right, but doesn't support it under the current economic conditions. He also pointed out that the City has 1) raised the electric utility rates within the last three years; 2) increased the water and wastewater rates with three more increments to implemented; and 3) imposed a 2/8 percent gross receipts tax increase which was the first tax increase since 1998. He stated that he would prefer to delay implementation of the proposed fee to see if the economy recovers.

Councilor Rodgers agreed with the Mayor's comments and questioned whether there are other options available to accomplish the same goal. In response, Mr. Mayes stated that it is his opinion that now is the best time to implement the fee because the pavement life assessment was completed two years ago and the economy has not yet recovered. He also pointed out that for every \$1 spent for maintenance on a satisfactory street it will cost \$5 to \$7 to repair the same street if it is in a very poor condition. Mr. Mayes mentioned that two other options are to increase property taxes or establish paving districts which could help repair residential streets.

In response to inquiry from Councilor Sharer, Mr. Sypher restated that the Council would be on the "front edge" but not the "cutting edge" if they chose to impose the proposed street damage reimbursement fee.

Councilor McCulloch pointed out that staff could be directed to proceed with the proposed fee, noting that the Council would still have the opportunity to vote against it if the public were to express resistance.

Mayor Roberts noted that there was little resistance to the implementation of the utility rates and the gross receipts tax increase because staff did a great job of informing the public of the need. He strongly urged staff to employ a customer education effort and suggested that the matter be reconsidered at a future date. In closing, Mr. Mayes confirmed that he needed no further direction from the Council at this point in time.

CLOSED MEETING

A motion was made by Councilor McCulloch, seconded by Councilor Rodgers to close the meeting to discuss request for proposals for solid waste collection services, pursuant to Section 10-15-1H(6) NMSA 1978. The roll was called with the following result:

Those voting aye:	Linda G. Rodgers Sean E. Sharer Gayla A. McCulloch
Those voting nay:	None
Those absent:	Nate Duckett

The presiding officer thereupon declared that three Councilors having voted in favor thereof, the said motion carried.

The Mayor convened the closed meeting at 7:16 p.m. with Councilors Rodgers, Sharer and McCulloch being present.

Following the closed meeting, during which meeting the matter discussed was limited only to that specified in the motion for closure, a motion was made by Councilor Rodgers, seconded by Councilor Sharer to open the meeting for further business, and upon voice vote the motion carried unanimously.

The open meeting was reconvened by the Mayor at 7:48 p.m. with Councilors Rodgers, Sharer and McCulloch being present.

PROPOSAL/SOLID WASTE COLLECTION SERVICES/DIRECTION TO STAFF

City Manager Rob Mayes announced that staff has requested that this item be removed from tonight's agenda because direction from the Council concerning the pending contract negotiations for solid waste collection services was given during the closed meeting.

At the advice of City Attorney Jennifer Breakell, a motion was made by Councilor Rodgers, seconded by Councilor McCulloch to table this item, and upon voice vote the motion carried unanimously.

There being no further business to come before the Council, the meeting was adjourned at 7:49 p.m.

The City Clerk certified that notice of the foregoing meeting was given by posting pursuant to Resolution No. 2013-1466, et seq.

Approved this 14th day of June, 2016.

Entered in the permanent record book this day of , 2016.

Tommy Roberts, Mayor

SEAL

ATTEST:

Andrea Jones, Deputy City Clerk

Work Session of the City Council, City of Farmington, New Mexico, held Tuesday, May 17, 2016 at 9:00 a.m. in the Executive Conference Room at City Hall, 800 Municipal Drive, Farmington, New Mexico, in full conformity with the rules, regulations and ordinances of the municipality.

At such meeting the following were present, constituting a quorum:

MAYOR	Tommy Roberts (arrived late)
COUNCILORS	Linda G. Rodgers Sean E. Sharer Gayla A. McCulloch Nate Duckett

constituting all the members of the Governing Body.

Also present were:

CITY MANAGER	Rob Mayes
ASSISTANT CITY MANAGER	Julie Baird
CITY ATTORNEY	Jennifer Breakell
CITY CLERK	Dianne Smylie
DEPUTY CITY CLERK	Andrea Jones

EMPLOYEE OF THE MONTH PROGRAM AWARD

Employee Council President Kathy Farley recognized Staff Accountant I Debi Dalton as the Employee of the Month award recipient for March 2016. Ms. Dalton was presented with a plaque and gift certificate and Mayor Pro Tem McCulloch and the Councilors expressed their appreciation for her dedication to the City.

PRESENTATION/ELECTRIC UTILITY COST OF SERVICE STUDY

Providing opening remarks, Utility Business Operations Manager Sue Nipper Greaves reported that the request for proposals for the cost of service and rate study was awarded to NewGen Strategies & Solutions, LLC ("NewGen") and introduced Project Manager Joe Mancinelli and Lead Analyst Jessica Terry. Utilizing a Powerpoint presentation, Mr. Mancinelli briefly reviewed NewGen's project team and reported that the scope of work consists of a kick-off meeting and initial data request, projected operating results, cost of service study and, finally, a rate recommendation. Additionally, he noted that NewGen will develop a transmission tariff, review pole attachment rates and evaluate avoided cost of construction labor and related overhead rate development.

Mayor Roberts arrived at the meeting at 9:10 a.m.

Mr. Mancinelli pointed out that traditional rate design is dramatically changing and reviewed the key issues considered in policy formation. He noted that rate making is a long-term process that is implemented most successfully in small steps over a period of time and he reviewed the key elements in creating a policy. In response to Mayor Roberts' inquiries, Mr. Mancinelli stated that the traditional rate design for residential customers includes a customer charge and an energy charge and for larger commercial customers includes a customer charge, a demand charge and an energy charge and he reported that in regards to rate design most utilities are moving toward cost of service but not necessarily being equal. Additionally, City Manager Rob Mayes confirmed that the adopted rates from the previous cost of service study have been fully phased-in and Ms. Nipper Greaves reported that some subsidies still currently exist.

Continuing with the presentation, Mr. Mancinelli discussed some of the myths and misunderstandings that are inherent with a cost of service and rate study and reported that NewGen will provide models of customer bill impacts and competitive rate comparisons. Noting that "practice makes perfect", he pointed out that formalizing a ratemaking process is essential and reiterated that the rate strategy and principles are the framework and guide for the cost of service. Mr. Mancinelli stated that the functions of a typical electric utility system include generation, transmission, distribution and customer (accounting, billing, etc.) and provided the cost of service and rate study process overview, noting that inter- and intra-

class subsidization, large industrial customers, green tariffs and net metering challenges will be addressed during the process.

Responding to Mayor Roberts, Acting Electric Utility Director Rodney Romero reported that the cost of service and rate study should be completed by September and Mr. Mayes stated that any recommended rates can be implemented as directed by the Council. Regarding projected load losses or gains, Mr. Mayes reported that the Integrated Resource Plan ("IRP") for the Electric Utility is currently underway and includes projections based on current customer dynamics and he confirmed that the community solar project continues to be evaluated utilizing a strawman model.

RESOLUTION NO. 2016-1588 ADOPTING AN OFFICIAL PRELIMINARY BUDGET FOR THE CITY OF FARMINGTON, NEW MEXICO FOR FISCAL YEAR 2017 AND REQUESTING STATE APPROVAL.

City Manager Rob Mayes requested adoption of Resolution No. 2016-1588 approving the official preliminary budget for Fiscal Year 2017 and noted that page 1.2 of the agenda illustrates the minor changes in the preliminary budget from the initial proposed budget presented at the May 3, 2016 Special Work Session.

Following brief discussion, a motion was made by Councilor Duckett, seconded by Councilor Rodgers that Resolution No. 2016-1588 be passed and adopted as presented. The roll was called with the following result:

Those voting aye: Linda G. Rodgers
Sean E. Sharer
Gayla A. McCulloch
Nate Duckett

Those voting nay: None

The presiding officer thereupon declared that four Councilors having voted in favor thereof, the said motion carried and Resolution No. 2016-1588 was duly passed and adopted.

RESOLUTION NO. 2016-1589 APPROVING THE FOURTH REVISION TO THE FY16 BUDGET AND REQUESTING STATE APPROVAL

Administrative Services Director Andy Mason reviewed the proposed revisions to the FY16 budget and recommended adoption of Resolution No. 2016-1589 approving the fourth revision to the FY16 budget.

Following consideration, a motion was made by Councilor Duckett, seconded by Councilor Rodgers to adopt Resolution No. 2016-1589 as presented. The roll was called with the following result:

Those voting aye: Linda G. Rodgers
Sean E. Sharer
Gayla A. McCulloch
Nate Duckett

Those voting nay: None

The presiding officer thereupon declared that four Councilors having voted in favor thereof, the said motion carried and Resolution No. 2016-1589 was duly passed and adopted.

OPEN MEETINGS RESOLUTION - REGULAR WORK SESSION DAY, TIME AND PLACE

In accordance with the State Open Meetings Act, City Attorney Jennifer Breakell presented and read by title a resolution setting and establishing the regular day, time and place for City Council Work Sessions as the third Tuesday of each month at 9:00 a.m. in the Executive Conference Room of the Municipal Building, 800 Municipal Drive, Farmington, New Mexico.

Following consideration, a motion was made by Councilor Rodgers, seconded by Councilor McCulloch to pass and adopt the resolution as presented. The roll was called with the following result:

Those voting aye: Linda G. Rodgers
Sean E. Sharer
Gayla A. McCulloch
Nate Duckett

Those voting nay: None

The presiding officer thereupon declared that four Councilors having voted in favor thereof, the said motion carried and the resolution was duly passed and adopted.

PROPOSED ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AND SUBSIDY AGREEMENT ("LOAN AGREEMENT") BETWEEN THE CITY AND THE NEW MEXICO FINANCE AUTHORITY, EVIDENCING A SPECIAL LIMITED OBLIGATION OF THE CITY TO PAY A PRINCIPAL AMOUNT OF NO MORE THAN \$2,448,240, TOGETHER WITH INTEREST, EXPENSES AND ADMINISTRATIVE FEES, AND TO ACCEPT A LOAN SUBSIDY OF NO MORE THAN \$816,080, FOR THE PURPOSE OF FINANCING THE COSTS OF A WATER SYSTEM IMPROVEMENT PROJECT; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF, ADMINISTRATIVE FEES AND INTEREST DUE UNDER THE LOAN AGREEMENT SOLELY FROM THE NET REVENUES OF THE CITY'S WATER SYSTEM; SETTING AN INTEREST RATE FOR THE LOAN; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN AGREEMENT; RATIFYING ACTIONS TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS ORDINANCE; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN AGREEMENT

City Attorney Jennifer Breakell requested permission to publish a proposed ordinance authorizing a loan agreement between the City and the New Mexico Finance Authority for Phase I of the 2P Waterline Project.

Public Works Director David Sypher briefly reviewed the history of the project; pointed out that the State has escalated its grant subsidy for the project to \$816,080; and noted that renewal and replacement (R&R) revenues are available to cover the debt service of the loan.

Following brief consideration, a motion was made by Councilor Rodgers, seconded by Councilor Duckett to authorize staff to publish a notice of intent to consider an ordinance that would authorize a loan agreement between the City and the New Mexico Finance Authority for Phase I of the 2P Waterline Project, and upon voice vote the motion carried unanimously.

BID/PURCHASE OF SWITCHGEAR FOR 20TH STREET

Chief Procurement Officer Kristi Benson reported that bids for the purchase of switchgear for 20th Street (Electric) opened on May 16, 2016 with five bidders participating. She recommended that the bid be awarded to Wesco Distribution on its low bid meeting specifications after application of five percent in-state preference of \$201,384.

Thereupon, a motion was made by Councilor McCulloch, seconded by Councilor Rodgers to award the bid for purchase of switchgear for 20th Street to Wesco Distribution as the lowest responsible bidder, and upon voice vote the motion carried unanimously.

COUNCIL BUSINESS

Status of condemned house located at 2800 Edgecliff Drive

In response to Councilor Duckett's question, City Attorney Jennifer Breakell reported that estimates for the demolition of the condemned house located at 2800 Edgecliff Drive have been received and stated that staff will meet soon to coordinate the demolition process which should commence in approximately one month.

Zoning Code for solar installations

Mayor Roberts inquired about staff's progress on a zoning code for solar installations. In response, Community Development Director Mary Holton reported that her staff has performed the necessary research and will begin working with the Legal Department soon to draft the zoning code and stated that a Planning & Zoning Commission ("P&Z") subcommittee will fully vet the zoning code before P&Z provides a recommendation to the Council. Additionally, City Attorney Jennifer Breakell noted that the process will take approximately 90-120 days.

Discharge Permit/Gold King Mine Spill

Noting that he spoke with U.S. Environmental Protection Agency ("EPA") Region XI Director Ron Curry at the presentation of papers of the Gold King Mine Spill ("Spill"), Mayor Roberts questioned the status of the City's National Pollutant Discharge Elimination System ("NPDES") permit. In response, Public Works Director David Sypher reported that all

justification data has been submitted to the EPA and stated that staff has not received any feedback at this point, noting that staff is currently operating under the conditions of the previous permit.

Mayor Roberts reported that Mr. Curry relayed that some Spill reimbursements to the State of New Mexico and the City of Farmington have been approved by the EPA. City Manager Rob Mayes announced that staff is on full alert monitoring the river conditions due to the increased rainfall and water runoff. Mayor Roberts proudly announced that the New Mexico Environment Department ("NMED") complimented the Public Works Department for its leadership in installing monitoring devices along the river and praised Emergency Preparedness Manager Eddie Smylie, Mr. Mayes and all of the staff involved in the initial Spill crisis management.

There being no further business to come before the Council, the meeting was adjourned at 10:17 a.m.

APPROVED this 14th day of June, 2016.

Tommy Roberts, Mayor

SEAL

ATTEST:

Andrea Jones, Deputy City Clerk