

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 28, 2016 in the Council Chamber, City Hall, 800 Municipal Drive, Farmington, New Mexico. . .

1. Roll Call and Convening the Meeting:
2. Invocation: Celebrate Recovery Director Gerry Stickler of Crossroads Community Church.
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 the Regular Meeting of the City Council held June 14, 2016. ----- **13**
6. *Approval of Bid for the demolition of the old Aztec Substation (Electric) being awarded to Uselman Construction as the lowest and best bidder after application of five percent in-state preference (\$78,933.60). Bids opened June 8, 2016 with four bidders participating. ----- **1**
7. *Approval of STOP Violence Against Women Formula Grant No. 2015-WF-AX-0014 (Subgrant #2017-WF-307) for funding in the amount of \$39,052 (local match of \$13,017) for advocacy services for victims of domestic violence, sexual assault and stalking (term to June 30, 2017). ----- **2**
8. *Approval of DWI Grant Agreement No. 17-X-I-G-24 between the City and the State of New Mexico Department of Finance and Administration, Local Government Division, providing for funding in the amount of \$300,000 for alcohol treatment and detoxification programs (expiration June 30, 2017). ---- **3**
9. *Approval of First Amendment to the Amended and Restated Mine Reclamation and Trust Funds Agreement between the City and Public Service Company of New Mexico, Tucson Electric Power Company, M-S-R Public Power Agency, The Incorporated County of Los Alamos, New Mexico, Southern California Public Power Authority, City of Anaheim, Utah Associated Municipal Power Systems, Tri-State Generation and Transmission Association, Inc. and PNMR Development and Management Corporation. ---- **4**
10. *Approval for Adoption of Resolution No. 2016-1594 authorizing a seven and forty-seven hundredth (7.47) percent pick-up of PERA Municipal Police Plan 5 contributions. ----- **5**
11. *Approval of Warrants up to and including June 25, 2016.

12. Approval to Rescind Bid Award for wire and cable (Category 3) to Border States Electric, as approved on June 14, 2016, due to being non-responsive for not meeting specifications (award for Categories 1 and 2 will remain unchanged); to reject the bids received for wire and cable (Category 3) from Western United Electrical Supply and Stuart C. Irby for not meeting specifications and Graybar for not quoting an approved manufacturer; and approval to award the bid for wire and cable (Category 3) to Wesco as the lowest and best bidder meeting specifications after application of five percent in-state preference (\$131,850). Bids opened May 25, 2016 with six bidders participating. (Kristi Benson)-----6
13. Recommendations from the Planning and Zoning Commission:-----7
- (1) Adoption of the recommendation from the Planning and Zoning Commission as contained within the Community Development Department Petition Report to deny Petition No. ZC 16-35 from Vera Matthews requesting a zone change from the RE-1, Residential Estate, District to the RA, Rural Agricultural, District, and variance to allow three horses on 2.5 acres of property located at 7000 Hood Mesa Trail. (Steven Saavedra)
- The recommendation of the Planning and Zoning Commission passed by a vote of 8-0 on June 16, 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. ANX 16-02 from the City of Farmington requesting annexation and recommended zoning assignment of 235.23 acres of land located southeast of the existing municipal boundary along US 64. Staff is also requesting that the Mayor and City Clerk be authorized to sign the petition of annexation to be submitted to the New Mexico Municipal Boundary Commission and to direct staff to submit the petition. (Mary Holton)
- The recommendation of the Planning and Zoning Commission passed by a vote of 8-0 on June 16, 2016.-----9
14. Public Hearing to receive comments and suggestions regarding the City of Farmington's use for the FY2016 Edward Byrne Memorial Justice Assistance Grant (JAG) funds (\$33,277).----- 10
15. New Business:
- (a) Mayor
- (1) Appointments to the Animal Services Advisory Commission; Community Relations Commission; Planning and Zoning Commission; and appointment and reappointments to the Citizen Police Advisory Committee.
- (b) Councilors

(c) City Manager

(d) City Attorney

- (1) 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 (Published June 13, 2016) **[Tabled at the June 14, 2016 regular City Council meeting]** ----- 11

(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 request for proposals for solid waste collection services and convention and visitors services, pursuant to Section 10-15-1H(6) NMSA 1978.

18. Proposal: Recommendation from the Chief Procurement Officer to award the proposal for convention and visitors services (Parks, Recreation & Cultural Affairs) to Farmington Convention and Visitors Bureau as the sole proposal is deemed to be advantageous and in the best interest of the City. Proposals opened June 8, 2016. ----- 12

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 *KB*
Chief Procurement Officer
DATE: June 23, 2016
SUBJECT: Aztec Substation Demolition Project, Bid #16-115514
USING DEPARTMENT: Electric Utility
=====

A bid opening was held on June 8, 2016 for the Aztec Substation Demolition Project. Four (4) bidders responded.

The Central Purchasing Department concurs with the recommendation from the Electric Utility to award the bid to Uselman Construction from Farmington, NM, as the lowest bidder meeting specifications for a total awarded amount of \$78,933.60, plus estimated applicable taxes of \$6,315.00. The in-state/veterans preference was given to qualified bidders.

Kristi Benson (Presenter)
Consent Agenda/Council Meeting 6/28/16

xc: H. Andrew Mason – Administrative Services Director
Rodney Romero – Acting Electric Utility Director
John Armenta – Electric Engineering Manager
File – 16-115514

City of Farmington - Abstract Sheet
 BID: AZTEC SUBSTATION DEMOLITION PROJECT Opening Date: June 8, 2016 at 2:00 P.M.
 Project No. ELENG; Contract Control No. 16-115514
 ELECTRIC UTILITY
 ENGINEER'S ESTIMATE \$70,000

DESCRIPTION	Uselman Construction Company 1111 Farmington Ave Farmington, NM 87401 Mark Uselman	Integrated Power Co. 121 N. Dewey Street North Platte, NE 69103 Corey Lieberth	Industrial Mechanical Inc. PO Box 2408 Farmington, NM 87499 Randy Akins	Crossfire LLC 820 Airport Road Durango, CO 81303 Jeremiah Anderson
	TOTAL	TOTAL	TOTAL	TOTAL
LUMP SUM BASE BID: X	\$78,933.60	\$96,453.00	\$110,397.00	\$211,872.89
LUMP SUM BASE BID WITH IN-STATE PREFERENCE:	\$74,986.92	\$96,453.00	\$110,397.00	\$211,872.89
ESTIMATED APPLICABLE TAXES: \$	6,315.00	7,716.24	8,417.77	10,858.49
BIDDER'S ESTIMATE OF TAXES FORM INITIALED: YES	YES	YES	YES	NO
NM CONTRACTOR'S LICENSE NO.: 20153	20153	386913	25486	361857
NM DEPT OF WORKFORCE SOLUTIONS - PUBLIC WORKS NO.:	2269620111621	1769320151119	28503369532016	2886020130507
BID SIGNED: YES	YES	YES	YES	YES
IN-STATE/VETERANS PREFERENCE: YES	YES	NO	NO	NO
ADDENDA ACKNOWLEDGED: YES	YES	YES	YES	YES
LIST OF SUBCONTRACTORS: YES	YES	YES	YES	YES
BID BOND ENCLOSED: YES	YES	YES	YES	YES
BIDDER'S QUALIFICATIONS: YES	YES	YES	YES	YES
DRUG-FREE WORKPLACE CERTIFICATION: YES	YES	YES	YES	YES
CONTRACTOR'S SAFETY CERTIFICATION: YES	YES	YES	YES	YES



STATE OF NEW MEXICO
CRIME VICTIMS REPARATION COMMISSION

FRANK ZUBIA
DIRECTOR

SUSANA MARTINEZ
GOVERNOR

ROBIN BRASSIE
DEPUTY DIRECTOR

April 7, 2016

Keith McPheeters
City of Farmington Police Department
900 Municipal Dr.
Farmington, NM 87401-2654

RE: STOP Violence Against Women Formula Grant Program
RFP #17-780-P707-0000000039
Federal Grant 2015-WF-AX-0014

Deputy Chief McPheeters:

I'm pleased to inform you that your organization was selected to receive a preliminary continuation Services, Training, Officers, Prosecutors Violence Against Women Act (STOP VAWA) federal subgrant in the amount of \$39,052.00 with a match of \$13,017.00.

Continuation applications were reviewed in accordance with the criteria outlined in the STOP VAWA Request for Proposal #17-780-P707-0000000039, which included the mandatory allocation and statutory mandates for funding priorities. The recommendations from the proposal review committee were presented to the New Mexico Crime Victims Reparation Commission on April 7, 2016 for preliminary approval in accordance with the sequence of events outlined in the Request for Proposal.

This is a preliminary award pending the receipt of your organization's special conditions and final approval from the CVRC Commission.

All preliminary award letters include the following special conditions. Your agency may already be in compliance with these items, however, these requirements must be met prior to the FY17 Contracts being released.

- Final Approval of a FY17 Budget by CVRC Grants Department.

Your organization will be emailed any special condition related to your award during the week of April 11, 2016.

Special Conditions must be delivered via email to the New Mexico Crime Victims Reparation Commission at CVRC.Grants@state.nm.us by Friday, April 29, 2016.

If you wish to protest the peer review committee's recommendation the Protest Period for this Request for Proposal ends at the **10:00 AM Mountain Standard Time Thursday**

6200 Uptown Blvd NE, Suite 210 • Albuquerque, NM 87110
(505) 841-9432 (general services) • (800) 306-6262 (toll-free)
(505) 841-9437 (fax)

CVRC E-mail: CVRC@state.nm.us

April 21, 2016. Please refer to the Request for Proposal for directions in protesting this decision.

If you have any questions regarding the application review process please e-mail me directly at, MaryEllen.Garcia@state.nm.us, by **Monday, April 18, 2016**. All questions must be submitted in writing.

Sincerely,



MaryEllen Garcia
Grants Administrator

State of New Mexico
Crime Victims Reparation Commission
STOP Violence Against Women Award Contract

A Federal Grant number 2015-WF-AX-0014 STOP Violence Against Women grant award to City of Farmington/Farmington Police Department hereinafter called the Contractor, Contractor number # 2017-WF-307 in the amount of \$39,052.00, for the exclusive application of a STOP VAWA grant as set forth in the approved program of the State of New Mexico Grant Application. This award is authorized by the Crime Victims Reparation Commission (NMCVRC) as referenced in the Violence Against Women Act. The Federal CFDA number for this grant is: 16.588. This award may be used for a period from July 1, 2016 to June 30, 2017.

The Contractor shall administer the project for which this award is given in accordance with the applicable rules, regulations and conditions as set forth in the Federal and State Guidelines. In addition, the attached Special Conditions must be followed.

I. PAYMENT

Payment is on a reimbursement basis. See Special Condition 10.

II. TERMINATION

This Agreement may be terminated by either of the parties hereto upon written notice delivered to the other party at least thirty days prior to the intended date of termination.

III. RECORDS AND AUDIT

Detailed expenditure records must be maintained. These records shall be subject to inspection by NMCVRC and its representative(s), and the United States Department of Justice, Office of Justice Programs. NMCVRC shall have the right to audit the expenditures both before and after payment. Payment under this Agreement shall not foreclose the right of NMCVRC to recover excessive and/or illegal payments.

IV. ASSIGNMENT

The Contractor shall not assign or transfer any interest in the Agreement without prior written approval of NMCVRC.

V. AMENDMENTS

This agreement shall not be altered, changed or amended except by an instrument in writing executed by the parties hereto.

VI. EQUAL OPPORTUNITY COMPLIANCE

The Contractor agrees to abide by all Federal and State laws and rules and regulations, and executive orders of the Governor of the State of New Mexico pertaining to equal employment opportunity. The Contractor agrees that no person shall, on the basis of race, color, national origin, religion, sex, sexual preference, age or handicap, be excluded from employment with or participation in, be denied services, or be otherwise subjected to discrimination under any program or activity performed under this agreement. The Contractor agrees to submit an Office for Civil Rights certification of compliance form within 45 days of the beginning date of the grant award.

VII. EFFECTIVE DATE

This award becomes effective upon date of approval by the NMCVRC Director. No funds will be disbursed until the signed original agreement and an approved budget have been submitted to NMCVRC.

Organizations that do not adhere to these responsibilities will be in violation of the terms of this Grant and STOP VAWA Award will be subject to appropriate administrative action, including withholding of funds or possible cancellation of Grant Award.

City of Farmington/Farmington Police Department signifies acceptance of this award according to the terms and conditions set forth above and in the attached special conditions.

AUTHORIZED OFFICIAL NAME/TITLE: Tommy Roberts, Mayor DATE: _____

AUTHORIZED OFFICIAL SIGNATURE: _____ DATE: _____

NMCVRC DIRECTOR _____ DATE: _____

Frank Zubia

Approved: Marron Lee, Chairwoman, New Mexico Crime Victims Reparation Commission

Legal Department
Approved as to form
By _____
Date _____

State of New Mexico
Crime Victims Reparation Commission
STOP Violence Against Women Award Contract
Federal Grant # 2015-WF-AX-0014
Special Conditions

By accepting this award, the Contractor assumes the following administrative and financial responsibilities:

1. The terms of this Agreement are contingent upon sufficient appropriations and authorization being made by the Office on Violence Against Women, for the performance of this Agreement. If the Office on Violence Against Women does not make sufficient appropriations and authorization, this Agreement shall terminate upon written notice being given by NMCVRC to the Contractor.
2. The Contractor agrees to comply with any additional requirements that may be imposed during the grant performance period if the agency determines that the Contractor is a high-risk subgrantee. Cf. 28 C.F.R. parts 66, 70.
3. The Primary Project Components (Project Plan) will guide the scope of work.
4. Project staff and consultants must be provided a copy of the project proposal and budget. In addition, the program manager agrees to disseminate project information to the project staff.
5. The Contractor understands and agrees that it cannot use any federal funds, either directly or indirectly, in support of the enactment, repeal, modification or adoption of any law, regulation or policy, at any level of government without the express prior written approval of OVW, in order to avoid violation of 18 USC § 1913. The Contractor may, however, use federal funds to collaborate with and provide information to Federal, State, local, tribal and territorial public officials and agencies to develop and implement policies to reduce or eliminate domestic violence, dating violence, sexual assault, and stalking (as those terms are defined in 42 USC 13925(a)) when such collaboration and provision of information is consistent with the activities otherwise authorized under this grant program.
6. The Contractor understands and agrees that it cannot use any federal funds, either directly or indirectly, in support of any contract or subaward to either the Association of Community Organizations for Reform Now (ACORN) or its subsidiaries, without the express prior written approval of OVW.
7. The Contractor agrees to comply with the financial and administrative requirements set forth in the current edition of the Office on Violence Against Women (OVW) Financial Grants Management Guide and set forth within the 2 CFR Part 200 and associated Omni Circular. Including, but not limited to tracking time and activity for all STOP VAWA funded and match staff. The reports must reflect an after the fact determination of actual activities of the employee and be inclusive of all activities performed by the employee, not just time spent towards this award.
8. Maintain separate accounts and accounting records for the STOP VAWA funds. Maintaining project based accounting records does not provide enough detail to track federal funds, therefore, STOP VAWA funds cannot be commingled with any other funding source.
9. The Contractor agrees to supplement and not supplant state or local funds.
10. Payment is reimbursement only. In order to receive payment, a Cash Reimbursement Packet consisting of an original signed monthly or quarterly federal invoice and two copies must be submitted by the Contractor with a corresponding accounting sheet reporting the previous month's expenditures. For those required to submit match, a signed original of the Record of Match Expenditures with a corresponding accounting sheet must also be submitted. The expenditures are to be reported by the categories used on the invoice form. This documentation must be received no later than the 10th of the month for the previous month's expenditures or the business day prior if the 10th falls on a holiday or weekend. Or, as directed by the Grant Administrator. If documentation is late or inaccurate, reimbursement will be delayed until the following month or until the submitted documentation is corrected.
11. Due to requirements by the NM Department of Finance, all cash reimbursement invoices for grant expenditures made prior to June 30th will be due no later than July 10th. Cash reimbursement invoices received after July 10th for expenditures made prior to July 1st cannot be processed and those expenditures will become the responsibility of the Contractor.

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12. The Contractor, upon final payment of the amount due under this Agreement, releases NMCVRC from all liabilities, claims and obligations whatsoever arising from or under this Agreement.
13. The Contractor agrees that all income generated as a direct result of this award shall be deemed program income. All program income must be accounted for and used for the purposes under the conditions applicable for the use of funds under this award, including the effective edition of the OVW Financial Guide as applicable. This is in accordance with regulations for program income under the Common Rule, "Uniform Administrative Requirements for Grant Cooperative Agreements."
14. Any out of state travel line items or categories that are not specifically itemized in the approved budget must receive prior approval from NMCVRC before any funds for these items are expended.
15. Approval of this award does not indicate an approval of any consultant rate in excess of \$650.00 per day or \$81.25 per hour. A detailed justification must be submitted to and approved by the NMCVRC prior to obligation or expenditure of such funds.
16. Maintain and furnish to NMCVRC and the United States Department of Justice, upon request, detailed financial accounting and supportive records of expenditures and of the matching funds.
17. The Contractor agrees that all equipment and/or technology purchased with grant funds will be used solely to address crimes against women during, and for three years following, the end of the grant budget period.
18. OVW funding cannot be used to purchase food and/or beverages for any meeting, conference, training or other event, except if the following applies: the location of the event is not in close proximity to food establishments; if not serving food will significantly lengthen the day or necessitate extending the meeting; if a special presentation at a conference requires a plenary address where there is no other time for food to be attained; or other extenuating circumstances which necessitate the provision of food. If any of these circumstances apply, the Contractor must submit a written request for approval at least thirty (30) days prior to the event.
19. The Contractor agrees to allow NMCVRC access to the grant-funded project's documentation, redacted client files and other sources in order to determine that funds are being utilized in accordance with funding/contractual agreements and state and federal guidelines.
20. Provide NMCVRC with an audit of the program. Agency must comply with applicable audit requirements of 2 CFR Part 200 or OMB Circular A-133, which requires an audit if your agency expends at least \$750,0000.00 of federal funds during the contract period. If your agency does not meet these conditions, you must submit a "program-specific audit" with a copy of the audit management letter and resolution of all findings.
21. The Contractor understands and agrees that misuse of award funds may result in a range of penalties, including suspension of current and future funds, suspension or debarment from federal grants, recoupment of monies provided under an award, and civil and/or criminal penalties.
22. The Contractor must promptly refer to the DOJ OIG any credible evidence that a principal, employee, agent, contractor, subgrantee, subcontractor, or other person has either 1) submitted a false claim for grant funds under the False Claims Act; or 2) committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving grant funds. This condition also applies to any subrecipients. Potential fraud, waste, abuse, or misconduct should be reported to the DOJ OIG by: Mail: U.S. Department of Justice Investigations Division 950 Pennsylvania Avenue, N.W Room 4706 Washington, D.C. 20530 Email oig.hotline@usdoj.gov Hotline: (contact information in English and Spanish): 800-869-4499 Or Hotline Fax: (202) 616-9881. Additional information is available from the DOJ OIG website: www.usdoj.gov/oig
23. The Contractor understands that they must promptly refer to NMCVRC and DOJ Office of the Inspector General any credible evidence that a principal, employee, agent, contractor, subgrantee, subcontractor, or other person has either: 1) submitted a false claim for grant funds under the False Claims Act; or 2) committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity or similar misconduct involving grant funds.

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24. Potential or perceived fraud, waste, abuse or misconduct shall be reported to NMCVRC.
25. Prior to the final selection of personnel to be hired with grant funds, the contractor agrees to provide NMCVRC with the names and resumes of the candidates recommended for hiring. NMCVRC shall review and approve all recommendations regarding personnel selection and/or hiring prior to final selection of candidates. Project staff resumes including staff being used as match must be submitted to NMCVRC in order for reimbursement for expenditures to occur. Once work has started, the Contractor will make no changes of personnel without the prior written consent of NMCVRC. Replacement of any contractor personnel, if approved, shall be with personnel of equal ability, experience and qualifications. Approval of replacement personnel shall not be unreasonably withheld. NMCVRC shall retain the right to request the removal of any of the Contractor's personnel at any time.
26. The Contractor agrees to complete and keep on file, as appropriate, Immigration and Naturalization Service Employment Eligibility Verification Form (I-9). This form is to be used to verify that persons are eligible to work in the United States.
27. The Contractor agrees to comply with state laws and rules applicable to workers' compensation benefits for its employees. If the Contractor fails to comply with the Workers' Compensation Act and applicable rules when required to do so, this agreement may be terminated by the Agency.
28. File original quarterly progress reports to be received by NMCVRC no later than ten days after the end of the quarter and file an annual progress report to be received no later than the due date. No faxed reports will be accepted. Late or inaccurate reporting will delay the payment process. All demographic information that is required in program and annual reporting must be collected unless a victim declines.
29. The Contractor agrees to submit an annual performance report for each year the grant is active, by the due date.
30. Unless a waiver is granted, the project manager and anyone completing quarterly progress and/or financial reports must attend NMCVRC VOCA/STOP VAWA Grant Reporting training at least once during the grant budget period.
31. The Contractor agrees that staff responsible for providing services under this contract shall attend the Civil Right Compliance for Subgrantees webinar or training.
32. Anyone providing direct services to victims shall attend a minimum of one compensation workshop held by NMCVRC during the grant year.
33. Unless a waiver is granted, one member of the project's staff or a project partner must attend the annual AIA Conference.
34. Cooperate and coordinate services with other VOCA/STOP VAWA funded programs and other service providers in your region that serve victims of domestic violence, sexual assault, stalking and/or dating violence.
35. Bernalillo, Sandoval and Valencia County programs serving victims of sexual assault, domestic violence, and/or stalking must collaborate and coordinate services with the Albuquerque based Family Advocacy Center.
36. All Contractors that are working with victims must have an LEP plan and policy/procedures in place and in practice to ensure that LEP persons have meaningful access to services.
37. If applicable, the Contractor agrees to provide data to the New Mexico Interpersonal Violence Data Central Repository.
38. For the purpose of this contract, the definition of domestic violence is limited to the federal definition that can be found at www.ovw.usdoj.gov/domviolence.htm.
39. The Contractor agrees that grant funds will not support activities that compromise victim safety and recovery, such as: procedures or policies that exclude victims from receiving safe shelter, advocacy services, counseling, and other assistance based on their actual or perceived sex, age, immigration status, race, religion, sexual orientation, gender identity, mental health condition, physical health condition, criminal record, work in the sex industry, or the age and/or sex of their children; pre-trial diversion programs not approved by OVW or the placement of offenders in such programs; mediation, couples counseling, family counseling or any other manner

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of joint victim-offender counseling; mandatory counseling for victims, penalizing victims who refuse to testify, or promoting procedures that would require victims to seek legal sanctions against their abusers (e.g., seek a protection order, file formal complaint); the placement of perpetrators in anger management programs; or any other activities outlined in the solicitation under which the approved application was submitted.

40. The Contractor shall protect the confidentiality and privacy of persons receiving services, in accordance with STOP VAWA confidentiality provisions, 42 U.S.C.A. § 13925. Specifically, the Contractor shall not:
- (i) disclose any personally identifying information or individual information collected in connection with services requested, utilized, or denied through Contractor's programs or
 - (ii) reveal individual client information without the informed, written, reasonably time-limited consent of the person (or in the case of a non-emancipated minor, the minor and the parent or guardian or in the case of persons with disabilities, the guardian) about whom information is sought, whether for this program or any other Federal, State, tribal, or territorial grant program, except that consent for release may not be given by the abuser of the minor, person with disabilities, or the abuser of the other parent of the minor. (Thorough redaction of identifying information in client files is acceptable for the purpose compliance monitoring by the administering agency).
 - (iii) "personally identifying" information means individually identifying information for or about an individual, including information likely to disclose the location of a victim, including: name, home or physical address, any contact information, including email or internet address, telephone or fax, social security or other information, including date of birth, racial or ethnic background or religious affiliation, that in combination with other personally identifying information would serve to identify the individual.
41. If compelled by court order to release personally identifying information or information collected in connection with services requested, utilized or denied through Contractor's programs, the Contractor shall:
- (i) make reasonable attempts to provide notice to victims affected by the disclosure, and document in writing such attempts;
 - (ii) take steps necessary to protect the privacy and safety of persons affected, and document in writing such necessary steps.
42. The contractor agrees that grant funds will not be used to conduct public awareness or community education campaigns or related activities. Grant funds may be used to support, inform, and outreach to victims about available services.
43. The recipient understands and agrees that any training or training materials developed or delivered with funding provided under this award must adhere to the OVW Training Guiding Principles for Grantees and Subgrantees, available at <http://www.ovw.usdoj.gov/grantees.html>.
44. The contractor agrees that grant funds will not be used to support the development or presentation of a domestic violence, sexual assault, dating violence and/or stalking curriculum for primary or secondary schools. The contractor further agrees that grant funds will not be used to teach primary or secondary school students from an already existing curriculum.
45. The Contractor agrees to submit one copy of all reports and proposed publications funded by this agreement not less than thirty (30) days prior to public release, publication, or distribution for review and approval.
46. All materials and publications (written, visual or sound) resulting from award activities shall contain the following statements: "This project was supported by subgrant # awarded by the NMCVRC for the STOP Formula Grant Program. The opinions, findings, conclusions and recommendations expressed in the publication/program/exhibition are those of the author(s) and do not necessarily reflect the views of the NMCVRC or the Department of Justice, Office on Violence Against Women."
47. All materials developed or acquired by the Contractor under this Agreement shall become the property of the Office on Violence Against Women and shall be delivered to NMCVRC no later than the termination date of this

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Agreement. Anything produced, in whole or in part, by the Contractor under this Agreement shall be the subject of an application for copyright by or on behalf of the Contractor.

48. Pursuant to 28 CFR §66.34, the Office on Violence Against Women reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use, in whole or in part (including in the creation of derivative works), for Federal Government purposes:
- (a) any work that is subject to copyright and was developed under this award, sub-award, contract or subcontract pursuant to this award; and
 - (b) any work that is subject to copyright for which ownership was purchased by a recipient, sub-recipient or a contractor with support under this award.

In addition, the contractor must obtain advance written approval from the Office on Violence Against Women, and must comply with all conditions specified by Office on Violence Against Women in connection with that approval before: 1) using award funds to purchase ownership of, or a license to use, a copyrighted work; or 2) incorporating any copyrighted work, or portion thereof, into a new work developed under this award.

It is the responsibility of the contractor to ensure that this condition is included in any sub-award, contract or subcontract under this award.

49. The contractor agrees to comply with all relevant statutory and regulatory requirements which may include, among other relevant authorities, the Violence Against Women Act of 1994, P.L. 103-322, the Violence Against Women Act of 2000, P.L. 106-386, the Omnibus Crime Control and Safe Streets Act of 1968, 42 U.S.C 3711 et seq., the Violence Against Women and Department of Justice Reauthorization Act of 2005, P.L. 109-162, the Violence Against Women Reauthorization Act of 2013, P.L. 113-4, and OVW's implementing regulations at 28 CFR Part 90.
50. Organizations must submit an acceptable Equal Employment Opportunity Plan, if required pursuant to 28 CFR 42.302. This plan must be approved by the DOJ, OJP Office of Civil Rights.
51. The Contractor agrees to comply with the applicable requirements of 28 C.F.R. Part 38, the Department of Justice regulation governing "Equal Treatment of Based Organization (the "Equal Treatment Regulation"). The Equal Treatment Regulation provides in part that Department of Justice grant awards of direct funding may not be used to fund any inherently religious activities, but such activities must be separate in time or place from the Department of Justice funded program, and participation in such activities by individuals receiving services from the contractor or sub-contractor must be voluntary. The Equal Treatment Regulation also makes clear that organizations participating in programs directly funded by the Department of Justice are not permitted to discriminate in the provision of services on the basis of a beneficiary's religion.
52. The Contractor agrees to comply with the New Mexico Crime Victims Reparation Commission Civil Rights Compliance/Anti-harassment policy and procedures found on the NMCVRC web page.
53. The OCR issued an advisory document for recipients on the proper use of arrest and conviction records in making hiring decisions. See Advisory for Recipients of Financial Assistance from the U.S. Department of Justice on the U.S. Equal Employment Opportunity Commission's Enforcement Guidance: Consideration of Arrest and Conviction Records in Employment Decisions Under Title VII of the Civil Rights Act of 1964 (June 2013), available at http://www.ojp.usdoj.gov/about/ocr/pdfs/UseofConviction_Advisory.pdf. Recipients should be mindful that the misuse of arrest or conviction records to screen either applicants for employment or employees for retention or promotion may have a disparate impact based on race or national origin, resulting in unlawful employment discrimination. In light of the Advisory, recipients should consult local counsel in reviewing their employment practices. If warranted, recipients should also incorporate an analysis of the use of arrest and conviction records in their Equal Employment Opportunity Plans (EEOs).
54. Pursuant to Executive Order 13513, "Federal Leadership on Reducing Text Messaging While Driving," 74 Fed. Reg. 51225 (October 1, 2009) the Office on Violence Against Women encourages recipients and sub-recipients to adopt and enforce policies banning employees from text messaging while driving any vehicle during the course of performing work funded by this grant, and to establish workplace safety policies and conduct education, awareness, and other outreach to decrease crashes caused by distracted drivers.

Subgrant ID #: 2017-WF-307 Authorized Individual Initials: _____

State of New Mexico
Crime Victims Reparation Commission
STOP Violence Against Women Award Contract
Federal Grant # 2015-WF-AX-0014
Special Conditions

55. The Contractor agrees to comply with applicable requirements regarding maintenance of an active and updated System for Awards Management (SAM.gov) and Data Universal Numbering System (DUNS) number. (Or with a successor government wide system officially designated by OMB, OJP and/or NMCVRC.) The details of the SAM.gov and SUNS obligations are posted on <http://www/ojp.gov/funding/sam.htm>.
56. The Contractor must be in compliance with specifications outlined in the solicitation under which the approved application was submitted. The program solicitation is hereby incorporated by reference into this award.
57. The Contractor agrees to inform and assist eligible victims with the New Mexico SAVIN (State Automated Victim Information Notification) System is a free service that provides information to crime victims, crime victim's families, witnesses, and any interested members of the public with case status and hearing notifications on Bernalillo Metropolitan Court, Magistrate and District Court criminal cases in the State of New Mexico.
58. The Contractor agrees to inform and assist victims of crime with accessing information about particular offenders, or a particular State and/or County inmate's release, transfer or escape from participating agencies-hours a day, over the phone, through the internet, or by e-mail through New Mexico's Statewide Automated Victim Information and Notification Service, (VINE).
59. The Contractor agrees to **inform** all potentially eligible victims with crime victims' compensation **assist** all eligible victims in filling out the application and **assist** in submission of the applications to NMCVRC. In addition, assist NMCVRC staff regarding compensation inquiries.
60. The recipient understands and agrees that award funds may not be used to discriminate against or denigrate the religious or moral beliefs of students who participate in programs for which financial assistance is provided from those funds, or of the parents or legal guardians of such students.
61. The recipient understands and agrees that - (a) No award funds may be used to maintain or establish a computer network unless such network blocks the viewing, downloading, and exchanging of pornography, and (b) Nothing in subsection (a) limits the use of funds necessary for any Federal, State, tribal, or local law enforcement agency or any other entity carrying out criminal investigations, prosecution, or adjudication activities.
62. The Violence Against Women Reauthorization Act of 2013 added a new civil rights provision that applies to all OVW grants issued in FY2014 or after. This provision prohibits OVW grantees from excluding, denying benefits to, or discriminating against any person on the basis of actual or perceived race, color, religion, national origin, sex, gender identity, sexual orientation, or disability in any program or activity funded in whole or in part by OVW. The contractor acknowledges that it will comply with this provision.
63. The contractor understands and agrees that grant funds may be frozen if the recipient does not respond in a timely fashion to requests to address site visit, audit findings and financial or programmatic monitoring findings.
64. Grant funds may be used only for the purposes in the contractor's approved application. The contractor shall not undertake any work or activities that are not described in the grant application, and that use staff, equipment, or other goods or services paid for with grant funds, without prior written approval from NMCVRC.
65. Contractors must permanently post grievance policies and procedures in a conspicuous place within the agency; this posting must include the names and contact information for all agency funders.vi

Organizations that do not adhere to these Special Conditions will be in violation of the terms of this Grant, and the STOP VAWA Award will be subject to appropriate administrative action, including withholding of funds or possible cancellation of the Grant Award.

All guidelines as described in the STOP VAWA Program Guidelines must be followed. The above may be waived with written approval. The above Special Conditions become part of the Grant Award and are accepted by the contractor.

Subgrant ID #: 2017-WF-307 Authorized Individual Initials: _____

State of New Mexico
Crime Victims Reparation Commission
STOP Violence Against Women Award Contract
Federal Grant # 2015-WF-AX-0014
Special Conditions

Sarah Talley

stalley@fmtn.org

Financial Point of Contract Printed Name

E-mail Address

Staff Accountant II

Financial Point of Contract Title

Sarah Talley

DATE: 6/16/16

Financial Point of Contract Signature

Tommy Roberts

troberts@fmtn.org

Authorized Official Printed Name

E-mail Address

Mayor

Authorized Official Printed Title

DATE: _____

Authorized Official Signature

~~Legal Department~~

Approved for form

By _____

Date _____

Subgrant ID #: 2017-WF-307 Authorized Individual Initials: _____

STATE OF NEW MEXICO
DEPARTMENT OF FINANCE AND ADMINISTRATION
LOCAL GOVERNMENT DIVISION
DWI GRANT PROGRAM

DETOX GRANT AGREEMENT
Project No. 17-X-I-G-24

THIS GRANT AGREEMENT is made and entered into by and between the Department of Finance and Administration, State of New Mexico, acting through the Local Government Division, Bataan Memorial Building, Suite 201, Santa Fe, New Mexico 87501, hereinafter called the **DIVISION**, and the City of Farmington, hereinafter called the **GRANTEE**.

WITNESSETH:

WHEREAS, this Grant Agreement is made by and between the Department of Finance and Administration, State of New Mexico, acting through the Local Government Division, and the Grantee, pursuant to the Local Driving While Intoxicated ("LDWI") Grant Program Act Sections 11-6A-1 through 11-6A-6, NMSA 1978, as amended (the "Act") and the LDWI Grant Program Regulations 2.110.4 NMAC (the "Regulations"); and

WHEREAS, on April 26, 2016, the DWI Grant Council awarded the Grantee \$300,000.00 to support alcohol detoxification and treatment facilities in New Mexico ("Project"); and

NOW, THEREFORE, the parties hereto do mutually agree as follows:

ARTICLE I - SCOPE OF WORK

- A. The Grantee agrees that it will implement, in all respects, the activities outlined in its Project Description, attached hereto as Exhibit "A" and made a part of this Grant Agreement.
- B. The Grantee agrees to make no change to the Project Description herein described without first submitting a written request to the Division and obtaining the Division's written approval of the proposed change.

ARTICLE II - LENGTH OF GRANT AGREEMENT

- A. Upon being duly executed by the Division, the term of this Grant Agreement shall be from **July 1, 2016** through **June 30, 2017**.
- B. In the event that, due to unusual circumstances, it becomes apparent that this Grant Agreement cannot be brought to full completion within the time period set forth in Paragraph A of this Article II, the Grantee shall so notify the Division in writing at least thirty (30) days prior to the termination date of this Grant Agreement, in order that the Grantee and the Division may review the work accomplished to date and determine whether there is need or sufficient justification to amend this Grant Agreement to provide additional time for completion of the same. The Division's decision whether or not to extend the term of this Grant Agreement is

final and non-appealable.

ARTICLE III - REPORTS

A. Evaluation

1. The Grantee agrees that data entered into the DWI Screening Program (ADE, Inc.) website is complete and accurate to allow the Department of Finance and Administration's ("DFA") designated evaluation contractor to develop and implement an evaluation system.
2. The Grantee agrees to contract with a qualified evaluator who will prepare an evaluation of the Prevention, Treatment and/or Compliance Monitoring Components using the Local DWI evaluation plan template.
3. The Grantee agrees to attend meetings with Division staff and the statewide evaluator as necessary.
4. The Grantee agrees to submit to the Division quarterly status reports from the Evaluator that include general updates, process and outcome evaluation developments which occurred during the preceding quarter.
5. The Grantee agrees to submit a preliminary evaluation report to the Division no later than August 31st in a format to be determined by the Department of Health.

B. Progress Reports

1. In order that the Division may adequately evaluate the progress of the Grant Agreement, the Grantee shall be required to provide periodic quarterly Progress Reports to the Division. The Progress Reports shall contain a narrative and/or bulleted highlights of accomplishments and/or problems and delays encountered to date, a detailed budget breakdown of expenditures to date, a summary of any fees collected and/or expended, the DWI Screening Program Quarterly Report, LDWI Planning Council meeting agendas and minutes, attached hereto as Exhibit "B" (Quarterly Progress Report and Certification), and such other information following the objectives of the Grantee's evaluation as may be of assistance to the Division in its evaluation. The first quarterly Progress Report is due **October 31, 2016**.
2. Grantee assures that Progress Reports submitted to the Division will not contain any "individually identifiable health information" as defined by the Standards for Privacy of Individually Identifiable Health Information, 45 CFR Parts 160 and 164, the Regulations promulgated by the Department of Health and Human Services pursuant to HIPAA, the Health Insurance Portability and Accountability Act of 1996 (the "HIPAA Regulations").
3. One copy of the corresponding quarterly Progress Report shall be submitted to the Division no later than **October 31, 2016, January 31, 2017, and April 28, 2017** for

review and comment.

4. In order that the Division may adequately evaluate the progress of the LDWI grant program statewide, the Grantee shall provide within 30 days, upon request of DFA's evaluator(s), information and access to program records and records of contractors working for the Grantee, provided that such information shall not contain any "individually identifiable health information" as defined by the HIPAA Regulations.

C. Final Report

1. The Grantee shall submit to the Division one copy of the Final Report for this Project. The Final Report shall include the information called for in Article III, Paragraph B(1) and B(2) for the fourth quarter, in addition to a Managerial Data Set Summary Report for the entire term of the Grant Agreement.
2. The Final Report and final reimbursement shall include sufficient detail to evaluate the effectiveness of each program component in the Project and shall be submitted no later than **July 11, 2017.**

D. Annual Report

1. The Grantee shall submit to the Division one copy of the Annual Report for this Project. The Annual Report shall include the data from the DWI Screening Program (ADE, Inc.) website, including the demographic profile of the DWI offender and Managerial Data Set data for the entire term of the Grant Agreement, highlights for the period, and other information requested by the Division.
2. The Annual Report shall be submitted no later than **July 31, 2017.**

ARTICLE IV - CONSIDERATION AND METHOD OF PAYMENT

- A. In consideration of the Grantee's satisfactory completion of all work and services required to be performed under the terms of this Grant Agreement, and in compliance with all other Grant Agreement requirements herein stated, the Division shall pay the Grantee a sum not to exceed **Three Hundred Thousand Dollars (\$300,000.00).** The funds are to be expended in accordance with the proposed budget attached as Exhibits "C" and "C(1)", and made a part hereof. It is understood and agreed that the Grantee's expenditure of these monies shall not deviate from the budget categories of said budget by more than 10 percent of the total grant amount without the prior written approval of the Division.
- B. It is understood and agreed that if any portion of the funds paid set forth in Paragraph IV(A) are not expended at the completion of this Grant Agreement period for the purpose designated in this Grant Agreement, the unexpended funds shall revert to the Division for disposition.
- C. All payments will be made on a reimbursement of actual cost basis upon receipt by the Division of individual quarterly Progress Reports accompanied by the following completed forms: Request for Payment Form, attached hereto as Exhibit "D" and "D(1)"; Fees Collected

Summary Form, attached hereto as Exhibit "E"; and Detailed Breakdown By Budget Category Form, attached hereto as Exhibit "G." Request for Payment Forms shall specify all in-kind administrative costs and capital outlay expenditures.

- D. Payment shall be made only for those services specified in this Grant Agreement and not funded by any other public-entity funding source. **The Grantee shall not bill the Division for the same service or services billed to another funding agency or source.**

ARTICLE V - MODIFICATION AND TERMINATION

- A. The Division, by written notice to the Grantee, shall have the right to terminate this Grant Agreement if, at any time, in the judgment of the Division, the provisions of this Grant Agreement have been violated or the activities described in the Project Description do not progress satisfactorily. In this regard, the Division may demand refund of all or part of the funds dispersed to the Grantee.
- B. The parties may modify any and all terms and conditions of the Grant Agreement by mutual written agreement between the Grantee and the Division.
- C. Early Termination for Convenience: Except as provided in Article X, Appropriations, either the Division or Grantee may terminate this Grant Agreement by providing the other party with a minimum of thirty (30) days' advance, written notice of the termination.
- D. Liability in the Event of Early Termination: In the event of early termination of this Grant Agreement by either party, the Division's sole liability shall be to reimburse Grantee in accordance with this Grant Agreement for qualifying expenditures that were:
 - a. Incurred pursuant to a legally binding agreement entered into by Grantee before Grantee's receipt of the Division's notice of early termination or the issuance by the Grantee of a notice of early termination;
 - b. Incurred on or before the termination date in the notice of early termination;
 - c. For permissible purposes under this Grant Agreement's Project Description and procured and executed in accordance with applicable law; and
 - d. The subject of a Request for Payment Form properly and timely submitted in accordance with Article IV of this Grant Agreement.

ARTICLE VI - CERTIFICATION

The Grantee hereby assures and certifies that it will comply with all State regulations, policies, guidelines, and requirements with respect to the acceptance and use of State funds. Also, the Grantee gives assurances and certifies with respect to the grant that:

- A. It has the legal authority to receive and expend the funds as described in the Project Description.
- B. It shall meet all requirements of the Act and the Regulations and all other New Mexico State laws and regulations as they pertain to all activity conducted under this Grant Agreement and provide verification thereof to the Division.

- C. It shall finance all costs of the Project, including all Project overruns.
- D. Every treatment facility, program or other provider it contracts with to perform the activities that are subject to this Grant Agreement, shall, at all times, comply with all applicable State and federal laws and regulations and any and all licensure requirements governing treatment facilities, programs, or providers. All Contracts shall contain the following provisions: "The Contractor agrees to comply, at all times, with all applicable State and federal laws and regulations and any and all licensure requirements governing its program and facility." The Grantee agrees it shall be solely liable for the failure of any of its providers to meet and comply with all applicable State and federal laws and licensure requirements governing the treatment provider or the program.
- E. It shall comply with the State Procurement Code, Sections 13-1-28 through 13-1-199, NMSA 1978. All professional services, activities or programs provided through a service provider must be implemented through a professional service contract. **The Grantee will submit all Project related contracts, and agreements to the Division for review and approval prior to execution. Amendments to existing contracts must also be submitted to the Division for review and approval prior to execution.**

Grantees will be **required** to complete a request-for-proposal (RFP) for contracts over \$60,000; provided, however, that if the Grantee's governing body's guidelines have more stringent requirements, the Grantee's governing body's guidelines must be followed. Sole Source contracts can be utilized if justification can be provided that the organization(s) is the only one in the area that can provide the services. The Grantee will be required to submit to the Division written documentation describing the reason for sole source contracting prior to entering into the contract and all provisions of the Procurement Code **MUST** be adhered to in regard to the requirements.

- F. It will adhere to all financial and accounting requirements of DFA.
- G. It will comply with all applicable conditions and requirements prescribed by the Division in relation to receipt of State DWI grant funds.
- H. It shall not at any time utilize or convert any equipment or property acquired or developed pursuant to this Grant Agreement for any use other than those specified in the scope of work as defined in the Grant Agreement without the prior approval of the Division.
- I. No member, officer, employee, or family member(s) of the Grantee, or its designees or agents, no member of the governing body of the locality in which the program is situated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the program during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any contract, or the process thereof, for work to be performed in connection with the program assisted under the grant, and the Grantee shall incorporate, in all such contracts, a provision prohibiting such interest pursuant to the purposes of this certification.

- J. If applicable, it will comply with all HIPAA requirements and HIPAA Regulations.

ARTICLE VII - RETENTION OF RECORDS

The Grantee shall keep such records as will fully disclose the amount and disposition of the total funds from all sources budgeted for the Grant Agreement period, the purpose for which such funds were used, the amount and nature of all contributions from other sources, and such other records as the Division shall prescribe. Such records shall be preserved for a period of not less than six (6) years following completion of all the conditions of this Grant Agreement.

ARTICLE VIII - REPRESENTATIVES

- A. The Grantee hereby designates the person listed below as the official Grantee Representative responsible for overall supervision of the approved Project:

Name: Eddie Smylie
Title: General Services Director,
Address: 800 Municipal Dr.
Farmington, NM 87401
Phone: 505-599-1369
Fax: 505-599-8219
Email: esmylie@fmtn.org

- B. The Division designates the person listed below as its Program Manager, responsible for overall administration of this Grant Agreement, including compliance and monitoring of Grantee:

Name: Luci Kelly
Title: Program Manager
Address: Department of Finance and Administration
Local Government Division
Bataan Memorial Building, Suite 203
Santa Fe, NM 87501
Phone: 505-827-4958
Fax: 505-827-4340
Email: LUCI.KELLY@state.nm.us

ARTICLE IX - SPECIAL CONDITIONS

- A. The Grantee shall budget and expend a minimum of 10 percent of the total DWI grant funding awarded for the twelve-month period in local match/in-kind monies. The Grantee shall not budget administrative expenses except as in-kind match pursuant to the DWI Grant Council's administrative policy. The Grantee hereby budgets **Thirty Thousand Dollars (\$30,000.00)** (10%) as its matching funds commitment.
- B. The **ten percent (10%)** limit on capital outlay expenditures does not apply to this grant.

Requests for payment shall specify all capital outlay expenditures with justification.

- C. The Grantee shall submit to the Division written copies of the description of the **treatment program protocol as part of the first quarter Progress Report**, for review and comment. All changes and modifications made to the treatment program, including its materials, shall be reported to the Division for its review and comment, as necessary.
- D. Where applicable, the Grantee shall enter screening and tracking data online in the DWI Screening Program (ADE, Inc.) website. Data shall be entered and maintained in a current up-to-date status.
- E. The Grantee shall be solely responsible for fiscal or other sanctions, penalties, or fines occasioned as a result of its own violation or alleged violation of requirements applicable to performance of this Grant Agreement. The Grantee shall be liable for its acts or failure to act in accordance with this Grant Agreement, subject to the immunities and limitations of the New Mexico Tort Claims Act, Sections 41-4-1 through 41-4-27, NMSA 1978.

ARTICLE X - APPROPRIATIONS

The terms of this Grant Agreement are contingent upon sufficient appropriations and authorization being made by the Legislature of New Mexico for the performance of the Grant Agreement. If sufficient appropriations and authorizations are not made by the Legislature, the Division may *immediately* terminate this Grant Agreement, in whole or in part, regardless of any existing legally binding third party contracts entered into by or between Grantee and a third party, by giving Grantee written notice of such early termination. The Division's decision as to whether sufficient appropriations are available shall be accepted by the Grantee and shall be final and non-appealable. The Grantee shall include a substantively identical clause in all contracts between it and third parties that are (i) funded in whole or part by funds made available under this Grant Agreement and (ii) entered into between the effective date of this Grant Agreement and the Termination Date or early termination date.

ARTICLE XI – REQUIRED TERMINATION CLAUSE IN CONTRACTS FUNDED IN WHOLE OR PART BY FUNDS MADE AVAILABLE UNDER THIS GRANT AGREEMENT

Grantee shall include the following or a substantially similar termination clause in all contracts that are (i) funded in whole or part by funds made available under this Grant Agreement and (ii) entered into after the effective date of this Grant Agreement:

“This contract is funded in whole or in part by funds made available under a Department of Finance and Administration, Local Government Division (Division) grant agreement. If the Division terminates the grant agreement, the City of Farmington may terminate this contract by providing contractor written notice of such termination in accordance with the notice provisions in this contract. In the event of termination pursuant to this paragraph, the City of Farmington only liability shall be to pay contractor for acceptable goods and/or services delivered and accepted prior to the termination date.”

EXHIBIT "A"

PROJECT DESCRIPTION

Name of Grantee: City of Farmington

Grant No.: 17-X-I-G-24

Grant Amount: \$300,000.00

Grantee will provide Detox program activities as follows:

The Joint Intervention Program, JIP, will implement a continuum of housing and support services designed to reduce the utilization of public services. The program will identify, engage, house, (if applicable) and provide intense case management, out-patient substance abuse treatment, psychiatric, dental primary health care and comprehensive discharge program. The project will include a data collection component measuring the impact of stable supportive housing on such key health factors as substance abuse, chronic disease management, and employment. In addition, the project staff will conduct a Return-On-Investment analysis to determine the financial impact stable housing and supportive services on reducing the cost and frequency of public services use. The JIP project will provide stable housing and intensive case management and treatment for 45 clients.

The JIP provides intensive group and individual treatment for both substance abuse and related mental health issues as well as intensive case management. Traditional Navajo interventions such as a sweat lodge and outdoor experiential learning will be provided to the chronic homeless substance abusing individuals who have become frequent users of the social services system. Evidence-based interventions that will be used are Motivational Interviewing, Community Reinforcement Approach, (and Family Training.), Seeking Safety and the Matrix Model.

EXHIBIT "B"
QUARTERLY PROGRESS REPORT CHECKLIST AND CERTIFICATION
FARMINGTON – DETOX- Joint Intervention Program JIP

Grantee: City of Farmington

Quarter: _____

To be completed by DWI Coordinator	To be completed by LDWI Program Manager
Date Sent:	Date Received:
Detox Grant (if applicable): <input type="checkbox"/> Exhibit D & D(1) <input type="checkbox"/> Exhibit G <input type="checkbox"/> Exhibit G In-Kind	Detox Grant (if applicable): <input type="checkbox"/> Exhibit D & D(1) <input type="checkbox"/> Exhibit G <input type="checkbox"/> Exhibit G In-Kind
<input type="checkbox"/> Demographics of clients served.	<input type="checkbox"/> Demographics of clients served.
<input type="checkbox"/> Services provided to clients	<input type="checkbox"/> Services provided to clients
<input type="checkbox"/> # Clients Leaving JIP successfully <input type="checkbox"/> # Clients Leaving JIP unsuccessfully <input type="checkbox"/> # Clients with arrests, ER visits, jail time, or detox visits (Break down)	<input type="checkbox"/> # Clients Leaving JIP successfully <input type="checkbox"/> # Clients Leaving JIP unsuccessfully <input type="checkbox"/> # Clients with arrests, ER visits, jail time, or detox visits (Break down)
<input type="checkbox"/> Collaborations and/or support from Community	<input type="checkbox"/> Collaborations and/or support from Community
<input type="checkbox"/> Page of Highlights/Issues	<input type="checkbox"/> Page of Highlights/Issues
<input type="checkbox"/> Evaluator Report(s)	<input type="checkbox"/> Evaluator Report(s)
To be submitted in 1 st Quarter of each fiscal year: <input type="checkbox"/> Screening/ Admittance Protocol <input type="checkbox"/> Treatment Protocol	To be submitted in 1 st Quarter of each fiscal year: <input type="checkbox"/> Screening/ Admittance Protocol <input type="checkbox"/> Treatment Protocol

Under penalty of law, I hereby certify that all payments made from LDWI grant and distribution monies were verified and accounted for by locally implemented policies and controls; no "individually identifiable health information" as defined by the HIPAA Regulations has been included in the report; and that to the best of my knowledge and belief, the information contained in this report is correct and true and that no other funding source is reimbursing these specific expenditures.

 Grantee Representative

 County/City Official

 Date

 Date

I certify that I have reviewed all attached items/documents submitted and that all necessary information/forms are included and are accurate.

 LDWI Program Manager

 Date

**Local DWI Grant Fund
Revenue/Expenditure Summary**

Applicant/Grantee
City of Farmington

Project No.: 17-X-I-G-24

Total Grant Funds
\$300,000.00

REVENUES BY SOURCE	EXPENDITURE BY CATEGORY	Grant Expenditures	In-Kind/Match Local Funds	TOTAL Budget
	ADMINISTRATIVE*			
Local DWI Program Grant	Personnel Services			0.00
Program Generated Fees	Employee Benefits			0.00
	Travel			0.00
Local Match (Cash or In-Kind)	Contractual Services			0.00
County	Operating Expenses			0.00
City				
Judicial/Courts				
Other (list):				
	PROGRAM			
	Personnel Services			0.00
	Employee Benefits			0.00
	Travel (In-State)			0.00
	Travel (Out-of-State)			0.00
	Supplies			0.00
	Operating Costs			0.00
	Contractual Services	300,000.00		300,000.00
	Minor Equipment		30,000.00	30,000.00
	Capital Outlay*			0.00
TOTAL REVENUES	TOTAL EXPENDITURES	300,000.00	30,000.00	330,000.00

(*) Capital Outlay cannot exceed 10%
10% = 30,000.00

Grant Expenditures:

LOCAL DWI GRANT PROGRAM
Request For Payment/Financial Status Report

	<u>Budget</u>
Prevention Enforcement Screening	0.00
Domestic Violence Treatment: Outpatient/Jailbased	0.00
Compliance Monitoring/Tracking	0.00
Coordination, Planning & Evaluation	300,000.00
Alternative Sentencing	0.00
Totals:	300,000.00

ck

City of Farmington
800 Municipal Dr.
Farmington, NM 87401

505-599-8219
17-X-I-G-24

In-Kind/Match Expenditures:

	<u>Budget</u>
Prevention Enforcement Screening	
Domestic Violence Treatment: Outpatient/Jailbased	30,000.00
Compliance Monitoring/Tracking	
Coordination, Planning & Evaluation	
Alternative Sentencing	
Totals:	30,000.00

ck

30,000.00

EXHIBIT C(1)

Tot. Bud. Expd: 330,000.00 ck

330,000.00

LOCAL DWI GRANT PROGRAM
Request For Payment/Financial Status Report

I. A. Grantee: City of Farmington
B. Address: 800 Municipal Dr.
 Farmington, NM 87401
C. Telephone No.: 505-599-8219
D. Grant No.: 17-X-1-G-24

Payment Request No.: 1

II. Payment Computation:
A. Grant Award: \$300,000.00
B. Funds Received To Date: \$0.00
C. Amount Requested This Payment: \$0.00
D. Grant Balance: \$300,000.00
III. Report Period Ending: 30-Sep-16

Budget Categories	Approved Budget			Expenditures Year to Date			Expenditures This Request		
	Grant Funds	In/Kind Match	Total Budget	Grant Funds	In/Kind Match	Total Budget	Grant Funds	In/Kind Match	Total Expenditures
ADMINISTRATIVE*									
Personnel Services	0.00	0.00	0.00		0.00	0.00		0.00	0.00
Employee Benefits	0.00	0.00	0.00		0.00	0.00		0.00	0.00
Travel	0.00	0.00	0.00		0.00	0.00		0.00	0.00
Contractual Services	0.00	0.00	0.00		0.00	0.00		0.00	0.00
Operating Expenses	0.00	0.00	0.00		0.00	0.00		0.00	0.00
PROGRAM									
Personnel Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Employee Benefits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Travel (In-State)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Travel (Out-of-State)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Supplies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Operating Costs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Contractual Services	300,000.00	0.00	300,000.00	0.00	0.00	0.00	0.00	0.00	0.00
Minor Equipment	0.00	30,000.00	30,000.00	0.00	0.00	0.00	0.00	0.00	0.00
Capital Outlay*	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL EXPENDITURES	300,000.00	30,000.00	330,000.00	0.00	0.00	0.00	0.00	0.00	0.00

IV. CERTIFICATION: Under penalty of law, I hereby certify to the best of my knowledge and belief, the above information is correct, expenditures are properly documented, required/matching funds have been spent/obligated in the reported amount, and the copies of all required documentation are attached, or on file for review. The documentation for this payment is true and reflects correct copies of the originals. All payment requests listed are not funded by any other funding source. The service provider shall not bill the grantee and another funding source for the same client at the same time.

Tax ID No.: _____

Grantee Fiscal Officer _____ Date _____

Division Fiscal Officer _____ Date _____

Grantee Representative _____ Date _____

Division Project Representative _____ Date _____

(DFA/Local Government Division Use Only)

LOCAL DWI GRANT PROGRAM
Request for Payment/Financial Status Report
Breakdown By Program Component Expenditures D(1)

Grantee: City of Farmington
 Project No.: 17-X-I-G-24
 Request No. 1

Total Grant Funds Requested This Request: 0.00
 Total Matching Funds Reported This Request: 0.00
 Total Expenditures Reported This Request: 0.00

Grant Expenditures:

Prevention	<u>Budget</u>	<u>YTD</u>
Enforcement	0.00	0.00
Screening	0.00	0.00
Domestic Violence	0.00	0.00
Treatment: Outpatient/Jailbased	300,000.00	0.00
Compliance Monitoring/Tracking	0.00	0.00
Coordination, Planning & Evaluation	0.00	0.00
Alternative Sentencing	0.00	0.00
Totals:	300,000.00	0.00

In-Kind/Match Expenditures:

Prevention	<u>Budget</u>	<u>YTD</u>
Enforcement	0.00	0.00
Screening	0.00	0.00
Domestic Violence	0.00	0.00
Treatment: Outpatient/Jailbased	30,000.00	0.00
Compliance Monitoring/Tracking	0.00	0.00
Coordination, Planning & Evaluation	0.00	0.00
Alternative Sentencing	0.00	0.00
Totals:	30,000.00	0.00

Total Expenditures This Reimbursement: 0.00
Total Expenditures Year to Date: 0.00

Check

0.00
0.00

I hereby certify to the best of my knowledge and belief, the above information is correct, expenditures are properly documented, required/matching funds have been spent/obligated in the reported amount, and the copies of all required documentation are attached, or on file for review. The documentation for this payment is true and reflects correct copies of the originals. All payment requests listed are not funded by any other funding source. The service provider shall not bill the grantee and another funding source for the same client at the same time.

Name _____

Title _____

Date _____

**EXHIBIT E
Fees Collected Summary**

Grantee:	
Address:	

Component	FY17 Beginning Balance (From FY16 Ending Balance)	Q1		
		Dollar Amt Collected in Fees	Dollar Amt of Fees Spent for DWI	Quarter Ending Balance
Prevention				\$ -
Enforcement				\$ -
Screening				\$ -
Domestic Violence				\$ -
Treatment				\$ -
Compliance Monitoring/Tracking				\$ -
Coordination, Planning & Evaluation				\$ -
Alternative Sentencing				\$ -
Totals	\$ -	\$ -	\$ -	\$ -

Component	Q1 Ending Balance	Q2		
		Dollar Amt Collected in Fees	Dollar Amt of Fees Spent for DWI	Quarter Ending Balance
Prevention	\$ -			\$ -
Enforcement	\$ -			\$ -
Screening	\$ -			\$ -
Domestic Violence	\$ -			\$ -
Treatment	\$ -			\$ -
Compliance Monitoring/Tracking	\$ -			\$ -
Coordination, Planning & Evaluation	\$ -			\$ -
Alternative Sentencing	\$ -			\$ -
Totals	\$ -	\$ -	\$ -	\$ -

Component	Q2 Ending Balance	Q3		
		Dollar Amt Collected in Fees	Dollar Amt of Fees Spent for DWI	Quarter Ending Balance
Prevention	\$ -			\$ -
Enforcement	\$ -			\$ -
Screening	\$ -			\$ -
Domestic Violence	\$ -			\$ -
Treatment	\$ -			\$ -
Compliance Monitoring/Tracking	\$ -			\$ -
Coordination, Planning & Evaluation	\$ -			\$ -
Alternative Sentencing	\$ -			\$ -
Totals	\$ -	\$ -	\$ -	\$ -

		Q4		
--	--	-----------	--	--

Component	Q3 Ending Balance	Dollar Amt Collected in Fees	Dollar Amt of Fees Spent for DWI	Quarter Ending Balance
Prevention	\$ -			\$ -
Enforcement	\$ -			\$ -
Screening	\$ -			\$ -
Domestic Violence	\$ -			\$ -
Treatment	\$ -			\$ -
Compliance Monitoring/Tracking	\$ -			\$ -
Coordination, Planning & Evaluation	\$ -			\$ -
Alternative Sentencing	\$ -			\$ -
Totals	\$ -	\$ -	\$ -	\$ -

Component	FY17 Beginning Balance (From FY16 Ending Balance)	Total Fee Summary and In-Kind		
		Dollar Amt Collected in Fees	Dollar Amt of Fees Spent for DWI	Fiscal Year Fee Ending Balance
Prevention	\$ -	\$ -	\$ -	\$ -
Enforcement	\$ -	\$ -	\$ -	\$ -
Screening	\$ -	\$ -	\$ -	\$ -
Domestic Violence	\$ -	\$ -	\$ -	\$ -
Treatment	\$ -	\$ -	\$ -	\$ -
Compliance Monitoring/Tracking	\$ -	\$ -	\$ -	\$ -
Coordination, Planning & Evaluation	\$ -	\$ -	\$ -	\$ -
Alternative Sentencing	\$ -	\$ -	\$ -	\$ -
Totals	\$ -	\$ -	\$ -	\$ -

CERTIFICATION: Under penalty of law, I hereby certify to the best of my knowledge and belief, the above information is correct, all fees collected are reported here and fees are properly deposited within 24 hours of receipt into the Local DWI Grant and Distribution Program fund. All backup documentation for this report is attached here or on file for review. I certify adequate internal fiscal controls are in place to provide proper fiscal reporting, oversight of records and management of funds.

Grantee Fiscal Officer

Date

Grantee Representative

Exhibit G
Detailed Breakdown By Budget Category
LOCAL DWI GRANT PROGRAM

Grantee: _____
 Project No.: _____
 Request No.: _____

Total Grant Funds Requested This Request: 0.00
 Total Matching Funds Reported This Request: 0.00
 Total Expenditures Reported This Request: 0.00

Grant or Distribution Expenditures:

ADMINISTRATIVE

Administrative expenses are not allowed.

PROGRAM

Personnel Services

<u>Pay Period</u>	<u>Name</u>	<u>Job title</u>	<u>Check Number</u>	<u>Amount</u>	<u>Explanation</u>
Total Personnel Services:				<u>0.00</u>	

Employee Benefits

<u>Pay Period</u>	<u>Name</u>	<u>Job title</u>	<u>Check Number</u>	<u>Amount</u>	<u>Explanation</u>
Total Employee Benefits:				<u>0.00</u>	

Travel (In-State)

<u>Date of Travel/Location</u>	<u>Purpose of Travel</u>	<u>Check Date</u>	<u>Name</u>	<u>Check Number</u>	<u>Amount</u>	<u>Explanation</u>
Total Travel (In-State):						<u>0.00</u>

Travel (Out-of-State)

<u>Date of Travel/Location</u>	<u>Purpose of Travel</u>	<u>Check Date</u>	<u>Name</u>	<u>Check Number</u>	<u>Amount</u>	<u>Explanation</u>
Total Travel (Out-of-State):						<u>0.00</u>

Supplies (*Please list Prevention Giveaways/Promotional Items separately below)

<u>Date of Order</u>	<u>Check Date</u>	<u>Vendor/Item</u>	<u>Description</u>	<u>Check Number</u>	<u>Amount</u>	<u>Explanation</u>
Total Supplies:						<u>0.00</u>

*Prevention Giveaways/Promotional Items

Operating Costs

<u>Period Covered</u>	<u>Check Date</u>	<u>Vendor/Item</u>	<u>Description</u>	<u>Check Number</u>	<u>Amount</u>	<u>Explanation</u>

Exhibit G

Detailed Breakdown By Budget Category

LOCAL DWI GRANT PROGRAM

Grantee: 0
 Project No.: 0
 Request No.: 0

Total Grant Funds Requested This Request: 0.00
 Total Matching Funds Reported This Request: 0.00
 Total Expenditures Reported This Request: 0.00

In-Kind/Match Expenditures:

ADMINISTRATIVE expenses are allowed for in-Kind Match only.

Personnel Services

<u>Pay Period</u>	<u>Name</u>	<u>Job Title</u>	<u>Check Number</u>	<u>Amount</u>	<u>Explanation</u>
Total Personnel Services:				0.00	

Employee Benefits

<u>Pay Period</u>	<u>Name</u>	<u>Job Title</u>	<u>Check Number</u>	<u>Amount</u>	<u>Explanation</u>
Total Employee Benefits:				0.00	

Travel

<u>Date of Travel/Location</u>	<u>Purpose of Travel</u>	<u>Check Date</u>	<u>Name</u>	<u>Check Number</u>	<u>Amount</u>	<u>Explanation</u>
Total Travel:					0.00	

Contractual Services

<u>Period Covered</u>	<u>Check Date</u>	<u>Vendor</u>	<u>Description</u>	<u>Check Number</u>	<u>Amount</u>	<u>Explanation</u>
Total Contractual Services:					0.00	

Operating Costs

<u>Period Covered</u>	<u>Check Date</u>	<u>Vendor/Item</u>	<u>Description</u>	<u>Check Number</u>	<u>Amount</u>	<u>Explanation</u>
Total Operating Costs:					0.00	

PROGRAM

Personnel Services

<u>Pay Period</u>	<u>Name</u>	<u>Job Title</u>	<u>Check Number</u>	<u>Amount</u>	<u>Explanation</u>
Total Personnel Services:				0.00	

Employee Benefits

<u>Pay Period</u>	<u>Name</u>	<u>Job Title</u>	<u>Check Number</u>	<u>Amount</u>	<u>Explanation</u>
Total Employee Benefits:				0.00	

Travel (In-State)

<u>Date of Travel/Location</u>	<u>Purpose of Travel</u>	<u>Check Date</u>	<u>Name</u>	<u>Check Number</u>	<u>Amount</u>	<u>Explanation</u>

AMENDMENT NO. 1 TO
AMENDED AND RESTATED
MINE RECLAMATION AND
TRUST FUNDS AGREEMENT

AMONG

PUBLIC SERVICE COMPANY OF NEW MEXICO

TUCSON ELECTRIC POWER COMPANY

THE CITY OF FARMINGTON, NEW MEXICO

M-S-R PUBLIC POWER AGENCY

THE INCORPORATED COUNTY OF LOS ALAMOS, NEW MEXICO

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

CITY OF ANAHEIM

UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS

TRI-STATE GENERATION AND TRANSMISSION ASSOCIATION, INC.

PNMR DEVELOPMENT AND MANAGEMENT CORPORATION

_____, 2016

**AMENDMENT NO. 1
TO AMENDED AND RESTATED
MINE RECLAMATION AND TRUST FUNDS AGREEMENT**

This AMENDMENT NO. 1 TO AMENDED AND RESTATED MINE RECLAMATION AND TRUST FUNDS AGREEMENT (“Amendment No. 1”), is executed as of _____, 2016 (“Execution Date”), among PUBLIC SERVICE COMPANY OF NEW MEXICO, a New Mexico corporation (“PNM”); TUCSON ELECTRIC POWER COMPANY, an Arizona corporation (“TEP”); THE CITY OF FARMINGTON, NEW MEXICO, an incorporated municipality and a body politic and corporate, existing as a political subdivision under the constitution and laws of the State of New Mexico (“Farmington”); M-S-R PUBLIC POWER AGENCY, a joint exercise of powers agency organized under the laws of the State of California (“M-S-R”); THE INCORPORATED COUNTY OF LOS ALAMOS, NEW MEXICO, a body politic and corporate, existing as a political subdivision under the constitution and laws of the State of New Mexico (“Los Alamos”); SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY, a joint exercise of powers agency organized under the laws of the State of California (“SCPPA”); CITY OF ANAHEIM, a municipal corporation organized under the laws of the State of California (“Anaheim”); UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS, a political subdivision of the State of Utah (“UAMPS”); TRI-STATE GENERATION AND TRANSMISSION ASSOCIATION, INC., a Colorado cooperative corporation (“Tri-State”) and PNMR DEVELOPMENT AND MANAGEMENT CORPORATION, a New Mexico corporation (“PNMR-D”). PNM, TEP, Farmington, M-S-R, Los Alamos, SCPPA, Anaheim, UAMPS, Tri-State and PNMR-D are hereinafter sometimes referred to individually as a “Party” and collectively as “Parties.”

RECITALS

This Amendment No. 1 is made with reference to the following facts, among others:

A. The San Juan Project is a four-unit, coal-fired electric generation plant located in San Juan County, near Farmington, New Mexico, also known as the San Juan Generating Station (“SJGS” or the “Project”). On the Execution Date, the owners of the Project are: PNM, TEP, Farmington, M-S-R, Los Alamos, SCPPA, Anaheim, UAMPS and Tri-State.

B. On July 31, 2015, the Parties entered into a series of agreements to effectuate the restructuring of the ownership of SJGS and to accommodate the exit of certain Parties from active involvement in the operation of SJGS (“Exiting Participants”). The Parties not exiting the Project are the “Remaining Participants.” One of these restructuring-related agreements was the Amended and Restated Mine Reclamation and Trust Funds Agreement (“Mine Reclamation Agreement”). The Mine Reclamation Agreement sets out the Parties’ responsibilities for the establishment and funding of certain irrevocable reclamation trusts to satisfy their respective responsibilities to pay reclamation costs for the reclamation of areas mined for the supply of coal to the Project.

C. The Parties desire to amend the Mine Reclamation Agreement to set out certain rights of a Remaining Participant that is a “Disapprover” or “Non-Extender” (as those terms are defined in the Exit Date Amendment and in this Amendment No. 1) to elect the status of an “Opt-in Participant” or an “Opt-out Participant” (as those terms are defined in the Mine Reclamation Agreement).

AGREEMENT

The Parties, for and in consideration of the mutual covenants to be by them kept and performed, agree as follows.

1.0 TERM AND TERMINATION

1.1 Effective Date.

This Amendment No. 1 will become effective on the date as of which all of the Parties have executed this Amendment No. 1.

1.2 Termination.

This Amendment No. 1 will terminate on the same date that the Mine Reclamation Agreement terminates.

2.0 DEFINITIONS

Section 2.1 of the Mine Reclamation Agreement is hereby amended by the addition of the following definitions:

2.1.18A Disapprover means a Party that has voted against approval of a large capital project, as defined in Section 40A.2 of the Exit Date Amendment.

2.1.23A Exit Date Amendment means the Exit Date Amendment Amending and Restating the Amended and Restated San Juan Project Participation Agreement, dated July 31, 2015.

2.1.32A Non-Extender means a Party that has provided notice that it does not wish to extend the CSA, as defined in Section 40B.1 of the Exit Date Amendment.

3.0 AMENDMENT OF SECTION 9 OF MINE RECLAMATION AGREEMENT

Section 9 of the Mine Reclamation Agreement is hereby amended by the addition of new Sections 9.3 and 9.4, to read in their entirety as follows:

9.3. Disapprover Opt-out Right. Notwithstanding any Remaining Participant’s election to become an Opt-in Participant under Section 9.2, any Remaining Participant that is a Disapprover (as defined in the Exit Date Amendment) and that has entered into a binding agreement to sell or transfer its rights, titles and interests in the San Juan Project in accordance with Section 40.A.0 of the Exit Date Amendment, must, at the time it

enters into such agreement, elect to remain an Opt-in Participant or become an Opt-out Participant after such sale or transfer. Any such election to remain an Opt-in Participant or become an Opt-out Participant will be made by providing written notice of such election to the Reclamation Trust Funds Operating Agent and to the other Parties, and will become effective on the date the Disapprover sells or transfers its interest in the San Juan Project as provided in Section 40A.0 of the Exit Date Amendment. A Remaining Participant electing under this Section 9.3 to become an Opt-out Participant must, on or before the date it sells or transfers its interest in the San Juan Project, have: (i) fully funded its Principal Reclamation Trust Fund to the applicable Reclamation Funding Target Amount as an Opt-out Participant; and (ii) fully funded any Make-up Reclamation Trust Fund to the applicable Make-up Funding Curve.

9.4. Non-Extender Opt-out Right. Notwithstanding any Remaining Participant's election to become an Opt-in Participant under Section 9.2, any Remaining Participant that is a Non-Extender (as defined in the Exit Date Amendment), must, at the time it provides notification of its desire to not extend the CSA and become a Non-Extender under Section 40B.1 of the Exit Date Amendment, elect to remain an Opt-in Participant or become an Opt-out Participant after the Non-Extender's sale or transfer of its interest in the San Juan Project. Any such election to remain an Opt-in Participant or become an Opt-out Participant will be made by providing written notice of such election to the Reclamation Trust Funds Operating Agent and to the other Parties, and will become effective on the date the Non-Extender sells or transfers its interest in the San Juan Project as provided in Section 40B.0 of the Exit Date Amendment. A Remaining Participant electing under this Section 9.4 to become an Opt-out Participant must, on or before the date it sells or transfers its interest in the San Juan Project, have: (i) fully funded its Principal Reclamation Trust Fund to the applicable Reclamation Funding Target Amount as an Opt-out Participant; and (ii) fully funded any Make-up Reclamation Trust Fund to the applicable Make-up Funding Curve.

4.0 AMENDMENT OF SECTION 27.2 OF MINE RECLAMATION AGREEMENT

Section 27.2.1 of the Mine Reclamation Agreement is hereby amended by changing the notice information for San Juan Coal Company, as follows:

San Juan Coal Company
9540 South Maroon Circle, Suite 200
Englewood, CO 80112
Attn: President

With a copy addressed to:

San Juan Coal Company
P.O. Box 561
Waterflow, NM 87421
Attn: San Juan Mine Manager

5.0 MISCELLANEOUS PROVISIONS

5.1 Typographical Error Corrected. In the third line of Section 31.2 of the Mine Reclamation Agreement, the word “disposed” is hereby corrected to read “disclosed.”

5.2 Full Force and Effect. All other provisions of the Mine Reclamation Agreement not specifically amended by this Amendment No. 1 remain in full force and effect.

5.3 Execution in Counterparts. This Amendment No. 1 may be executed in any number of counterparts, and each executed counterpart will have the same force and effect as an original instrument as if all the Parties to the aggregated counterparts had signed the same instrument. Any signature page of this Amendment No. 1 may be detached from any counterpart thereof without impairing the legal effect of any signatures thereon and may be attached to any other counterpart of this Amendment No. 1 identical in form thereto but having attached to it one or more additional pages. Electronic or pdf signatures will have the same effect as an original signature.

IN WITNESS WHEREOF, the Parties have caused this Amendment No. 1 to be executed on their behalf, and the signatories hereto represent that they have been duly authorized to enter into this Amendment No. 1 on behalf of the Party for whom they signed.

[Signatures appear on the following pages.]

PUBLIC SERVICE COMPANY OF NEW MEXICO

By: _____
Its: _____
Dated: _____

TUCSON ELECTRIC POWER COMPANY

By: _____
Its: _____
Dated: _____

THE CITY OF FARMINGTON, NEW MEXICO

By: _____
Its: Mayor _____
Dated: _____

~~Legal Department
Approved as to form
By _____
Date _____~~

M-S-R PUBLIC POWER AGENCY

By: _____
Its: _____
Dated: _____

THE INCORPORATED COUNTY OF LOS ALAMOS, NEW MEXICO

By: _____
Its: _____
Dated: _____

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

By: _____
Its: _____
Dated: _____

CITY OF ANAHEIM

By: _____

Its: _____

Dated: _____

UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS

By: _____

Its: _____

Dated: _____

TRI-STATE GENERATION AND TRANSMISSION ASSOCIATION, INC.

By: _____

Its: _____

Dated: _____

PNMR DEVELOPMENT AND MANAGEMENT CORPORATION

By: _____

Its: _____

Dated: _____

RESOLUTION NO. 2016-1594

A RESOLUTION AUTHORIZING 7.47% PICK-UP OF PERA MUNICIPAL POLICE
PLAN 5 CONTRIBUTIONS

WHEREAS, the Public Employees Retirement Act, NMSA 1978, Section 10-11-5, authorizes affiliated public employers to be responsible for making contributions of up to seventy-five percent of its employees' member contributions to the Public Employees Retirement Association (PERA) under certain conditions; and

WHEREAS, the City of Farmington has elected to pay a portion of the members' contributions; and

WHEREAS, the City of Farmington governing body desires to pick up seven and forty-seven hundredth percent (7.47%) of the employee contributions for the City of Farmington Police employees covered under PERA Municipal Police Member Coverage Plan 5. The employee contribution percentage would then be 16.47% of salary and the employer contribution would be 1.33% of the employee's salary under this resolution. The employer shall also contribute 18.9% of each eligible member's salary under this plan; and

WHEREAS, the effective date of the seven and forty-seven hundredth percent (7.47%) pickup will be effective July 10th, 2016; and

WHEREAS, pursuant to NMSA 1978, Section 10-11-5, this Resolution is irrevocable and shall apply to all employees within the City of Farmington Municipal Police Member Coverage Plan 5.

THEREFORE, BE IT RESOLVED, that the City of Farmington governing body, pursuant to NMSA 1978, Section 10-11-5, hereby elects to be responsible for making contributions of seven and forty-seven hundredth percent (7.47%) of employees' member contributions to the Public Employees Retirement Association for the City of Farmington Police members under PERA Municipal Police Member Coverage Plan 5.

PASSED, SIGNED, APPROVED AND ADOPTED this 28th day of June, 2016.

Tommy Roberts, Mayor

SEAL

ATTEST:

Dianne Smylie, City Clerk

CITY OF FARMINGTON
INTER-OFFICE MEMORANDUM

TO: Mayor Roberts and City Council
FROM: Kristi Benson, CPPO, CPPB *KLB*
Chief Procurement Officer
DATE: June 23, 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 rescind the award for Category 3: 500 MCM cable from Border States as non-responsive for not meeting specifications. Categories 1 & 2 will remain unchanged.

Although Border States bid an approved manufacturer, the specification called for no polyethylene mixed into the insulating compound, and General Cable (the manufacturer) does include polyethylene. This cable is specifically being ordered for the 20th Street project improvements. During the development of the specification, the "no polyethylene" requirement remained from previous specifications and created an environment of only one manufacturer being able to comply with the specifications. The Electric Utility is now aware of the situation and have already begun revising the specification to eliminate any restrictions for future bids.

The Central Purchasing Department concurs with the recommendation from the Electric Utility to reject the bids from Western United Electrical Supply and Stuart C. Irby for not meeting specifications and reject the bid from Graybar for not quoting an approved manufacturer.

The Central Purchasing Department concurs with the recommendation from the Electric Utility to award the bid for Category 3: 500 MCM cable, to Wesco from Albuquerque, NM, a responsible bidder submitting the lowest responsive bid meeting specifications for a total awarded amount of \$131,850.00 plus estimated applicable taxes of \$9,476.06. The in-state preference was given to qualified bidders.

Kristi Benson (Presenter)
Council Meeting 6/28/16

Copy to: H. Andrew Mason – Administrative Services Director
Rodney Romero – Acting Electric Utility Director
John Armenta – Electric Engineering Manager
File – Bid #16-115237

CITY OF FARMINGTON - ABSTRACT SCHEDULE
 WIRE AND CABLE, BID# 16-115237 OPENS: 5/27/16 AT 2 PM
 ELECTRIC UTILITY

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, ALUMINIUM, ASCR, SERVICE & STEEL WIRE AND CABLE	X \$278,113.99	\$298,489.98	NO BID	\$268,681.95	\$284,997.09	\$323,573.42
TOTAL BID WITH IN-STATE PREFERENCE	\$264,208.29	\$283,565.48	NO BID	\$268,681.95	\$284,997.09	\$307,394.75
B. CATEGORY 2: TRAY (CONTROL) CABLE	X \$8,192.05	\$11,099.50	NO BID	\$13,698.57	NO BID	\$9,888.07
TOTAL BID WITH IN-STATE PREFERENCE	\$7,782.45	\$10,544.53	NO BID	\$13,698.57	NO BID	\$9,393.67
C. CATEGORY 3: 500 COPPER CABLE	\$124,080.00	\$126,750.00	\$136,999.50	\$150,000.00	\$131,850.00	\$136,500.00
TOTAL BID WITH IN-STATE PREFERENCE	\$117,876.00	\$120,412.50	\$130,149.53	\$150,000.00	\$131,850.00	\$129,675.00
BID SIGNED: YES	YES	YES	YES	YES	YES	YES
IN-STATE OR VETERANS PREFERENCE: L1749188656	L1388212688	L1646626352	NO	NOT SUBMITTED	L0142770224	
PAYMENT TERMS: NET 30	NET 30	NET 30	1% 10 DAYS	NET 30	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	YES
TAX FORM INITIALED (if applicable): YES	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 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	Total corrected cost did not change outcome read aloud at bid opening	Total corrected cost did not change outcome read aloud at bid opening
Category 3 does not meet specifications	Category 3 does not meet specifications	Category 3 does not meet specifications	Category 3 does not meet specifications	Category 3 does not meet specifications	Category 3 does not meet specifications	Category 3 does not meet specifications

Adoption of the Planning and Zoning Commission Action as contained within the Community Development Petition Report and **denial** of ZC 16-35, a request Vera Matthews for a zone change from RE-1 Residential Estate to RA Rural Agriculture and a variance to allow three horses on 2.5 acres for property located at 7000 Hood Mesa Trail. (Steven Saavedra)

Recommendation of denial by the Planning and Zoning Commission on June 16, 2016 passed by a vote of 8-0.

Adoption of the Planning and Zoning Commission Action as contained within the Community Development Petition Report and **approval** of ANX 16-02, a request from the City of Farmington to annex 235.23 acres of land located southeast of the corporate boundaries of the City along US 64, and adopt the recommended zoning by the Planning & Zoning Commission. (Mary Holton)

Recommendation of approval by the Planning and Zoning Commission on June 16, 2016 with recommendations of staff passed by a vote of 8-0.

Staff requests the City Council to authorize the Mayor and the City Clerk to sign the petition of annexation to be submitted to the New Mexico Municipal Boundary Commission, and direct staff to submit the petition.

COMMUNITY DEVELOPMENT ACTION SUMMARY
PETITION ZC 16-35
Zone Change from RE-1 to RA and a variance to allow three horses
on 2.5 acres.
7000 Hood Mesa Trail

A. STAFF REPORT, June 16, 2016

PROJECT INFORMATION

Applicant	Vera Mathews
Representative	None
Date of Application	May 1, 2016
Requested Action	Zone Change from RE-1 Residential Estate to RA Rural Agriculture and a variance to allow three horses on 2.5 acres.
Location	7000 Hood Mesa Trail
Existing Land Use	Undeveloped Land
Existing Zoning	RE-1 Residential Estate
Surrounding Zoning / Land Use	North: None/ Undeveloped South: RE-1 Residential Estate / Undeveloped East: RE-1 Residential Estate / Undeveloped West: RE-1 Residential Estate / Undeveloped
Notice	Publication of Notice for public hearings of the Planning and Zoning Commission appeared in the Daily Times on Sunday, May 29, 2016. Property owners within 100 feet were sent notice by certified mail on Tuesday, May 24, 2016 and a sign was posted on Friday, June 3, 2016.
Staff Planner	Steven Saavedra, Associate Planner

Project Description:

The petitioner requests a zone change from the RE-1 Residential Estate District to the RA Rural Agriculture District for 2.5 acres of vacant land. In addition, the petitioner requests a variance to allow three horses on 2.5 acres. The property borders vacant land to the north owned by the Bureau of Land Management outside of the City of Farmington municipal boundary. The subject property was annexed to the City in 2000 and the RE-1 Residential Estate zoning district was assigned to 28.62 square miles of land. The RE-1 District is adjacent to the subject property on the East, West, and South. The property line on the north of this lot is the City boundary line. All surrounding properties are vacant and

undeveloped. Infrastructure is scarce to none existent in and around the area. There are no water lines, no sewer lines, and Hood Mesa Trail is not paved.

The petitioner indicated that there have been animals on the property in the past and plans to have three horses on the property in the future. According to Table 2.3 of the City of Farmington Unified Development Code (UDC), keeping horses (and other animals or fowl) is allowed in the RA Rural Agriculture District. Pursuant to Unified Development Code 11.1 one acre is required per horse.

RE-1 Residential Estate District:

The residential estate-1 (RE-1) district is intended to accommodate low-density, large-lot residential, development and to ensure the protection of areas that develop in such a manner. It is a higher density version of the very-low density RE-2 district. Like the RE-2 district, the RE-1 district is expected to accommodate only a very small amount of the city's overall housing needs. It primarily serves those households who desire to live in rural, low-density estate areas. The RE-1 district, along with the RE-2 district, is intended to implement and correspond to the comprehensive plan's "Residential Single-Family Low Density greater than 1 acre" land use designation.

RA Rural Agriculture District:

The rural agricultural (RA) district is intended to promote and protect rural residential and agricultural land uses. The standards of the RA district are designed to permit development that is compatible with existing rural character and agricultural uses while not permanently foreclosing future development options. When population growth or other forces dictate the need for conversion of land from RA to higher intensity zoning classifications, these areas may be re-evaluated and may then be rezoned to permit more intensive uses. The RA district is intended to implement and correspond to the comprehensive plan's "Rural greater than 5 acres" land use designation.

STAFF ANALYSIS

Development of the property would have to meet standards of UDC Article 2.8.1. The proposed zone change would allow single-family residential use, with limited commercial uses. The commercial uses include a farmers market, kennels, and animal training facilities. The RA district allows numerous animals, without a special use permit: Alpaca, bison, cattle, chickens, elk, emu, geese, goats, horse(s), ostrich, rabbit, sheep, and swine. One acre is required, per horse.

Section 8.7.4 of the UDC sets forth issues to be considered for a zone change request.

▪ **Consistency with the Comprehensive Plan:**

The 2020 Future Land Use Plan of the Farmington Comprehensive Plan recommends the subject property to be Residential Single Family Low Density (greater than or equal to 1.0 acre lot). The zone change request is a residential single-family low-density use. The RA District's primary use is single-family residential. The keeping of horses and other animal use is

a secondary use. The RA District is consistent with the comprehensive plan.

- Compatibility of the proposed zoning and land uses with the present zoning and conforming uses of nearby property and the character of the neighborhood:

The property is surrounded on all sides by large vacant pastureland. While the zoning of the area, which is inside the City, is RE-1, the character of the area has never been developed. The lack of residential density, development, and Infrastructure conforms to the requested zone change. The subject property is rural in nature and abuts BLM property to the north, outside of city limits. The surrounding uses are compatible with the Rural Agricultural (RA) District. Zoning this property to the RA district is consistent with the character of the area.

- Creation of adverse impacts and the ability to mitigate these impacts:

Zoning in the RA district would allow some agricultural and animal keeping uses, which may create impacts on adjoining property owners. Any uses established on the property would be subject to the operational performance standards. Animal keeping on the property is subject to Section 2.4.6 of the City of Farmington Unified Development Code, including the animal capacity for the property, and the standards of Chapter 6 of the Farmington City Code regarding animals.
- The ability of the proposed use to be accomplished by the proposed zoning district:

The RA district requires a minimum lot size of one acre, and the subject property is 2.5 acres. Based upon the plan presented by the petitioner for the property, the RA district will give them the ability to build a residence and have some agricultural and animal keeping uses, which would otherwise require a special use permit in the RE-1 district. RA district zoning would allow the petitioners to accomplish the proposed use.
- The suitability of the land for the proposed development:

The property is relatively level with piñon trees. The land appears to be suitable for the proposed use. In the absence of sewer fronting the property, the petitioner must obtain approval of a septic system from the New Mexico Environment Department, or find a means to connect to sewer according to City standards for any development on the property.
- The existence of or the applicant's ability and willingness to provide adequate public facilities:

No additional public facilities are anticipated with the development of the property as presented. If so, the petitioners are responsible for the provision of these facilities.
- Whether the proposed zoning constitutes a spot zone as defined in Article 11 of the UDC:

In Article 11 of the UDC, spot zoning is “where a particular tract within a larger area is specifically zoned so as to impose upon it restrictions not imposed upon the surrounding lands, or grant to it special privileges not granted generally, not done in pursuance of the Comprehensive Plan.” The subject zone change is consistent with the land use identified by the Comprehensive Plan and would grant the property rights for agricultural and animal keeping uses not granted by right to other properties, but allowed through an approved special use permit. In this regard, the subject zone change does not constitute a spot zone.

STAFF CONCLUSION

Staff concludes that approval of ZC 16-35 is appropriate. The Comprehensive Plan indicates Residential Single Family Low Density (greater than or equal to 1.0-acre lot) in the subject area. Both the RE-1 and RA districts require a minimum of 1 acre per lot. Both these zoning districts meet the intent of the Comprehensive Plan. The proposed residential use with agricultural and animal keeping uses is compatible with the surrounding properties, given that the uses comply with standards for such uses in the UDC and the Farmington Municipal Code.

STAFF RECOMMENDATION

The Community Development Department recommends approval of Petition ZC 16-35, a request from Vera Mathews, for a zone change from RE-1 Residential Estate District to the RA Rural Agriculture District, with a variance to allow three horses on 2.5 acres of land, located at 7000 Hood Mesa Trail, subject to the following condition:

- A. Petitioner adheres to all Municipal Codes as set forth in Farmington’s City Code Chapter 6, animals.

B. FINDINGS OF THE PLANNING AND ZONING COMMISSION:

On June 17, 2016, the Planning and Zoning Commission held a public meeting for ZC 16-35 and made the following findings:

1. The petitioner is Vera Mathews.
2. The subject property is located at 7000 Hood Mesa Trail and is in the RE-1 Residential Estate Zoning District.
3. The petitioner is requesting a zone change from RE-1 Residential Estate District to the RA Rural Agriculture District.
4. The total area under consideration is 2.5-acres. The subject property abuts BLM property to the north, outside of city limits. The properties to the east, west, and south are in the City and zoned RE-1.

5. All Publication of Notice for public hearings of the Planning and Zoning Commission appeared in the Daily Times on Sunday April 10, 2015. Property owners within 100 feet were sent notice by certified mail on Wednesday, April 6, 2016, and a sign posted on Friday, April 15, 2016.
6. The proposed zone change would allow single-family residential use, with limited commercial uses, such as a farmers market and kennels.
7. The Planning and Zoning Commission agreed this area is appropriate for horses. However, the Planning and Zoning Commission did not agree a zone change is appropriate. The Commission considered the requested zone change, a spot zone. The requested zone change would allow uses on the property that are not consistent with the residential nature of the surrounding area.
8. The City of Farmington did not receive any opposition to the requested zone change.
9. The petitioner was present at the meeting and spoke in favor of the zone change.

Planning & Zoning Commission Discussion of Petition ZC 16-35 on June 16, 2016

Associate Planner Steven Saavedra presented the staff report for ZC 16-35, a request from Vera Matthews for a zone change from RE-1 Residential Estate 1 to RA Rural Agriculture and a variance to allow three horses on 2.5 acres for property located at 7000 Hood Mesa Trail. Mr. Saavedra distributed a comment to the Commissioners that was received late from Deputy City Attorney, Russel Frost. The comment stated that spot zoning may have implications in the future when this area is developed. Mr. Frost's comment also stated that this may become a main transportation artery in the future due to its close proximity to the intersection of Hood Mesa Trail and North College Blvd.

Mr. Saavedra explained that the property borders vacant land to the north outside the City, which is owned by the Bureau of Land Management, BLM. The surrounding properties to the east, west, and south are zoned RE-1 and are undeveloped at this time. The property was annexed into the City in 2000 and the RE-1 Residential Estate zoning district was assigned to 28.62 square miles of land.

Mr. Saavedra explained that the RE-1 district is intended to accommodate low-density, large-lot residential development. It serves those who want to live in rural, low-density estate areas. The RA district permits development compatible with a more rural character that allows various animals and agricultural uses.

The petitioner recently purchased the property. She would like to purchase the property to the east. Ms. Matthews plans to have three horses on the property.

According to the City of Farmington Unified Development Code, UDC, keeping horses is allowed in the RA district and requires one horse per acre. Ms. Matthews would like to have three horses on the 2.5 acre lot.

Staff feels this is consistent with the Comprehensive Plan. It will not adversely affect the surrounding properties and the land appears to be suitable for the proposed use. Therefore, staff recommends approval of the zone change and approval of the variance to allow three horses on 2.5 acres of land, with the condition that the animals are cared for and the waste is handled as stated in the Farmington Municipal Code, Chapter 6, under animals.

Commissioner Waldroup inquired as to how far homes are from this property. Mr. Saavedra commented that the homes are quite a distance from the property, but he did not know exactly how far.

Commissioner Thompson asked if the zone change would stay with the property if the property was sold. Mr. Saavedra commented that it would stay with the property. Mr. Thompson asked if there is any alternative rather than a zone change that would allow the petitioner to keep horses on the property. Mr. Saavedra stated that a Special Use Permit, SUP, or a Planned Development, PD, was discussed with the petitioner. Either one would allow a horse, yet retain the current zoning. The petitioner preferred pursuing a zone change for this property.

Commissioner Thompson questioned whether a Sunset Clause could be recommended. A Sunset Clause is a provision where a law will expire on a particular date unless the law is reauthorized. Senior Planner Cindy Lopez stated that a zone change can only be reversed if the City initiated a zone change using the same process. Ms. Lopez commented that this area has large parcels, is very rural in nature, and horses seem consistent with this area.

Commissioner Freeman voiced a concern for granting a zone change verses an SUP. Mr. Freeman noted that there was a property to the north with an SUP to allow horses. He commented that a zone change would allow all types of farm animals.

Mr. Freeman asked if there were plans to pave that part of Hood Mesa Trail. Toni Sitta, City of Farmington Engineer, stated that a cost estimate has been done to see what paving would cost. At this time, funding is not available to pursue paving Hood Mesa Trail. Ms. Lopez commented that she did not believe there would be plans to pave this part of Hood Mesa Trail for at least 5 to 10 years because the City of Farmington has not acquired all of the right-of-ways and there is some resistance from the community to pave the road.

Mr. Saavedra mentioned that if the petitioner wants to use barbed wire to fence in the horses, barbed wire is allowed only in the Rural Agricultural and Industrial zoning districts.

Vera Matthews, of 5991 Hood Mesa Trail, mentioned that the SUP that was mentioned by Mr. Freeman is not surrounded by City of Albuquerque and BLM land. Ms. Matthews also noted that there is a limit on the number of animals allowed in the RA district. Ms. Matthews commented that the property between her property and the pavement at College Blvd. is approximately 1 ½-2 miles.

Chair Cardon asked Ms. Matthews how many acres she is attempting to acquire. Ms. Matthews stated she hopes to purchase a total of ten acres. Commissioner Waldroup asked Ms. Matthews if she would want to change the zoning on the entire ten acres. She commented that she might like to change the zoning.

Chair Cardon asked Ms. Matthews why she preferred a zone change rather than an SUP. Ms. Matthews commented that the RE-1 district had several restrictions and she wanted to develop the property if she was able to acquire all ten acres.

Commissioner Freeman asked Ms. Matthews what she wanted to do to develop the property. Ms. Matthews said she initially wants an area for her horses. Eventually, she would like to have a business, possibly a restaurant. Ms. Matthews commented that she lives within walking distance of the property. She obtained an SUP to have a horse on her current property, but wanted a more suitable location for her horse and two other horses. Ms. Matthews mentioned that she has lived around horses all her life, and has had boarding and training facilities for horses.

Commissioner Langenfeld commented that she has a problem with rezoning the property and is concerned with the possibility of commercial use if the zone change is approved. Ms. Langenfeld stated that she feels the petitioner could accomplish the same results with an SUP and still protect the surrounding RE-1 properties. Commissioners Thompson and Ragsdale agreed with Ms. Langenfeld.

Commissioner Thompson asked for clarification from the legal department on whether a change could be made at this hearing so that a motion could be made for an SUP. Jennifer Breakell, City Attorney for Farmington, stated that the Commissioners cannot make a motion for an SUP because an SUP would require a new noticing process as it results in a substantial change in the zoning rights and obligations of the property owner.

Planning & Zoning Commission Action of Petition ZC 16-35 on June 16, 2016

A motion was made by Commissioner Langenfeld and seconded by Commissioner Thompson to deny Petition ZC 16-35, a request from Vera Matthews for a zone change from RE-1 Residential Estate 1 to RA Rural Agriculture and a variance to allow three horses on 2.5 acres for property located at 7000 Hood Mesa Trail.

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

NAY: None

Abstained: None

Absent: Commissioner Washburn.

Motion to deny 8-0

Zoning District

Zoning Classification

- Residential estate-1
- Single-family 10
- Parcels
- Roads Labels
- FMTN City Limit



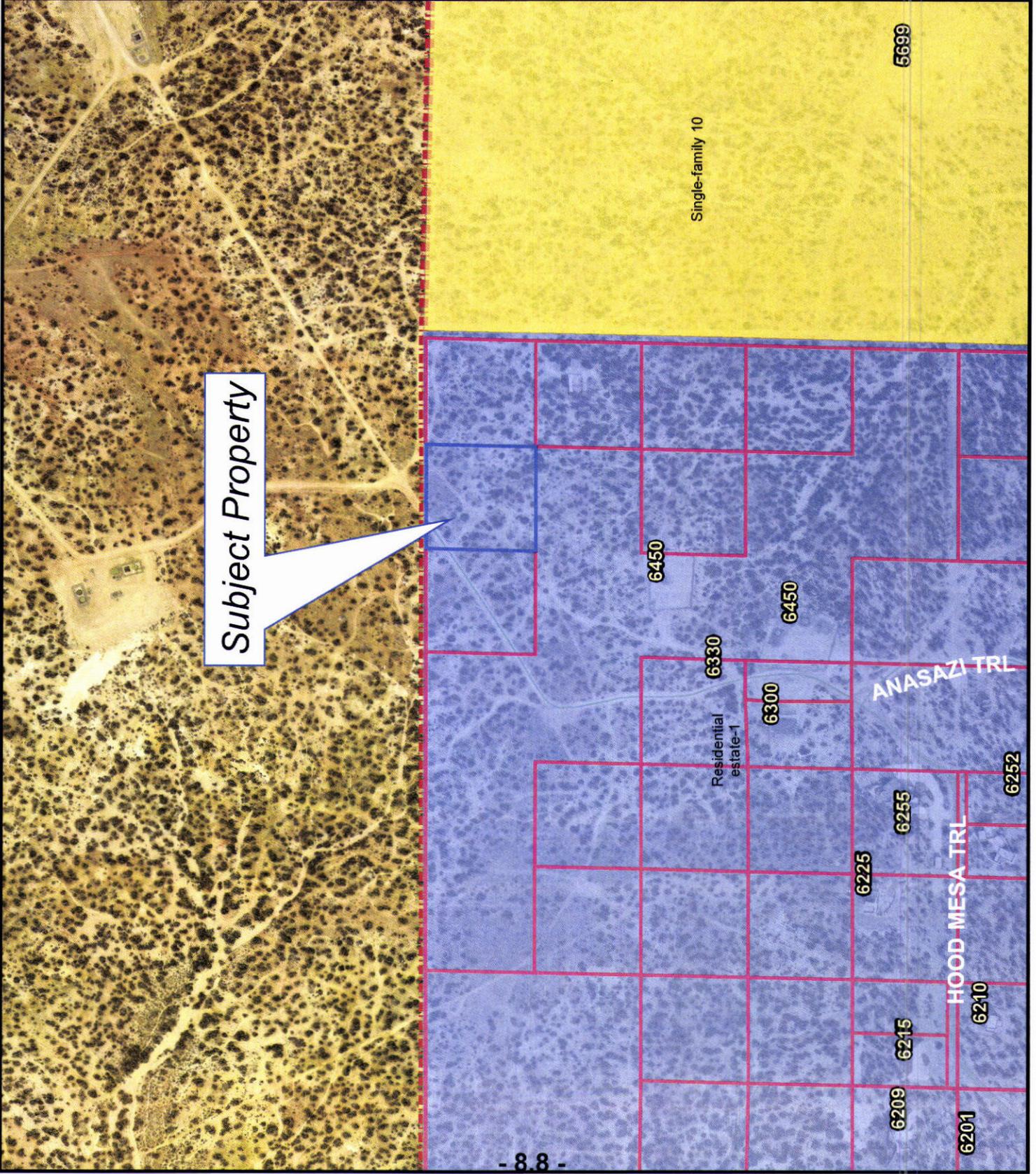
410

Feet



COMMUNITY
DEVELOPMENT
DEPARTMENT

Date: 6/2/2016



Subject Property

8.8





- 8.11

PLANNING MEMO COMMENTS SUMMARY

ZC 16-35 VERA MATTHEWS-RE TO RA AND ALLOW 3 HORSES ON 2.5 ACRES

Deadline: 5/24/16

City of Farmington Departments

CD	Director	Comments will be incorporated into the staff memo.
CD	Addressing – Planning Division	
CD	Chief Building Official	Building inspection has no comment on ZC 16-35 Vera Matthews.
CD	Long Range Planner	
CD	MPO	
CD	Oil & Gas Inspector	
CITY	City Manager's Office	No comment-J. Baird
ELEC	Customer Care Manager	
ELEC	Electrical Engineering	
ELEC	T & D	
FIRE	Fire Marshall	
LEGAL	City Attorney	
LEGAL	Deputy City Attorney	
POLICE	Code Compliance	
POLICE	Sergeant	
PRCA	Director	No comment
PW	City Engineer	No engineering concerns for the zone change.
PW	Engineering	No comment
PW	Streets Superintendent	
PW	Traffic Engineer	
PW	Water/Waste Water	No comment-M. Tso

Other Entities

New Mexico Gas Company	
CenturyLink	No comment
Enterprise Field Services	
Comcast Cable	
CH2MHILL OMI	
Field Services	
Farmington School District	

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>Vera Matthews</u>	Project Location: <u>T30N R13W sec 26 NW1/4 NE1/4 NE1/4 NE1/4</u>
Address: <u>5991 Hood Mesa Trail</u>	Existing Use: <u>Vacant land</u>
E-Mail: <u>Royal Easy L999@aol.com</u>	Proposed Use: <u>RA - to house personal horses</u>
Telephone: <u>719-320-6523</u>	Current Zoning: <u>RE</u>
Relationship to Property Owner: <u>Self</u>	Assessor's Parcel I.D. and/or Tax I.D. Number:

Legal Description of Subject Property: T30N R13W sec 26 NW1/4 NE1/4 NE1/4 NE1/4

Is Property subject to deed restrictions, covenants, or homeowners' association agreements? Yes NO

If Yes, please provide copy with application.

REPRESENTATIVE / CONTACT PERSON (if other than applicant)

Name: <u>Vera Matthews</u>	E-Mail: <u>Royal Easy L999@aol.com</u>
Phone: <u>719320 6523</u>	Address: <u>5991 Hood Mesa Trl. Farmington, NM 87401</u>

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>MORTGAGE HOLDERS (If any)</p>
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: _____

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

Received By _____

Date _____

Fee Received _____

Project File No. _____

Date of Hearing/Meeting: _____

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



Legend

- County & City Addresses - Nur
- Searchable Parcels
- Parcels - No Labels
- Regional Highways-US
- Regional Highways-State
- City Roads
- Other Roads
- County Maintained
- Lesser County Maintained
- Navajo Route
- Oilfield Roads
- Private Roads
- Lakes
- Rivers
- Aztec City Limits
- Bloomfield City Limits
- Farmington City Limits
- School Districts
- San Juan County Bounds
- Reservation

1:2,951

The San Juan County Assessor's Office provides no warranty, expressed or implied, as to the accuracy, reliability or completeness of furnished data. This map is not intended to be used as a survey. For assessment purposes only.



P&Z PLANNING & ZONING COMMISSION
NOTICE OF PUBLIC HEARING

Notice is hereby given that the following application has been filed with the Planning and Zoning Commission of the City of Farmington, New Mexico.

Petition No. ZC 16-35 - a request from Vera Matthews for a zone change from RE-1 Residential Estate 1 to RA Rural Agriculture and a variance to allow three horses on 2.5 acres. Pursuant to UDC 11.1, a horse requires 1 acre of land. The property is 2.5 acres located at 7000 Hood Mesa Trail, in the City of Farmington, San Juan County, New Mexico, as described below:

LEGAL DESCRIPTION

T29N, R13W, Sec. 26, NW1/4NE1/4NE1/4, in the City of Farmington, San Juan County, New Mexico.

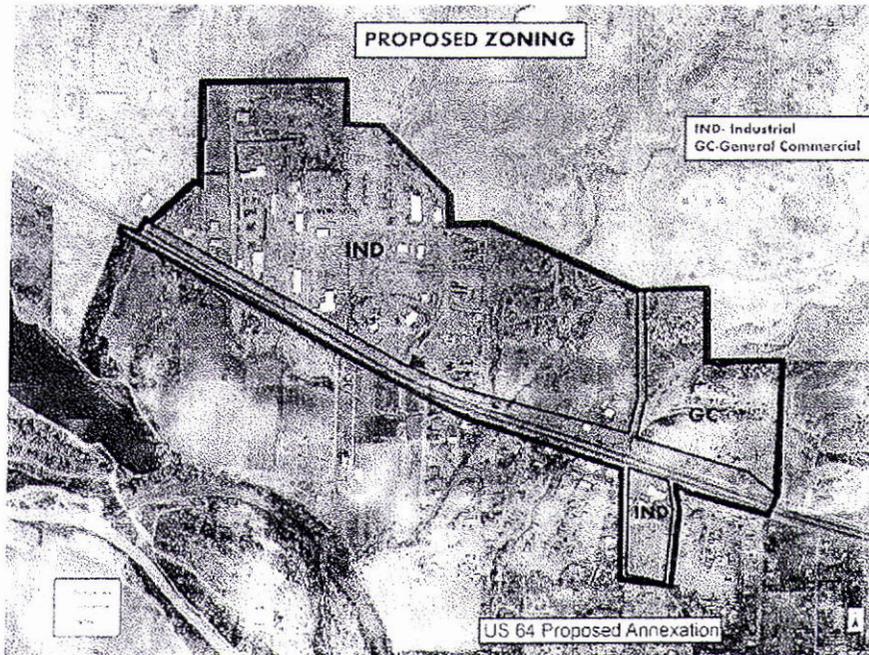
Otherwise located at 7000 Hood Mesa Trail

Petition No. ANX 16-02 - a request from the City of Farmington to consider an annexation of 235.23 acres of land located immediately east and south of the corporate boundaries of the City along the north side of US 64 from east of 1150 Madison Lane to approximately 1,310 feet east of Andrea Drive, plus 5525 US 64 which is located on the south side of US 64, as depicted in the map below and located in San Juan County, New Mexico, as described below:

LEGAL DESCRIPTION

A tract of land lying in the East one-half of the Northeast one-quarter (E1/2 NE1/4) of Section 24 T29N R13W and in Section 19 T29N R12W N.M.P.M. San Juan County, New Mexico, being described as follows:

Beginning at the Northwest corner of said Section 19;
THENCE: N88°25'48"E for a distance of 1280.16 feet along the North line of said Section 19;
THENCE: S00°36'54"W for a distance of 397.88 feet;
THENCE: S89°24'06"E for a distance of 318.08 feet;
THENCE: S44°53'02"E for a distance of 854.61 feet;
THENCE: S01°36'07"E for a distance of 283.63 feet;
THENCE: N88°06'53"E for a distance of 355.97 feet;
THENCE: S64°42'14"E for a distance of 1439.66 feet;
THENCE: N88°16'41"E for a distance of 653.98 feet;
THENCE: S00°05'05"W for a distance of 657.32 feet;
THENCE: N88°18'50"E for a distance of 655.97 feet to the East one corner of said Section 19;
THENCE: S02°03'55"W for a distance of 1431.80 feet along the East line of said Section 19 to a point on the South right-of-way line of U.S. Highway 64;
THENCE: 156.23 feet along said right-of-way around a 17,288.58 feet radius curve to the right having a central angle of 0°31'04" and a chord bearing and distance of N71°27'16"W 156.23 feet;
THENCE: N71°07'46"W for a distance of 777.95 feet along said right-of-way;
THENCE: S11°30'00"E for a distance of 227.30 feet along the Easterly right-of-way of Road 5793;
THENCE: S06°52'00"W for a distance of 686.03 feet along said Easterly right-of-way;
THENCE: S74°18'00"W for a distance of 54.78 feet;
THENCE: S06°50'27"W for a distance of 26.02 feet;
THENCE: N84°49'44"W for a distance of 362.72 feet to a point on the West right-of-way line of a road as shown on the plat of the TOWN & COUNTRY SUBDIVISION, as shown on the plat of said subdivision filed for record on March 23, 1962;
THENCE: N00°19'04"E for a distance of 1064.91 feet along said West right-of-way to a point on the South right-of-way of U.S. Highway 64;
THENCE: N71°07'46"W for a distance of 1458.07 feet along said right-of-way;
THENCE: 1064.89 feet along said right-of-way around a 5829.32 feet radius curve to the right having a central angle of 10°28'00" and a chord bearing and distance of N65°53'46"W 1063.41 feet;
THENCE: N60°39'46"W for a distance of 1664.32 feet along said right-of-way to a point on the section line common to said sections 24 and 19;
THENCE: N60°39'46"W for a distance of 659.54 feet along said right-of-way line;
THENCE: N30°06'55"E for a distance of 200.00 feet to a point on the North right-of-way of U.S. Highway 64;
THENCE: N50°47'25"E for a distance of 518.96 feet;
THENCE: N20°02'26"E for a distance of 166.06 feet;
THENCE: N02°23'53"W for a distance of 243.21 feet;
THENCE: S88°34'35"E for a distance of 36.16 feet to a point on the section line common to said Sections 24 and 19;
THENCE: N00°29'12"E for a distance of 509.84 feet along said Section line to the point of beginning.
Containing 235.23 ac.



Pursuant to the provisions of Section 3-21-6, New Mexico Statutes Annotated, 1978 Compilation, notice is hereby given that these petitions will be considered at the regularly scheduled Public Hearing of the Planning and Zoning Commission of the City of Farmington on Thursday, June 16, 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 28, 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 Petition.

Karen Walker
Administrative Assistant

Legal No. 72764 published in The Daily Times on May 29, 2016.

**NOTICE OF PUBLIC HEARING
ZONE CHANGE
PETITION NO. ZC 16-35**

May 25, 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 Vera Matthews for a zone change from RE-1 Residential Estate 1 to RA Rural Agriculture and a variance to allow three horses on 2.5 acres. Pursuant to UDC 11.1, a horse requires 1 acre of land. The property is 2.5 acres located at 7000 Hood Mesa Trail, in the City of Farmington, San Juan County, New Mexico, as described below:

LEGAL DESCRIPTION

T29N, R13W, Sec 26, NW1/4NE1/4NE1/4NE1/4, in the City of Farmington, San Juan County, New Mexico.

Otherwise located at 7000 Hood Mesa Trail

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, June 16, 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 28, 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 Steven Saavedra at 505-599-1282 or ssaavedra @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: **T29N, R13W, Sec. 26**
NW1/4NE1/4NE1/4NE1/4

OWNER: Matthews, Vera
 5991 Hood Mesa Trail
 Farmington, NM 87401
 1601/253

<u>ADJOINING OWNER</u>	<u>ADDRESS</u>	<u>LEGAL DESCRIPTION</u>
Dove, Rollin M. 384/13	6100 Gray St Arvada, CO 80003-5145	T30N, R13W, Sec. 26 NE1/4NE1/4NE1/4NE1/4
McBee, James W. Trustee 1265/420	1502 N Chaco Farmington, NM 87401-7006	T30N, R13W, Sec. 26 SE1/4NE1/4NE1/4NE1/4
City of Albuquerque 959/228	P.O Box 1293 Albuquerque, NM 87103-1293	T30N, R13W, Sec. 26 Pt. NE1/4
First State Bank 576/299	P.O Box Z Socorro, NM 87801-0479	T30N, R13W, Sec. 26 NE1/4NW1/4NE1/4NE1/4
United States of America (Federal Lands)	Attn: BLM Office 6251 College Blvd. Ste. A Farmington, NM 87402 (Per Phone Book) Note: No address in San Juan County records For United States of America	T30N, R13W, Sec. 23 Pt. SE1/4

COMMUNITY DEVELOPMENT PETITION REPORT
Planning and Zoning Commission Action Summary
Proposed Annexation and Zoning Assignment
ANX 16-02 – Southeast of City Limits along US 64

A. STAFF REPORT

1. PROJECT INFORMATION

Petitioner	The City of Farmington
Representative	The City of Farmington
Date of Council Direction	May 3, 2016
Requested Action	Consider Annexation and Zoning Assignment
Location and/or Legal Description	<p><u>Legal Description:</u> A tract of land lying in the East one-half of the Northeast one-quarter (E1/2 NE1/4) of Section 24 T29N R13W and in Section 19 T29N R12W N.M.P.M. San Juan County, New Mexico, being described as follows:</p> <p>Beginning at the Northwest corner of said Section 19; THENCE: N88°25'48"E for a distance of 1280.16 feet along the North line of said Section 19; THENCE: S00°36'54"W for a distance of 397.88 feet; THENCE: S89°24'06"E for a distance of 318.08 feet; THENCE: S44°53'02"E for a distance of 854.61 feet; THENCE: S01°36'07"E for a distance of 283.63 feet; THENCE: N88°06'53"E for a distance of 355.97 feet; THENCE: S64°42'14"E for a distance of 1439.66 feet; THENCE: N88°16'41"E for a distance of 653.98 feet; THENCE: S00°05'05"W for a distance of 657.32 feet; THENCE: N88°18'50"E for a distance of 655.97 feet to the East one-corner of said Section 19; THENCE: S02°03'55"W for a distance of 1431.80 feet along the East line of said Section 19 to a point on the South right-of-way line of U.S. Highway 64; THENCE: 156.23 feet along said right-of-way around a 17,288.58 feet radius curve to the right having a central angle of 0°31'04" and a chord bearing and distance of N71°27'16"W 156.23 feet; THENCE: N71°07'46"W for a distance of 777.95 feet along said right-of-way; THENCE: S11°30'00"E for a distance of 227.30 feet along the Easterly right-of-way of Road 5793; THENCE: S06°52'00"W for a distance of 686.03 feet along said Easterly right-of-way; THENCE: S74°18'00"W for a distance of 54.78 feet; THENCE: S06°50'27"W for a distance of 26.02 feet; THENCE: N84°49'44"W for a distance of 362.72 feet to a point on the West right-of-way line of a road as shown on the plat of the TOWN & COUNTRY SUBDIVISION, as shown on the plat of said subdivision filed for record on March 23, 1962; THENCE: N00°19'04"E for a distance of 1064.91 feet along said West right-of-way to a point on the South right-of-way of U.S. Highway 64; THENCE: N71°07'46"W for a distance of 1458.07 feet along said right-of-way; THENCE: 1064.89 feet along said right-of-way around a 5829.32 feet radius curve to the right having a central angle of 10°28'00" and a chord bearing and distance of N65°53'46"W 1063.41 feet; THENCE: N60°39'46"W for a distance of 1664.32 feet along said right-of-way to a point on the section line common to said sections 24 and 19; THENCE: N60°39'46"W</p>

	for a distance of 659.54 feet along said right-of-way line; THENCE: N30°06'55"E for a distance of 200.00 feet to a point on the North right-of-way of U.S. Highway 64; THENCE: N50°47'25"E for a distance of 518.96 feet; THENCE: N20°02'26"E for a distance of 166.06 feet; THENCE: N02°23'53"W for a distance of 243.21 feet; THENCE: S88°34'35"E for a distance of 36.16 feet to a point on the section line common to said Sections 24 and 19; THENCE: N00°29'12"E for a distance of 509.84 feet along said Section line to the point of beginning. Containing 235.23 ac.
Existing Land Use	The current land uses within the subject area are primarily industrial. One parcel contains residential uses. Many properties remain undeveloped. Possible future land uses would most likely include industrial and commercial.
Existing Zoning	Unincorporated San Juan County
Surrounding Zoning and Land Use	North: SF-7, (Mesa Vista) Residential; IND, Industrial; RE-20/SMHA & PD 10-01 (Bluffview Valley), Residential South: Unincorporated San Juan County East: Unincorporated San Juan County West: IND, Industrial
Notice	Publication of Notice for this public hearing appeared in the Farmington Daily Times on Sunday, May 29, 2016. The City of Farmington notified property owners whose land is included in the annexation by certified mail on Wednesday, May 25, 2016, and signs were posted on Friday, June 3, 2016.
Staff Planner	Mary L Holton, AICP, Community Development Director

2. STAFF ANALYSIS

Project Description

As indicated on the enclosed Annexation Plat, the proposed annexation area consists of 235.23 acres. A Parcel Map and a corresponding Parcel Database is enclosed for your reference. Approximately 3 housing units, or up to 8 persons reside within one (1) parcel (Parcel no. 92) located within the proposed annexation area. Approximately 20 businesses are located within the subject area, including: Farmington DTC LLC; D & L Repair; CBH Trucking; D & L Trucking; ConocoPhillips; Fesco Gravel Products; Southwest Safety Services; Arrowhead Propane; H & M Precision Products LLC; Calder Services; Bearcat Drilling; Dawn Trucking; Tefteller Inc.; Jade Sales & Service; Weatherford UBS; UNIVAR USA INC; Ferguson Express; and, Maxwell Energy Services, LLC. Staff estimates that approximately 557 jobs are located within the annexation area.

If approved, the annexation would increase the land area for the City by 1%.

The area includes approximately 40 acres of public roadway, including a portion of US 64 and all or portions of County Roads 5860, 5859, 5820, 5817, and 5793.

The subject area is located within Tier 2 of the City's Planning & Platting Jurisdiction (PPJ).

Lee Acres Water Association provides water to properties in the subject area. The City currently provides electricity and sewer to the proposed annexation area, administers

subdivision standards, assigns addresses, provides some traffic enforcement and police patrol, and provides some emergency response to the subject area.

The proposed service plan for the annexation area is below:

US 64 Annexation – Proposed Service Plan			
Municipal Service	To Be Provided By	When Available	Where Available
Water	Lee Acres Water Association	Now	
Sanitary Sewer	City of Farmington	Now	Presently available in US 64 ROW
Police	City of Farmington	Upon Annexation	
Fire and Ambulance	City of Farmington	Upon Annexation	
Solid Waste	City of Farmington	Upon Annexation	
Electric Service	City of Farmington	Now	Already located in FEUS Service Area

History of this Annexation Proposal

The City has long expressed a need for additional land to be located within the City which is suitable for industrial development. Many of the tracts located within the unincorporated area adjacent to the City’s southeast side have experienced development over the past few years. However, much of this land area remains undeveloped and would provide the City and property owners with potential opportunities for growth and development. Many of the businesses, property owners, customers, and employees in the proposed area utilize City of Farmington services, and should therefore support the City’s tax base.

Additionally, the location of the annexation area along US 64 and on the City’s far eastern side makes the area Farmington’s gateway, as well as the entryway to Farmington’s Bluffview Valley residential neighborhood. From this perspective, it is in the City’s interest to guide future growth in the area and to ensure that the area’s land use and development standards are consistent with the goals and objectives of the City.

The possible annexation of this area has been a topic of discussion for the City for at least the past 17 years. This area was designated in the City’s 2002 Comprehensive Plan as an annexation area (See Area #6 on Figure 5.1, Proposed Annexation Areas, below). The possibility of the annexation of the area along US 64 east of the City also became a topic of discussion after the City, along with San Juan County, constructed the sewer line in US 64, initially to serve McGee Park, a San Juan County facility. However, the sewer line is sized to serve the entire area. More formal discussions regarding an annexation of the approximately 2,446 acres located along both sides of US 64 to McGee Park began in April 2013.

At the City Council’s direction, staff hosted a community meeting/open house at McGee Park on May 29, 2013, to discuss the proposed annexation with the public. Advertising for the meeting was published in the Farmington Daily Times and post card invitations were sent out to all property owners. Many City departments were in attendance at this meeting with exhibits to provide information regarding City services to citizens and businesses, including the Police, Fire, Public Works, and Parks, Recreation, and Cultural Affairs Departments. A brochure on City services and benefits (enclosed) was given out at the meeting.

Approximately 40 persons attended that first meeting. A survey was administered at the meeting, and was additionally sent out with the brochure to the remaining property owners who did not attend the meeting. A total of 292 surveys were sent out.

On October 15, 2013, City Council directed staff to conduct additional community outreach, including holding a second public meeting and redistributing the annexation receptiveness survey (enclosed) to ensure that all property owners in the entire area were contacted and were given the opportunity of providing input regarding a possible annexation.

At the same meeting, the City Council also directed staff to prepare annexation studies for two (2) smaller subset areas. The first area, referred to as Area 1, consisting of the approximately 230+ acres that include the land area between the current boundaries of the City to just east of Andrea Drive plus the ConocoPhillips site on the south side of US 64. The second area was referred to as Area 2, consisting of approximately 515 acres, including Area 1 plus the remaining parcels on the north side of US 64 to CR 350 minus some of the larger BLM-owned tracts in the eastern portion.

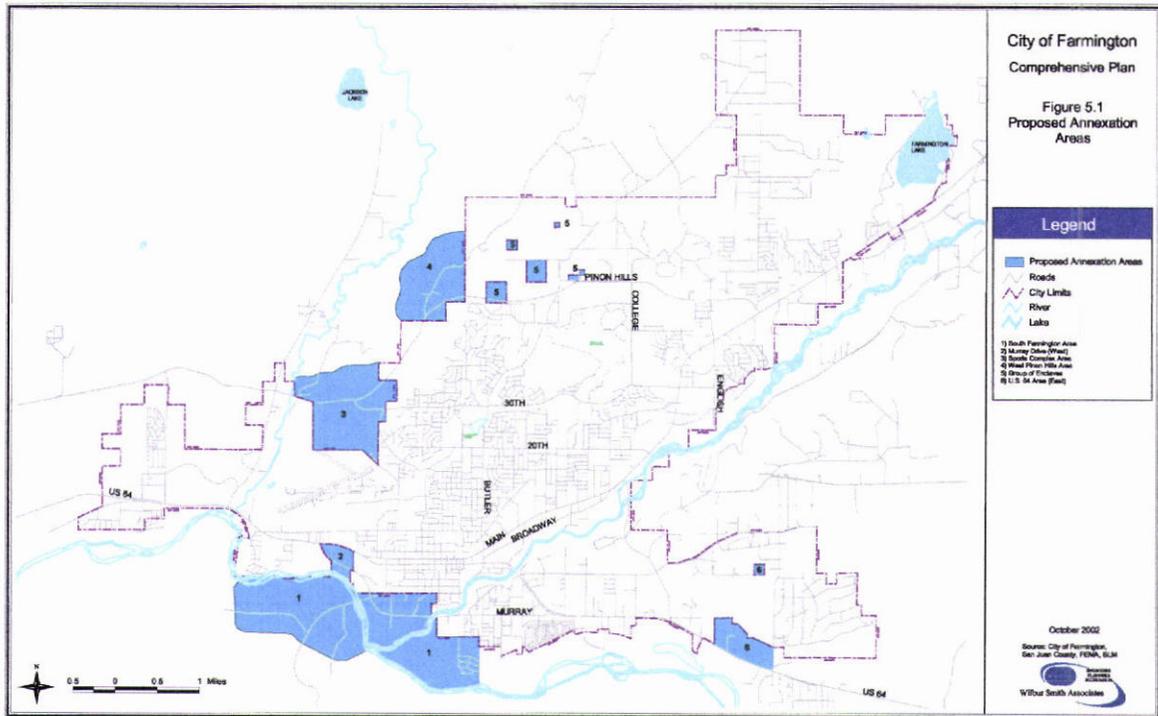
On October 21, 2013, the surveys were sent to those property owners who did not respond to the first survey distribution. Staff hosted a second open house at McGee Park on December 2, 2013. Advertising for the meeting was published in the Farmington Daily Times and post card invitations were sent out to all property owners. Approximately 30 persons attended this open house. The annexation receptiveness surveys were distributed and collected at this meeting, as well.

Staff reported on the additional annexation studies and the results of the annexation receptiveness surveys to the City Council on March 18, 2014. The survey for this subject area, Area 1, indicated that 40% of the owners were open or receptive to annexation. This survey had a 58% response rate. The City Council directed staff to proceed with contacting property owners in Area 1 to request that they sign the annexation petition.

Staff hosted a third open house on September 29, 2014, at Mesa View Middle School. Advertising for the meeting was published in the Farmington Daily Times and post card invitations were sent out to all property owners and businesses. Approximately 20 persons attended this open house. The annexation receptiveness surveys were distributed and collected at this meeting, as well. Staff continued discussing the proposal with property owners. A report on the status of collecting signed petitions is provided below.

More recently, staff discussed this proposal with the City Council during their strategic planning session on May 3, 2016. At that time, staff was directed to proceed with continuing to collect petitions from property owners while developing a petition to submit to the Municipal Boundary Commission. If sufficient petitions were to be attained, staff would proceed with the Petition Method. If not, staff would return to the City Council for the necessary approvals for the petition to be submitted to the Municipal Boundary Commission.

For additional information on annexation methods, please see “The Three Methods of Annexation in New Mexico,” enclosed.



Current Status of the Annexation Petition

The following information provides the current status of the annexation petition using that annexation method:

**Properties within the US 64 Annexation Area –
Property Owners Who Have Signed Annexation Petitions
May 19, 2016**

Map Reference No.	Owner	Verified Acres
73	Carl & Donna Rhames	3,5441
76	Farmington DTC LLC	4,8798
77	Farmington DTC LLC	9,3865
80	CLM Properties Inc.	5,2193
82	Z-C, Inc.	4,0800
83	Farmington DTC LLC	0,9167
84	Aspen Properties	0,9163
86	Farmington DTC LLC	2,0176
90	Farmington DTC LLC	15,1694
95	Animas Valley Land and Water Co LLC	24,7909
204*	ConocoPhillips Company*	0,1733
205*	ConocoPhillips Company*	7,6189
Subtotal		78,7128

*Signatures on Water/Sewer Service Agreements agreeing to be annexed.

Total Land Area currently proposed in this Annexation is 235.23 acres. A minimum of 50.001% of the land area, whose owners have signed an annexation petition, or 117.6173 acres, would be needed to proceed with the Petition Method.

78.7128 acres represents 33.462% of 235.23 acres

Staff continues to discuss signing the annexation petition with various property owners. The BLM has been contacted as well, as NMSA §3-7-4 will only allow annexation of land owned by the federal government if the federal agency consents to the annexation. We should be receiving the BLM's response for Parcel nos. 134 and 135 soon. While the BLM has consented to previous annexations, if they do not consent here, the annexation plat will need a revision to delete the parcels.

If there are any changes after the distribution of this staff report, an update will be provided at the Commission's Meeting.

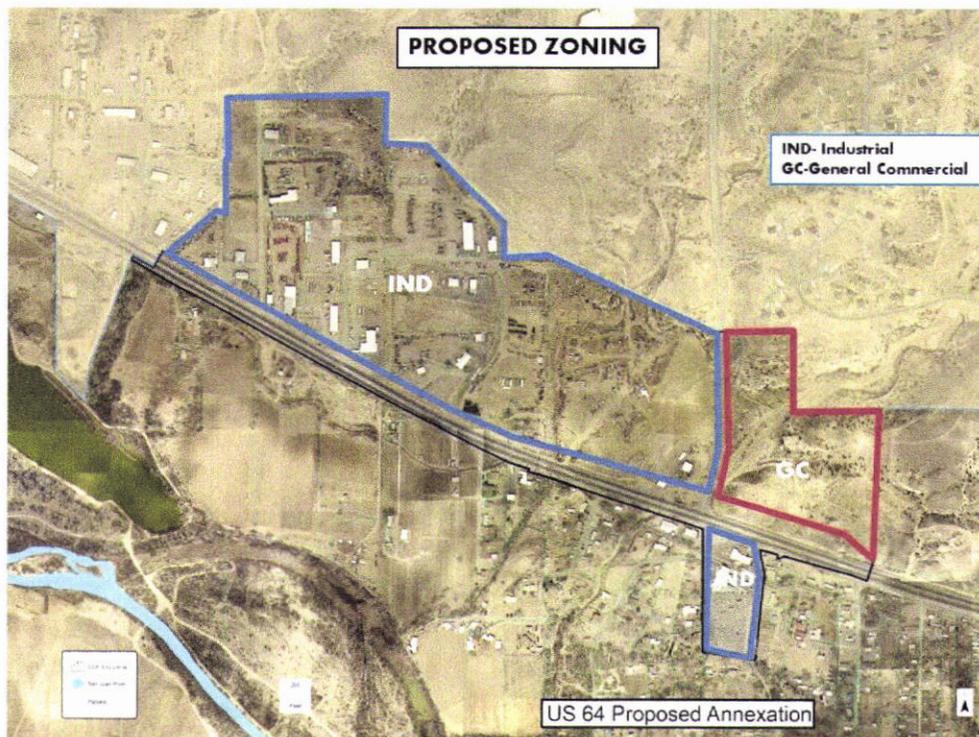
Municipal Boundary Commission Annexation Method

A memo prepared by Jennifer Breakell, City Attorney, that explains the statutory requirements of this annexation method, is enclosed. It is noted that the City of Farmington successfully utilized this annexation method in 1984 to annex 1179.1 acres in the Peninsula Area (east of the Confluence), and contemplated using it in 1999-2000 to annex Bluffview Valley. The City of Bloomfield was also successful at utilizing this method in late 2013 when it annexed 6,775 acres.

Proposed Assigned Zoning Districts

The proposed zoning map for the annexation area is below. Staff has worked closely with property owners in developing the zoning proposal. The zoning preferences made by those owners who have signed the annexation petition are reflected in the proposal. Any changes resulting from on-going discussions with property owners will be provided to the Commission during the meeting.

Additionally, the land use recommendations provided by Figure 4.2, 2020 Future Land Use Plan from the City's Comprehensive Plan (enclosed), as well as consideration of existing zoning in adjacent districts already in the City were factored into the proposal.



STAFF ISSUES

Issues identified here relate to the technical review of the annexation plat map and/or the proposed service plan. Review comments relating to the potential impacts of the annexation were part of the cost-benefit analysis, which is enclosed. General staff comments are contained within the Planning Memo Comments Summary. More detailed comments relating to the development of individual parcels will be conducted and provided as part of a development review (i.e., rezone petitions; subdivision petitions; building permits; etc.) for those individual parcels at the time of those reviews.

Luwil Aligarbes, Senior Distribution Engineer / Farmington Electric Utility, laligarbes@fmtn.org, 505-599-8321

The proposed area in Petition ANX 16-02 is currently served by Farmington Electric Utility System (FEUS). Annexation will not affect load change on FEUS electrical system. If in the future this area will be developed, the FEUS is ready to serve the additional electrical load as substation capacity permits.

Toni Sitta, Associate Project Engineer / Public Works Department, tsitta@fmtn.org, 505-599-1399

I plotted the legal description as shown on the Annexation Plat and checked it against the graphical description of the survey. The closure error distance for the surveyed plat and legal description is within NMED Survey Regulation Tolerances (Accuracy) per 12.8.2.16 NMAC for an Urbanized area.

3. CONCLUSION

The Community Development Department concludes that approval of this annexation request is appropriate. The City's Comprehensive Plan, adopted in 2002, identified this area for annexation. Annexation of this area would provide both the City and property owners with opportunities for growth and development, and would ensure businesses, property owners, customers, and employees in the area who utilize City of Farmington services support the City's tax base.

Additionally, the annexation would ensure that the City guides the future growth in the area while ensuring that the area's land use and development standards are consistent with the goals and objectives of the rest of the City. The annexation would also provide the City the ability to protect its eastern gateway and the entrance to a residential neighborhood already located in the City. Furthermore, the cost-benefit analysis indicates that the projected short-term and long-term costs can be absorbed by current departmental budgets and the projected increase in revenues.

4. STAFF RECOMMENDATION

The Community Development Department recommends **approval** of Petition ANX 16-02, a request from the City of Farmington for the annexation and future zoning of 235.23 acres located southeast of the present municipal boundaries of the City of Farmington along US 64.

When developing their recommendation, the Commission should direct staff to continue to proceed with the Petition Method at this time, and if a sufficient acreage of petitions is not attained prior to the City Council meeting, the Commission should recommend that the City Council authorize the Mayor and City Clerk to sign the Municipal Boundary Commission petition, and direct staff to submit it as directed by the City Council.

B. FINDINGS OF THE PLANNING AND ZONING COMMISSION

On June 16, 2016, the Planning and Zoning Commission held a public meeting for ANX 16-02 and made the following findings:

1. The proposal includes annexing 235.23 acres located contiguous to the City's current southeastern corporate boundaries.
2. The proposal includes a petition signed by owners of 78.7128 acres, representing 33.462% of the land area included in the proposed annexation area.
3. An annexation plat has been prepared for the proposed annexation area.
4. The Annexation Timeline, including scheduling the required meeting with the San Juan County Commission, will be prepared if the Petition Method is utilized for this annexation.
5. A petition will be prepared and submitted to the New Mexico Municipal Boundary Commission if the Municipal Boundary Commission Method is utilized for this annexation.
6. Frank Santiago of 5525 US 64, a representative of Conoco Phillips, stated that Conoco Phillips had no opposition to the annexation, but requested that Conoco Phillips be considered for city water services.
7. Lavonne Gallegos of 5418 US 64, a representative of Southwest Auto Towing, LLC, stated that the annexation did not benefit her, yet taxes would be higher. She said that she cannot tie into the city sewer or water, and there is no high-speed internet in the area.
8. The Commission concurred with staff's recommendations regarding the proposed zoning.

Planning and Zoning Commission Discussion of ANX 16-02 on June 16, 2016

Director Mary Holton presented the staff report for ANX 16-02, a request from the City of Farmington to consider an annexation of 235.23 acres of land located immediately east and south of the corporate boundaries of the City along the north side of US 64 from east of 1150 Madison Lane extending eastward to approximately 1,310 feet east of Andrea Drive, plus 5525 US 64 which is located on the south side of US 64.

Ms. Holton referred the Commissioners to the information provided in the Agenda packet concerning this petition. She noted the planned utilization of the Petition or Municipal Boundary Methods for the annexation. At this time, stated Ms. Holton, staff has 33.462% of the more than 50% of signatures necessary to continue with the petition process. Efforts are being made with the Bureau of Land Management, BLM, to obtain their consent on two parcels.

Ms. Holton referred the Commissioners to page 21 of the Agenda which shows the proposed assigned zoning for the annexation area. She noted the last paragraph of the memo which

says, "When developing their recommendation, the Commission should direct staff to continue to proceed with the Petition Method at this time, and if a sufficient acreage of petitions is not attained prior to the City Council meeting, the Commission should recommend that the City Council authorize the Mayor and City Clerk to sign the Municipal Boundary Commission petition, and direct staff to submit it as directed by the City Council."

Commissioner Thompson asked why General Commercial, GC, was recommended for the area on the east side. Ms. Holton replied that GC was requested by Fred Whistle. Mr. Thompson asked why the Conoco Phillips area was recommended as Industrial, IND, zoning. Ms. Holton replied that IND would give Conoco Phillips the most flexibility in terms of uses.

Commissioner Davis asked where the line was between the IND and GC zoning areas. Ms. Holton stated that the mid-point of the roads will be the division line for the IND and GC zoning area. With the annexation, the City would become responsible for the maintenance of those roads.

Commissioner Waldroup asked why the zoning to the west was IND. Ms. Holton responded that the petitioners in that area requested IND zoning, and the IND best fits the current uses.

Frank Santiago of 5525 US 64, a representative of Conoco Phillips, stated that Conoco Phillips had no opposition to the annexation. Mr. Santiago said the annexation would entail a tax increase for Conoco Phillips. He stated that Conoco Phillips would like to be considered for city water services, as well as other city services. Currently, Conoco Phillips utilizes the Lee Acres Water Association.

Lavonne Gallegos of 5418 US 64 stated that the annexation did not benefit her, yet taxes would be higher. She said that she cannot tie into the city sewer or water, and there is no high-speed internet in the area. Jennifer Breakell, City Attorney for the City of Farmington, stated that the City has no control over the internet system. In reference to city water, Ms. Holton stated that she would have to refer her to the Lee Acres Water Association. As to city sewer, Ms. Holton referred her to the water/wastewater division in Public Works. Ms. Holton offered to provide contact numbers and names.

Commissioner Thompson asked what the advantages will be if the area is annexed. Ms. Holton said police and fire service would provide better response time. Commissioner Freeman asked if the maintenance to the dirt roads would be provided by the City. Ms. Holton responded that the roads would be maintained, and over time, the roads would be improved as the area developed.

Commissioner Brown asked how many residents lived in the area. Ms. Holton stated that there are estimated to be three residential dwellings. They are proposed to be zoned IND but would retain legal nonconforming status until changes are made to the property.

Julie Baird, Assistant City Manager to the City of Farmington, discussed City rates for utilities.

Planning & Zoning Commission Action of Petition ANX 16-02 on June 16, 2016

A motion was made by Commissioner Freeman and seconded by Commissioner Waldroup to **approve** Petition ANX 16-02 as recommended by staff with the recommended proposed zoning as shown on page 21 of the June 16, 2016 Planning & Zoning Agenda.

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

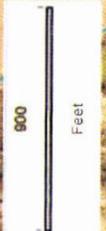
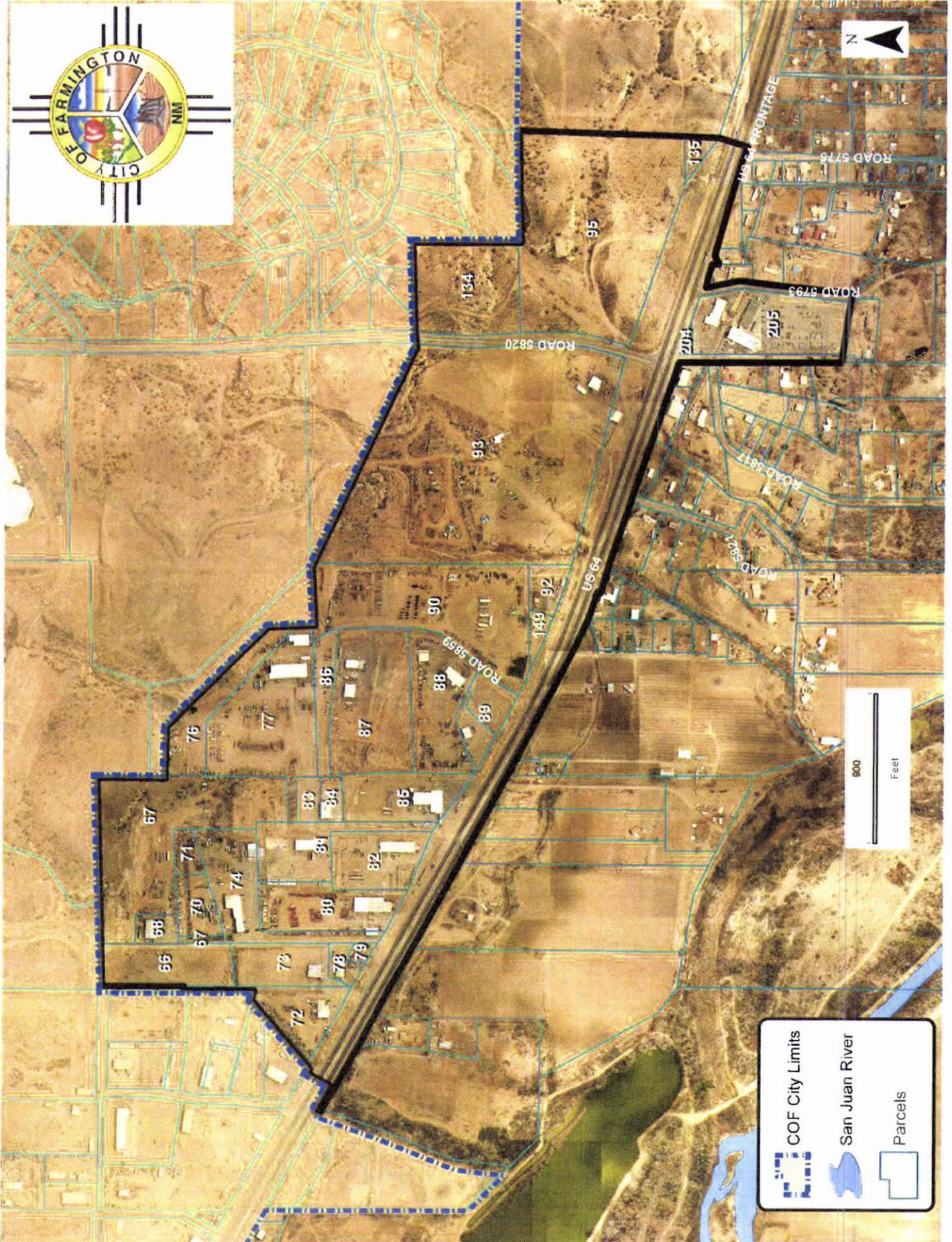
NAY: None

Abstained: None

Absent: Commissioner Washburn.

Motion passed 8-0

Certified: Mary L Holton, AICP, Community Development Director



	COF City Limits
	San Juan River
	Parcels

Proposed US 64 Annexation - Parcel Database - May 2016						
Map Number	Acct Type	Owner	Location, Address	Tax Assessor Parcel Number or ROW	Land Use/Business	Area in Acres - Tax Assessor
66	Vacant Land	State of New Mexico, San Juan County	Various	ROW	Roadway	40.3860
67	Vacant Land	Cecil & Dorothy Daniel Trust	Monroe Drive	2072170515488	Parking, outdoor storage	4.6900
68	Commercial	Leonard C Jones	N/A	207217047495 (2 parcels)	Well site, parking, outdoor storage	14.9600
70	Vacant Land	Leonard C Jones	5426 US 64	207217047492	D & L Repair	1.0000
71	Vacant Land	Bear Cat Drilling LLC	5426 US 64	2072170475468	Outdoor storage	2.0000
72	Commercial	Bear Cat Drilling LLC	US 64	207217045473	Outdoor storage	1.0000
73	Commercial	Cecil & Dorothy Daniel Trust	5419 US 64	2073170016408	Bumper to Bumper Salvage	3.8820
74	Commercial	Carl & Donna Rhames	5422 US 64	2072170506422	CBH Trucking, D & L Trucking	3.5441
76	Vacant Land	Bear Cat Drilling LLC	5424 US 64	2072170462444	Bearcat Drilling	5.2370
77	Commercial	Farmingington DTC LLC	18 Road 5860	2072170374472	Cell tower, outdoor storage	4.8798
78	Commercial	Farmingington DTC LLC	16 Road 5860	2072170363426	Dawn Trucking	9.3865
79	Commercial	Neil and Billie M Tetteller	X US 64	2072170513410	Tetteller Inc	0.8554
80	Commercial	CLM Properties Inc	298 US 64	2072170477396	Jade Sales & Service	0.3880
81	Commercial	La Roche LR	15 Road 5860	2072170448418	Weatherford UBS	5.2183
82	Commercial	Z-C Inc.	5440 US 64	2072170451375	UNIVAR USA INC	4.5400
83	Vacant Land	Farmingington DTC LLC	Road 5860	2072170414398	Ferguson Express	4.0800
84	Commercial	Aspen Properties	14 Road 5860	2072170414385	Undeveloped	0.9167
86	Commercial	Amarillo Diamond LTD	5444 US 64	2072170411356	MVCI Energy Services	0.9163
86	Vacant Land	Farmingington DTC LLC	Road 5860	2072170351388	Roberts Truck Center	4.9874
87	Commercial	Maxwell Energy Services, LLC	17 Road 5869	2072170349364	Undeveloped	2.0176
88	Commercial	Harry B Jr. and Shannon L Monk Trust	7 Road 5859	2072170350324	H & M Precision Products LLC	10.0472
89	Commercial	Jerry & Judy Neely	3 Road 5859	2072170333289	Calder Services	6.0842
89	Commercial	Jerry & Judy Neely	5 Road 5859	2072170351298	Arrowhead Propane	1.5600
90	Vacant Land	Farmingington DTC LLC	Road 5859	2072170283330	Southwest Safety Services	1.1500
92	Res Mix	Brandon Stafford	5496 US 64	2072170277255	Outdoor storage	15.1694
93	Commercial	Waller H Bump, et al	5510 US 64	2072170272255	Residential - Three (3) DUs	1.3200
95	Vacant Land	Animas Valley Land and Water Co LLC	Andrea Drive	2072170203306	Fesco Gravel Products	43.1600
134	Vacant Land	Federal	Andrea Drive	2098199909900	3 well sites, undeveloped (rough terrain)	24.7509
135	Vacant Land	Federal	US 64	2099199909900	Undeveloped (rough terrain)	7.9200
149	Res Mix	Thomas F and Evelyn H Kerby Trust	5471 US 64	2072170354197	Undeveloped	0.6600
204	Commercial	ConocoPhillips Company	US 64	2072170110125	Undeveloped	0.1733
205	Commercial	ConocoPhillips Company	5525 US 64	2072170120186	Parking	0.6600
TOTAL					ConocoPhillips Offices	7.6189
						235.2300

**CITY OF FARMINGTON
ANNEXATION PROPOSAL SURVEY**

Are you an owner of property located between Farmington and County Road 350 or County Road 5500? (Please circle one)

Yes No

What is your name, and the address of the property you own?

How receptive are you to having your property annexed by the City of Farmington?
(Please circle one)

Yes Open to it Don't care Not receptive No

Would you like to discuss the proposal further? (Please circle one)

Yes No

If so, please list the best way for us to contact you below:

Thanks for letting us know!

THE THREE METHODS OF ANNEXATION IN NEW MEXICO*

Arbitration Method

If the City Council desires to annex contiguous territory, it may, by resolution, declare that the benefits of municipal government are or can be made available within a reasonable time to the territory proposed to be annexed and that it desires to annex such territory. A copy of the resolution with a copy of a plat of the territory proposed to be annexed must be filed with the San Juan County Clerk.

After the adoption of the resolution and the filing of the plat, a seven-member board of arbitration must be created. Three members are elected from the territory proposed to be annexed. These members must be property owners of land within the territory and must live in the territory. The election must take place within two months of the filing of the resolution and plat. An additional three members are appointed by the City Council prior to the election of the first three members. The appointed members must live within the City and be property owners of land located within the City. The remaining one member is selected by the six-member board of arbitration after the election. The seventh member cannot live or own land located within the territory or the City, but must live and own land within San Juan County.

The expense of the election would be paid by the City of Farmington.

If the Board is unable to select the seventh member, the District Court would appoint that member. After all members of the Board have been selected, they meet to elect a chairman and begin holding meetings upon the call of the chairman. The Board is charged with determining if the benefits of the government of the municipality are or can be available within a reasonable time to the territory proposed to be annexed. The Board may investigate as it may deem advisable in order to obtain information and data as to the availability of the benefits of the municipal government and may require the City Council to furnish it with any records pertaining to the benefits. The cost of the investigation would be paid by the City of Farmington.

Determination by a majority of the seven members of the board of arbitration must be made within 60 days after the selection of the seventh member, and is final. If a majority of the members of the Board determine that the territory should not be annexed, the City Council cannot proceed further and cannot pass any other resolution seeking to annex the territory for a period of two years. If a majority of the members of the Board determine that the territory or a portion should be annexed, it will certify such by signatures of the board members to the Farmington City Clerk, the San Juan County Clerk, the NM Secretary of Finance and Administration and the NM Secretary of Taxation and Revenue.

Thereafter, the annexation shall be deemed complete as to the territory certified as proper to be annexed. The City of Farmington would then need to pass an ordinance, consistent with law, which would effectuate the terms of the annexation.

*General information is presented here. State Statutes should be consulted for timing and specific steps.

Boundary Commission Method

The New Mexico Municipal Boundary Commission, a standing commission appointed by the Governor, reviews requests when a municipality or a majority of landowners of the territory petition the commission to annex a territory of land to a municipal boundary. Legal counsel for the Commission is provided by the State Attorney General's Office, and administrative staff support is provided by the Department of Finance and Administration, Local Government.

The members of the Commission are paid as provided in the Per Diem and Mileage Act by the municipality if the municipality petitions the municipal boundary commission to annex territory to the municipality; or a majority of the landowners who petition the municipal boundary commission to annex territory to the municipality and the municipal boundary commission orders the territory annexed to the municipality; or by the landowners who petition the municipal boundary commission to annex the territory to the municipality, if the municipal boundary commission does not order the territory annexed to the municipality.

After receipt of a petition, the secretary to the Commission calls a meeting of the Commission. This meeting to consider the petition must occur within sixty days of the receipt of the petition. The secretary to the Commission publishes a notice, of a public hearing on the petition, once each week for four consecutive weeks, with the last publication being at least twenty days before the day of the hearing. The notices must contain the date when the meeting of the Commission is scheduled, the place of the meeting and a general description of the boundary of the territory petitioned to be annexed to the municipality.

The Commission must meet in the municipality to which the territory is proposed to be annexed and shall hold a public hearing on the question of annexing to the municipality the territory petitioned to be annexed.

At the public hearing held for the purpose of determining if the territory proposed to be annexed to the municipality shall be annexed to the municipality, the Commission must determine if the territory proposed to be annexed is contiguous to the municipality and whether it can be provided with municipal services by the municipality to which the territory is proposed to be annexed. If the Commission determines that the conditions are met, the commission orders that the territory be annexed to the municipality.

If the Commission determines that only a portion of the territory petitioned to be annexed meets the conditions, the commission may order that portion to be annexed to the municipality.

If the Commission determines that the conditions are not met, the commission will not order the annexation to the municipality of the territory petitioned to be annexed.

Any order of the Commission shall be final unless any owner of land within the territory proposed to be annexed, within thirty days after the filing of the final order in the office of the San Juan County Clerk and the office of the City Clerk, is granted a review of the order by the District Court.

*General information is presented here. State Statutes should be consulted for timing and specific steps.

2

Within ten days after the Commission makes its determination, the Secretary of the NM Department of Finance and Administration shall file certified copies of the order of the Commission in the Office of the City Clerk of the municipality to which the territory has been petitioned to be annexed and in the Office of the County Clerk. The Secretary is to also transmit a copy of the order to the NM Secretary of Taxation and Revenue.

If the Commission orders the annexation of territory to a municipality, the annexation shall be complete after the filing of certified copies of the order.

Petition Method

This method is initiated by the filing of a petition:

- (1) That seeks the annexation of territory contiguous to the municipality; and,
- (2) Is signed by the owners of a majority of the number of acres in the contiguous territory; and,
- (3) Is accompanied by a map that shows the external boundary of the territory proposed to be annexed and the relationship of the territory proposed to be annexed to the existing boundary of the municipality; and
- (4) Is presented to the City Council.

The City Council must, by ordinance, express its consent or rejection to the annexation of such territory within 60 days of receiving the petition.

If the ordinance consents to the annexation of the contiguous territory, a copy of the ordinance, with a copy of the plat of the territory so annexed, shall be filed in the office of the San Juan County Clerk. After the filing, the contiguous territory is part of the City. The City Clerk must also send copies of the ordinance annexing the territory and of the plat of the territory so annexed to the NM Secretary of Finance and Administration and to the NM Secretary of Taxation and Revenue.

Within thirty days after the filing of the copy of the ordinance with the San Juan County Clerk, any person owning land within the territory annexed to the municipality may appeal to the district court questioning the validity of the annexation proceedings. If no appeal to the district court is filed within thirty days after the filing of the ordinance or if the court renders judgment in favor of the municipality, the annexation shall be deemed complete.

INTEROFFICE MEMORANDUM

To: Mayor and Council

From: Jennifer N. Breakell

Date: May 31, 2016

Re: Annexation- Boundary Commission Process

The purpose of this memo is to explain the Boundary Commission process for the annexation of U.S. 64 property.

A petition for annexation can be submitted to the Commission by a municipality or a majority of the landowners of the territory proposed for annexation. (Sec. 3-7-11, NMSA 1978). The Municipal Boundary Commission ("Commission") consists of three members appointed by the governor, one of which is an attorney licensed to practice law in New Mexico and two from differing political parties. The members must be from separate counties. The municipality pays the Boundary Commission fees if the municipality petitions or the landowners successfully petition. If the landowner's petition fails, the landowners pay the Commission fees.

Pursuant to Sec. 3-7-13, NMSA 1978:

"A. The petition shall:

- (1) describe the territory proposed to be annexed;
- (2) be signed by;
 - (a) the mayor and clerk of the municipality; or
 - (b) a majority of the landowners of the territory proposed to be annexed; and
- (3) be accompanied by a map of the territory proposed to be annexed which shall show:
 - (a) the external boundary of the territory proposed to be annexed;
 - (b) any federal, state or county highways which may exist in the territory proposed to be annexed; and
 - (c) the relationship of the territory proposed to be annexed to the existing boundary of the municipality.

B. The petition shall be filed with the department of finance and administration."

The Commission must meet within 60 days of receipt of the petition. The Commission secretary must publish notice of a public hearing once a week for 4 consecutive weeks with the last publication being at least 20 days before the hearing. The meeting must take place in the municipality to which the territory is proposed to be annexed and "shall hold a public hearing on the question of annexing to the municipality the territory petitioned to be annexed." (Sec. 3-7-14, NMSA 1978).

At the meeting, the Commission must determine if the territory to be annexed:

“(1) is contiguous to the municipality; and

(2) may be provided with municipal services...” (Sec. 3-7-15(A), NMSA 1978).

If the conditions are met, the Commission shall order the annexation. If the Commission determines only a portion of the conditions are met, it **may** order annexation of only that portion of the territory that meets the conditions. If the Commission determines the conditions are not met, the Commission **shall not** order the annexation [emphasis added] (Sec. 3-7-15(B), (C), and (D), NMSA 1978).

Any order of the Commission is final unless any owner of property within the territory proposed to be annexed, within 30 days of the filing of the order with the offices of the county and municipal clerks, obtains a review of the order by the district court. (Sec. 3-7-15(E), NMSA 1978).

Should you have any questions please do not hesitate to contact me.

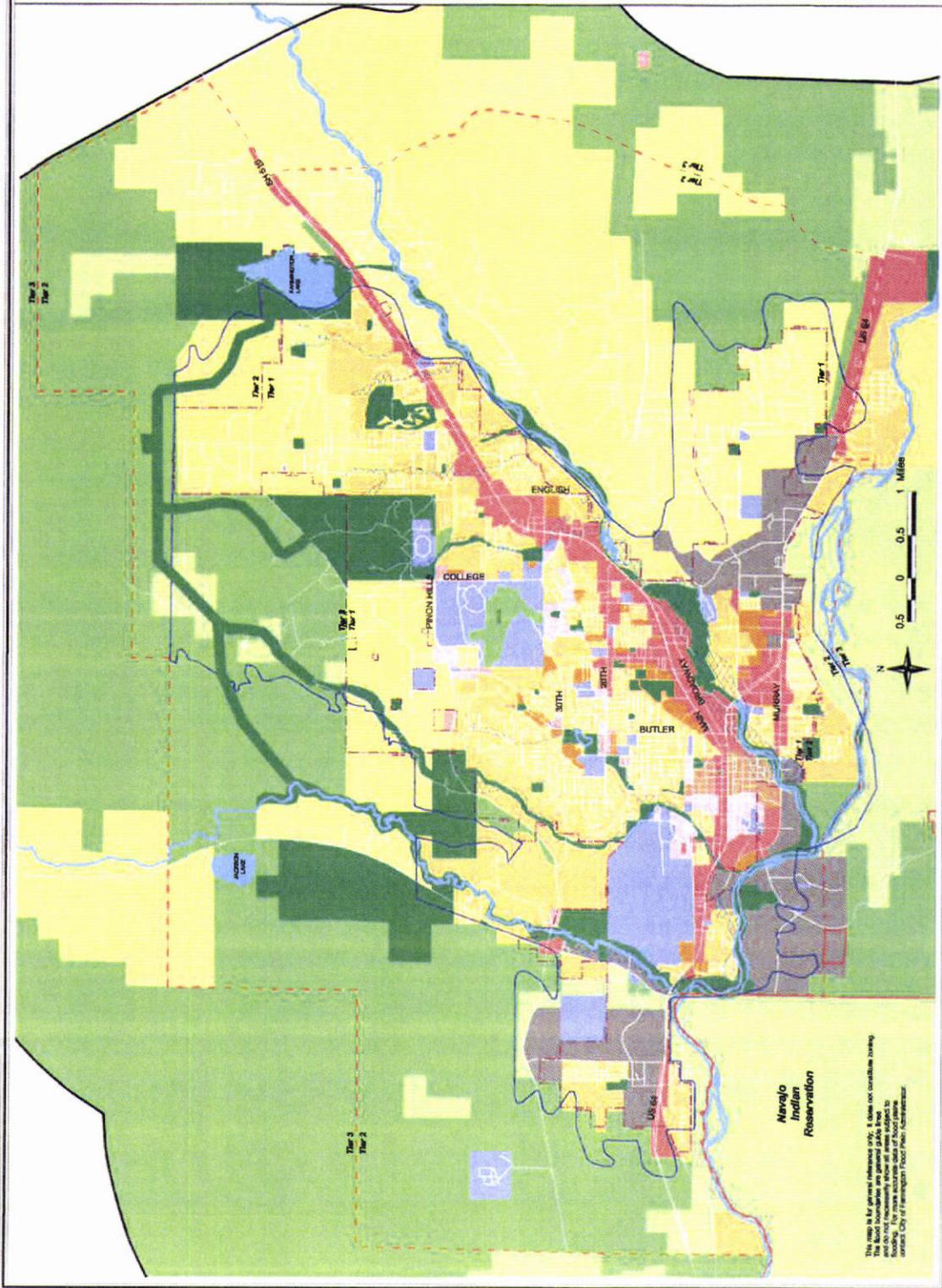
City of Farmington
Comprehensive Plan

Figure 4.2
2020 Future
Land Use Plan

Legend

- Future Land Use**
- Rural
 - Residential Single Family Low Density (greater than or equal to 1.0 acre lot)
 - Residential Single Family Suburban (less than 1.0 acre lot but greater than 20,000 sq. acre lot)
 - Residential Single Family Urban (less than 20,000 sq. acre lot)
 - Mixed Use
 - Office Professional
 - Neighborhood Commercial
 - Commercial
 - Institutional
 - Light Industrial
 - Open Space/Public Lands
 - Parks
 - Farmington Water Service Area Boundary
 - Development Tiers
 - Navajo Indian Reservation
- Flood Plain**
- 100 Year
 - Lake
 - River
- City Limits**
- City Limits
 - Planning and Platting Jurisdiction (PPJ)

October 2002
Source: City of Farmington, San Juan County, FEMA, BLM, The Navajo Nation, and Wilbur Smith Associates



This map is for general reference only. It does not constitute zoning. The flood boundaries are general guide lines. For more accurate data of flood plain, contact City of Farmington Flood Plain Administrator.

Summary of Estimated and Projected Costs and Revenues
Proposed US 64 East Annexation
 235.23 Acres

Immediate to Short-Term Impacts		
	Expenditures	Revenues
Fiscal Impacts to City Departments		
Annual Costs	\$137,593	
Capital/One-Time Costs	\$151,436	
Annual Property Tax Collection		\$9,202
Annual Gross Receipts Tax Collection (estimated)		\$630,000

Long-Term Impacts		
	Expenditures	Revenues
Fiscal Impacts to City Departments		
Annual Costs	\$170,558	
Capital/One-Time Costs	\$N/A	
Annual Property Tax Collection		\$29,792
Annual Gross Receipts Tax Collection (estimated)		\$850,000

March 2016

Note that "immediate to short-term" refers to the first 5 years of an annexation, and that "long-term" refers to 20 years into the future.

Estimates & Projections for GRT using the IMPLAN Method and applying the City's share of tax rate:

The limitations of this method are the quality and calibration of the model in an attempt to simulate economic activity. Further, the accuracy of the inputs used in the model (in this case, the employment figures shown) affects the usefulness of the outputs. Also, any numbers projected into the future are only based on an expected rate of growth.

Employment estimates and projections provided by the Farmington Metropolitan Planning Organization. Assistance on the IMPLAN Method provided to staff by Robert Richards, Economist, NM Department of Workforce Solutions, Bureau of Economic Research and Analysis.

For this Study Area:

2013 Est. City's share of GRT is \$630,000 annually.

This is based on the business activity from approximately 300-350 jobs in the industries included.

For 2033, that dollar amount grown at the rate of 1.5% per year for 20 years is approximately \$850,000. The projected employment is approximately 400-470 jobs.

Projected Immediate to Short-Term Impacts to City Departments from the Proposed US 64 Annexation - Area 1

Department	Projected Additional Services, Staffing and/or Overtime Required	Projected Cost of Additional Services, Staffing and/or Overtime	Projected Additional Supplies, Equipment, and Facilities Required	Projected Cost of Additional Supplies, Equipment, and Facilities	Projected Benefits
Administrative Services	None	N/A	None	N/A	Collection of property & GRT revenue.
City Clerk	Notification to State of the annexation; Notification & issuance of business registrations; Revisions to the Voting District Map	N/A	Postage, paper, additional ballots.	Minimal	Additional business registration revenue - Approx. \$600 initially
City Manager	None	N/A	None	N/A	N/A
Community Development	Building permit & inspection services; Zoning services; UDC enforcement services.	N/A	Fuel; Postage, Paper; Noticing.	Minimal	Increased Construction GRT; Permit & Petition revenue
Electric Utility	None - Already within FEUS service area.	N/A	None	N/A	N/A
Fire	There currently exists a mutual-aid agreement between the City of Farmington and San Juan County concerning this area. Fire and EMS services will be provided by Farmington Fire if San Juan County requests aid. Upon annexation, Fire Station Four would be dispatched first to the subject area for all emergency calls. If the response requires additional units, the response would follow current FFD procedures used currently in the City of Farmington. Fire prevention and business inspection would be provided by the Fire Marshal. Add'l fuel and vehicle maintenance would be needed to cover addition responses into this new area.	Reoccurring annually: Fuel and vehicle maintenance - Add'l \$10,000	None	N/A	N/A
General Services	None	N/A	None	N/A	N/A
Human Resources	None	N/A	None	N/A	N/A
IT	None	N/A	None	N/A	N/A
Legal	None	N/A	None	N/A	N/A
Library	None	N/A	None	N/A	N/A
PRCA	None	N/A	None	N/A	N/A
Police	Law Enforcement services: Emergency calls for police service; investigations, victim services, traffic enforcement, traffic crash investigations, traffic safety, code compliance, animal control, fire and ambulance service support, and preventative patrol activities. Add'l staff needed: 1.0 FTE Police Officer Position: most likely a traffic officer position. .15 FTE Code Compliance Officer (costs to be absorbed by current budget) .15 FTE Animal Control Officer (costs to be absorbed by current budget)	Reoccurring annually: Overtime \$6,550 On Call \$2,539 0.5 FTE Police Officer Position: most likely a traffic officer position. Salary/Benefits: \$32,964 Stipend and OT Stipend: \$2,000	Police Vehicle and accessories Uniforms and equipment Telephone and phone service Laptop computer Fuel & vehicle maintenance	Total First Year Start-up - \$63,696 Total Annual Estimated Costs After First Year: \$11,040	N/A
Public Works	Traffic Signal - County currently maintains the traffic signal at US64 and Andrea Drive and the signal at US64. After annexation, the maintenance of the signal would be the City's	Reoccurring annually: Traffic Engineering - to maintain signal - additional overtime - \$5,000 Streets Division will need an	One-Time: Dump Truck w/ plow & sander or a street sweeper Street sign replacements	One-Time: Dump Truck w/ plow & sander or a street sweeper - \$87,500 Street sign replacements - \$240	Increased revenue to the 201 Fund (Street) in GRT and gas tax.

<p>responsibility. Maintenance of the signal along with monthly electrical cost (\$60/month for a signal) annual cost \$5,000 per year for maintenance cost or replacement due to accident.</p> <p>Street sign replacement (\$120/intersection times 2 intersections – to meet larger sign requirement that goes into effect in 2014.</p> <p>Floodplain Management – Not in the City's jurisdiction, but would be after annexation. Upon annexation, additional flood mapping would need to be done for the arroyos that cross the highway and currently flow through many business yards along US 64. 2 major and 2 smaller ones, prior to allowing additional development in these areas. They are not even undetermined A zones. Not sure how many additional non-compliant buildings (problems) we would gain against our ISO/CRS rating.</p> <p>Utility - Water – this area is currently served by Lee Acres Water Users. Lee Acres Water Users Association owns the water system – approximately 2 miles of water – pipe size 4" & 6", no fire hydrants in the area.</p> <p>Utility - Sewer – City of Farmington has a force (pressure) sewer main located in US64 starting at Valentine Road and then continuing east in US 64 to the property line between McGee Park and 7 to 11. Monthly base and volume charges will remain the same, as current rates are the same as in City rates. Since this is a pressure sewer system each individual customer will need to install a pump system (at their expense) to connect to the system.</p> <p>Street Maintenance - patching and crack sealing for NMDOT roads US64 (5 lane miles) after annexation. Dirt streets (1 lane mile) in industrial area would need maintenance approximately 4 to 6 times per year. Arroyo crossings and several smaller culvert crossings will become ours to clean and maintain. Street sweeping, crack sealing will increase by ~5 lane miles for collector and arterial roads (more frequent sweeping). Additional 5 lane miles to maintain in the winter – snow plow and sanding.</p> <p>Fire Protection - If there is a desire in the future to serve this area, an underground fire protection system and improvement district should be pursued to accomplish the project.</p>	<p>additional 0.35 FTE (\$50,000 x 0.35= \$17,500</p>	<p>Reoccurring annually: Asphalt, Concrete, Snow Removal, Traffic Materials.</p>	<p>Reoccurring annually: Asphalt per year - \$20,000 Concrete per year - \$5,000 Snow Removal per year \$20,000 Traffic Materials per year - \$5,000</p>
<p>TOTALS</p>	<p>\$76,553</p>	<p>\$61,040</p>	<p>\$151,436</p>
<p>ANNUAL COSTS</p>		<p>N/A</p>	
<p>CAPITAL/ONE-TIME COSTS</p>		<p>\$76,553</p>	

Projected Long-Term Impacts to City Departments from the Proposed Southwest Annexation – Area 1

Department	Projected Additional Services, Staffing and/or Overtime Required	Projected Cost of Additional Services, Staffing and/or Overtime	Projected Additional Supplies, Equipment, and Facilities Required	Projected Cost of Additional Supplies, Equipment, and Facilities	Projected Benefits
Administrative Services	None	N/A	None	N/A	Collection of property & GRT revenue.
City Clerk	Increase in number of business registrations as area grows. Any residential growth may require an add'l voting precinct & voting convenience center.	N/A	Postage, paper, additional ballots	Minimal	Additional business registration revenue –
City Manager	None	N/A	None	N/A	N/A
Community Development	Building permit & inspection services; Zoning services; UDC enforcement services.	N/A	Fuel; Postage, Paper, Noticing.	Minimal	Construction GRT; Permit & Petition revenue
Electric Utility	None	N/A	None	N/A	N/A
Fire	Fire Station Four would be dispatched first to the subject area for all emergency calls. If the response requires additional units, the response would follow current FFD procedures used currently in the City of Farmington.	Reoccurring annually: Fuel and vehicle maintenance – Add'l \$10,000	None	N/A	N/A
General Services	None	N/A	None	N/A	N/A
Human Resources	None	N/A	None	N/A	N/A
IT	None	N/A	None	N/A	N/A
Legal	None	N/A	None	N/A	N/A
Library	None	N/A	None	N/A	N/A
PRCA	None	N/A	None	N/A	N/A
Police	Law Enforcement services: emergency calls for police service, investigations, victim services, traffic enforcement, traffic crash investigations, traffic safety, code compliance, animal control, fire and ambulance service support, and preventative patrol activities. Add'l staff needed: 1.0 FTE Police Officer Position: most likely a traffic officer position. .15 FTE Code Compliance Officer (to be absorbed by current budget) .15 FTE Animal Control Officer (to be absorbed by current budget) Note: Long-term impacts to the Police Dept. are difficult to ascertain, depending upon traffic flows & development of current undeveloped areas.	Reoccurring annually: Overtime \$6,550 On Call \$2,539 One FTE Police Officer Position: most likely a traffic officer position. Salary/Benefits: \$65,929 Stipend and OT Stipend: \$2,000	Police Vehicle and accessories Uniforms and equipment Telephone and phone service Laptop computer Fuel & vehicle maintenance	Total Annual Estimated Costs – After First Year: \$11,040	N/A
Public Works	Traffic Signal – County currently maintains the traffic signal at US64 and Andrea Drive and the signal at US64. After annexation, the maintenance of the signal would be the City's responsibility. Maintenance of the signal along with monthly electrical cost (\$60/month for a signal) annual cost \$5,000 per year for	Reoccurring annually: Traffic Engineering - to maintain signal - additional overtime - \$5,000 Streets Division will need an additional 0.35 FTE (\$50,000 x 0.35= \$17,500	Reoccurring annually: Asphalt; Concrete; Snow Removal; Traffic Materials.	Reoccurring annually: Asphalt per year - \$20,000 Concrete per year - \$5,000 Snow Removal per year \$20,000 Traffic Materials per year - \$5,000	Increased revenue to the 201 Fund (Street) in GRT and gas tax.

	<p>maintenance cost or replacement due to accident.</p> <p>Street sign replacement (\$120/intersection times 2 intersections – to meet larger sign requirement that goes into effect in 2014, Floodplain Management - Not in the City's jurisdiction, but would be after annexation. Upon annexation, additional flood mapping would need to be done for the arroyos that cross the highway and currently flow through many business yards along US 64: 2 major and 2 smaller ones, prior to allowing additional development in these areas. They are not even undetermined A zones. Not sure how many additional non-compliant buildings (problems) we would gain against our ISO/CRS rating.</p> <p>Street Maintenance - patching and crack sealing for NMDOT roads US64 (5 lane miles) after annexation. Dirt streets (1 lane mile) in industrial area would need maintenance approximately 4 to 6 times per year. Arroyo crossings and several smaller culvert crossings will become ours to clean and maintain. Street sweeping, crack sealing will increase by ~5 lane miles for collector and arterial roads (more frequent sweeping). Additional 5 lane miles to maintain in the winter – snow plow and sanding.</p> <p>Street Resurfacing costs – This section of roadway is State Highway US64 (NMDOT) responsibility. For your information - 5 lane miles - estimated cost \$1,000,000</p> <p>Unpaved streets in industrial area - If there is a desire to pave the existing unpaved streets in this area, an improvement district could be pursued to accomplish the project.</p> <p>Utility - Sewer - Mainline Extension into current county roads not served - If there is a desire to serve this area beyond the existing sewer force main an improvement district should be pursued to accomplish the project.</p> <p>Utility – Water - Water system is currently owned and operated by Lee Acres Water Users Association.</p> <p>Fire Protection -- If there is a desire in the future to serve this area is with an underground fire protection system an improvement district should be pursued to accomplish the project</p>	
TOTALS		<p>ANNUAL COSTS \$109,518</p> <p>CAPITAL/ONE-TIME COSTS N/A</p>
		<p>ANNUAL COSTS \$61,040</p> <p>CAPITAL/ONE-TIME COSTS N/A</p>

PLANNING MEMO COMMENTS SUMMARY

ANX 16-02 HWY 64 ANNEXATION

Deadline: 4/8/16

City of Farmington Departments

CD	Director – Mary Holton	Comments will be incorporated into the staff memo.
CD	Addressing – Planning Division	
CD	Chief Building Official – Derrick Childers	Building inspection has no comments on ANX 16-Hwy 64 Annexation
CD	Long Range Planner	
CD	MPO – Duane Wakan	
CD	Oil & Gas Inspector – Leona Simms	
CITY	City Manager’s Office – Bob Campbell	
ELEC	Customer Care Manager – Nicki Parks	
ELEC	Electrical Engineering - Luwil Aligarbes	4/13/16-The proposed COF annexation of 233.53 acres north of Hwy 64, Petition ANX 16-02, are currently served by Farmington Electric Utility System (FEUS). Annexation will not affect load change on FEUS electrical system. If in the future this area will be developed, the FEUS is ready to serve the additional electrical load as substation capacity permits.
ELEC	T & D	
FIRE	Fire Marshall –Brandy Vega	There is concern regarding water availability for fire suppression.
LEGAL	City Attorney – Jennifer Breakell	
LEGAL	Deputy City Attorney-Russel Frost	
POLICE	Code Compliance – Todd Johnston	
POLICE	Sergeant Flores	
PRCA	Cory Styron	
PW	City Engineer- Nica Westerling	6/13/16-Significant drainage issues exist, there was no flood plain enforcement of FEMA mapped arroyos for many years. This area developed and arroyos were filled in without ACOE, FEMA or local oversight. Businesses were constructed within flood ways at existing grades. Several businesses along the highway frontage experienced flooding during 2010 and/or 2013. The CRS (Community Rating Service) rate may increase due to additional structures within mapped flood plain/ floodways; especially if it's determined that the structures are at or below the base flood elevations, making them more susceptible to flooding.
PW	Engineering – Toni Sitta	I plotted the legal description as shown on the Annexation Plat and checked it against the graphical description of the survey. The closure error distance for the surveyed plat and legal description is within NMED Survey Regulation Tolerances (Accuracy) per 12.8.2.16 NMAC for an Urbanized area.

		The closure report calculated a total area of 233.53 acres.
PW	Streets Superintendent – Jim Couch	
PW	Traffic Engineer– Charles Trask	
PW	Water/Waste Water – Manuel Tso	<p>* The proposed annexation area lies outside the City's Water System Master Plan area and within the Lee Acres Water Users Association jurisdiction. The City may need written authorization from Lee Acres to extend City water services to these properties.</p> <p>* Upon annexation, fire protection in this area may be inadequate as there are no City waterlines fronting the properties in this area.</p> <p>* Presently, there's no gravity sewer system in the area. All properties fronting Bloomfield Hwy would require a pumped sewer system to tie into the existing pressure sewer system along Bloomfield Hwy.</p>

Other Entities

New Mexico Gas Company-Ronnie Owens	
CenturyLink-Diane Willatto	
Enterprise Field Services	
Comcast Cable-Mark Johnson	
CH2MHILL OMI-Ron Rosen	
Williams Field Services	
Farmington School District-Cindy Lyons	

P&Z PLANNING & ZONING COMMISSION
NOTICE OF PUBLIC HEARING

Notice is hereby given that the following application has been filed with the Planning and Zoning Commission of the City of Farmington, New Mexico.

Petition No. ZC 16-35 - a request from Vera Matthews for a zone change from RE-1 Residential Estate 1 to RA Rural Agriculture and a variance to allow three horses on 2.5 acres. Pursuant to UDC 11.1, a horse requires 1 acre of land. The property is 2.5 acres located at 7000 Hood Mesa Trail, in the City of Farmington, San Juan County, New Mexico, as described below:

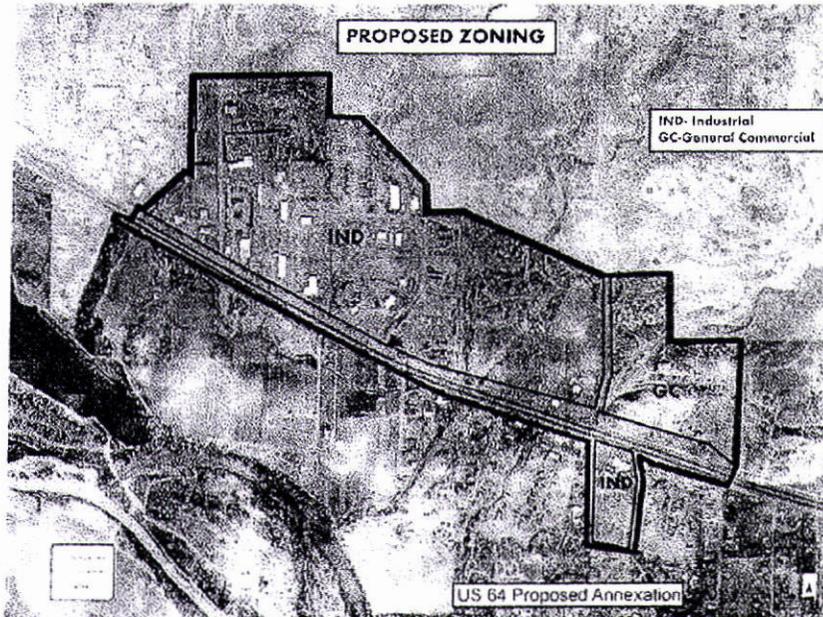
LEGAL DESCRIPTION

T29N, R13W, Sec. 26, NW1/4NE1/4NE1/4, in the City of Farmington, San Juan County, New Mexico.
Otherwise located at 7000 Hood Mesa Trail

Petition No. ANX 16-02 - a request from the City of Farmington to consider an annexation of 235.23 acres of land located immediately east and south of the corporate boundaries of the City along the north side of US 64 from east of 1150 Madison Lane to approximately 1,310 feet east of Andrea Drive, plus 5525 US 64 which is located on the south side of US 64, as depicted in the map below and located in San Juan County, New Mexico, as described below:

LEGAL DESCRIPTION

A tract of land lying in the East one-half of the Northeast one-quarter (E1/2 NE1/4) of Section 24 T29N R13W and in Section 19 T29N R12W N.M.P.M. San Juan County, New Mexico, being described as follows:
Beginning at the Northwest corner of said Section 19;
THENCE: N88°25'48"E for a distance of 1280.16 feet along the North line of said Section 19;
THENCE: S00°36'54"W for a distance of 397.88 feet;
THENCE: S89°24'06"E for a distance of 318.08 feet;
THENCE: S44°53'02"E for a distance of 854.61 feet;
THENCE: S01°36'07"E for a distance of 283.63 feet;
THENCE: N88°06'53"E for a distance of 355.97 feet;
THENCE: S64°42'14"E for a distance of 1439.66 feet;
THENCE: N88°16'41"E for a distance of 653.98 feet;
THENCE: S00°05'05"W for a distance of 657.32 feet;
THENCE: N88°18'50"E for a distance of 655.97 feet to the East one corner of said Section 19;
THENCE: S02°03'55"W for a distance of 1431.80 feet along the East line of said Section 19 to a point on the South right-of-way line of U.S. Highway 64;
THENCE: 156.23 feet along said right-of-way around a 17,288.58 feet radius curve to the right having a central angle of 0°31'04" and a chord bearing and distance of N71°27'16"W 156.23 feet;
THENCE: N71°07'46"W for a distance of 777.95 feet along said right-of-way;
THENCE: S11°30'00"E for a distance of 227.30 feet along the Easterly right-of-way of Road 5793;
THENCE: S06°52'00"W for a distance of 686.03 feet along said Easterly right-of-way;
THENCE: S74°18'00"W for a distance of 54.78 feet;
THENCE: S06°50'27"W for a distance of 26.02 feet;
THENCE: N84°49'44"W for a distance of 362.72 feet to a point on the West right-of-way line of a road as shown on the plat of the TOWN & COUNTRY SUBDIVISION, as shown on the plat of said subdivision filed for record on March 23, 1962;
THENCE: N00°19'04"E for a distance of 1064.91 feet along said West right-of-way to a point on the South right-of-way of U.S. Highway 64;
THENCE: N71°07'46"W for a distance of 1458.07 feet along said right-of-way;
THENCE: 1064.89 feet along said right-of-way around a 5829.32 feet radius curve to the right having a central angle of 10°28'00" and a chord bearing and distance of N65°53'46"W 1063.41 feet;
THENCE: N60°39'46"W for a distance of 1664.32 feet along said right-of-way to a point on the section line common to said sections 24 and 19;
THENCE: N60°39'46"W for a distance of 659.54 feet along said right-of-way line;
THENCE: N30°06'55"E for a distance of 200.00 feet to a point on the North right-of-way of U.S. Highway 64;
THENCE: N50°47'25"E for a distance of 518.96 feet;
THENCE: N20°02'26"E for a distance of 166.06 feet;
THENCE: N02°23'53"W for a distance of 243.21 feet;
THENCE: S88°34'35"E for a distance of 36.16 feet to a point on the section line common to said Sections 24 and 19;
THENCE: N00°29'12"E for a distance of 509.84 feet along said Section line to the point of beginning.
Containing 235.23 ac.



Pursuant to the provisions of Section 3-21-6, New Mexico Statutes Annotated, 1978 Compilation, notice is hereby given that these petitions will be considered at the regularly scheduled Public Hearing of the Planning and Zoning Commission of the City of Farmington on Thursday, June 16, 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 28, 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 Petition.

Karen Walker
Administrative Assistant

Legal No. 72764 published in The Daily Times on May 29, 2016.

**NOTICE OF PUBLIC HEARING
PROPOSED ANNEXATION AND PROPOSED ZONING
PETITION NO. ANX 16-02**

May 25, 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, that consists of a request from the City of Farmington to consider an annexation of 235.23 acres of land located immediately east and south of the corporate boundaries of the City along the north side of US 64 from east of 1150 Madison Lane to approximately 1,310 feet east of Andrea Drive, plus 5525 US 64 which is located on the south side of US 64, as depicted in the map below, and as described below:

LEGAL DESCRIPTION

A tract of land lying in the East one-half of the Northeast one-quarter (E1/2 NE1/4) of Section 24 T29N R13W and in Section 19 T29N R12W N.M.P.M. San Juan County, New Mexico, being described as follows:

Beginning at the Northwest corner of said Section 19;

THENCE: N88°25'48"E for a distance of 1280.16 feet along the North line of said Section 19;

THENCE: S00°36'54"W for a distance of 397.88 feet;

THENCE: S89°24'06"E for a distance of 318.08 feet;

THENCE: S44°53'02"E for a distance of 854.61 feet;

THENCE: S01°36'07"E for a distance of 283.63 feet;

THENCE: N88°06'53"E for a distance of 355.97 feet;

THENCE: S64°42'14"E for a distance of 1439.66 feet;

THENCE: N88°16'41"E for a distance of 653.98 feet;

THENCE: S00°05'05"W for a distance of 657.32 feet;

THENCE: N88°18'50"E for a distance of 655.97 feet to the East one-corner of said Section 19;

THENCE: S02°03'55"W for a distance of 1431.80 feet along the East line of said Section 19 to a point on the South right-of-way line of U.S. Highway 64;

THENCE: 156.23 feet along said right-of-way around a 17,288.58 feet radius curve to the right having a central angle of 0°31'04" and a chord bearing and distance of N71°27'16"W 156.23 feet;

THENCE: N71°07'46"W for a distance of 777.95 feet along said right-of-way;

THENCE: S11°30'00"E for a distance of 227.30 feet along the Easterly right-of-way of Road 5793;

THENCE: S06°52'00"W for a distance of 686.03 feet along said Easterly right-of-way;

THENCE: S74°18'00"W for a distance of 54.78 feet;

THENCE: S06°50'27"W for a distance of 26.02 feet;

THENCE: N84°49'44"W for a distance of 362.72 feet to a point on the West right-of-way line of a road as shown on the plat of the TOWN & COUNTRY SUBDIVISION, as shown on the plat of said subdivision filed for record on March 23, 1962;

THENCE: N00°19'04"E for a distance of 1064.91 feet along said West right-of-way to a point on the South right-of-way of U.S. Highway 64;

THENCE: N71°07'46"W for a distance of 1458.07 feet along said right-

of-way;
THENCE: 1064.89 feet along said right-of-way around a 5829.32 feet
radius curve to the right having a central angle of 10°28'00"
and a chord bearing and distance of N65°53'46"W 1063.41 feet;
THENCE: N60°39'46"W for a distance of 1664.32 feet along said right-
of-way to a point on the section line common to said sections
24 and 19;
THENCE: N60°39'46"W for a distance of 659.54 feet along said right-
of-way line;
THENCE: N30°06'55"E for a distance of 200.00 feet to a point on the North
right-of-way of U.S. Highway 64;
THENCE: N50°47'25"E for a distance of 518.96 feet;
THENCE: N20°02'26"E for a distance of 166.06 feet;
THENCE: N02°23'53"W for a distance of 243.21 feet;
THENCE: S88°34'35"E for a distance of 36.16 feet to a point on the section
line common to to said Sections 24 and 19;
THENCE: N00°29'12"E for a distance of 509.84 feet along said Section line
to the point of beginning.
Containing 235.23 ac.

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, June 16, 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 28, 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 Petition.

You are receiving this letter because you may own property within the area 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.

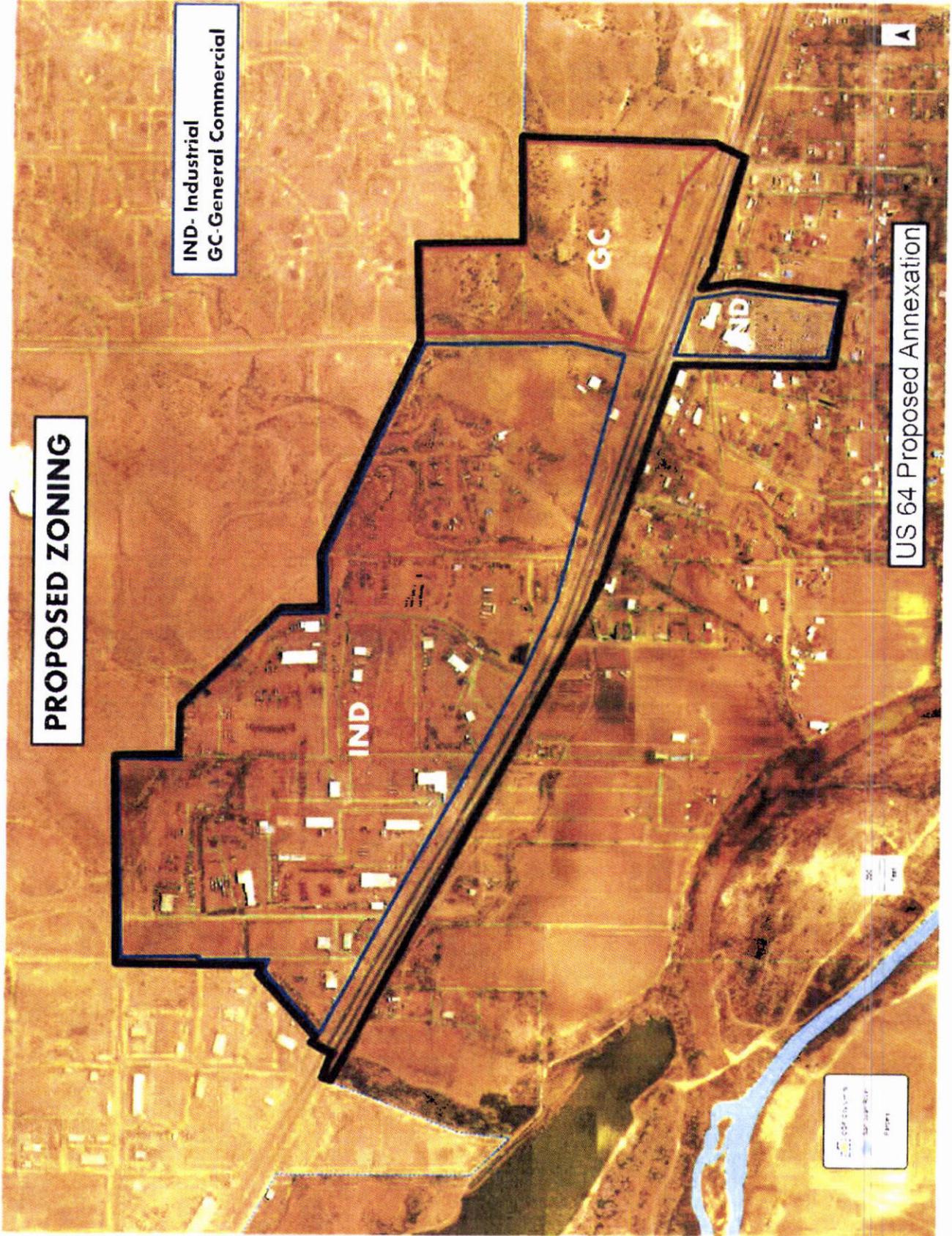
If you have any questions regarding this notice, or would like additional information regarding
this petition, please contact Keith Neil in the Planning Division at 599-1333.

Sincerely,



Karen Walker
Administrative Assistant

Attachment: Map with Proposed Zoning.



UTAH

COLO.

ARIZ.

N.M.



June 6, 2016

CITY OF FARMINGTON

800 MUNICIPAL DRIVE

FARMINGTON, NEW MEXICO 87401-2663

FAX: (505) 599-1299

www.fmtn.org

Dear Property Owner:

The City of Farmington is proposing to annex approximately 235.23 acres of land located southeast of the City's current corporate boundaries. Though your property is not included in the proposal, you are being provided this information as you are located within 100-feet of the subject area.

Please be advised that the annexation proposal and its proposed zoning will be considered in public hearings held by the Planning and Zoning Commission during their regular meeting scheduled on Thursday, June 16, 2016, at 3:00 p.m., and by the City Council during their regular meeting scheduled on Tuesday, June 28, 2016, at 6:00 p.m.

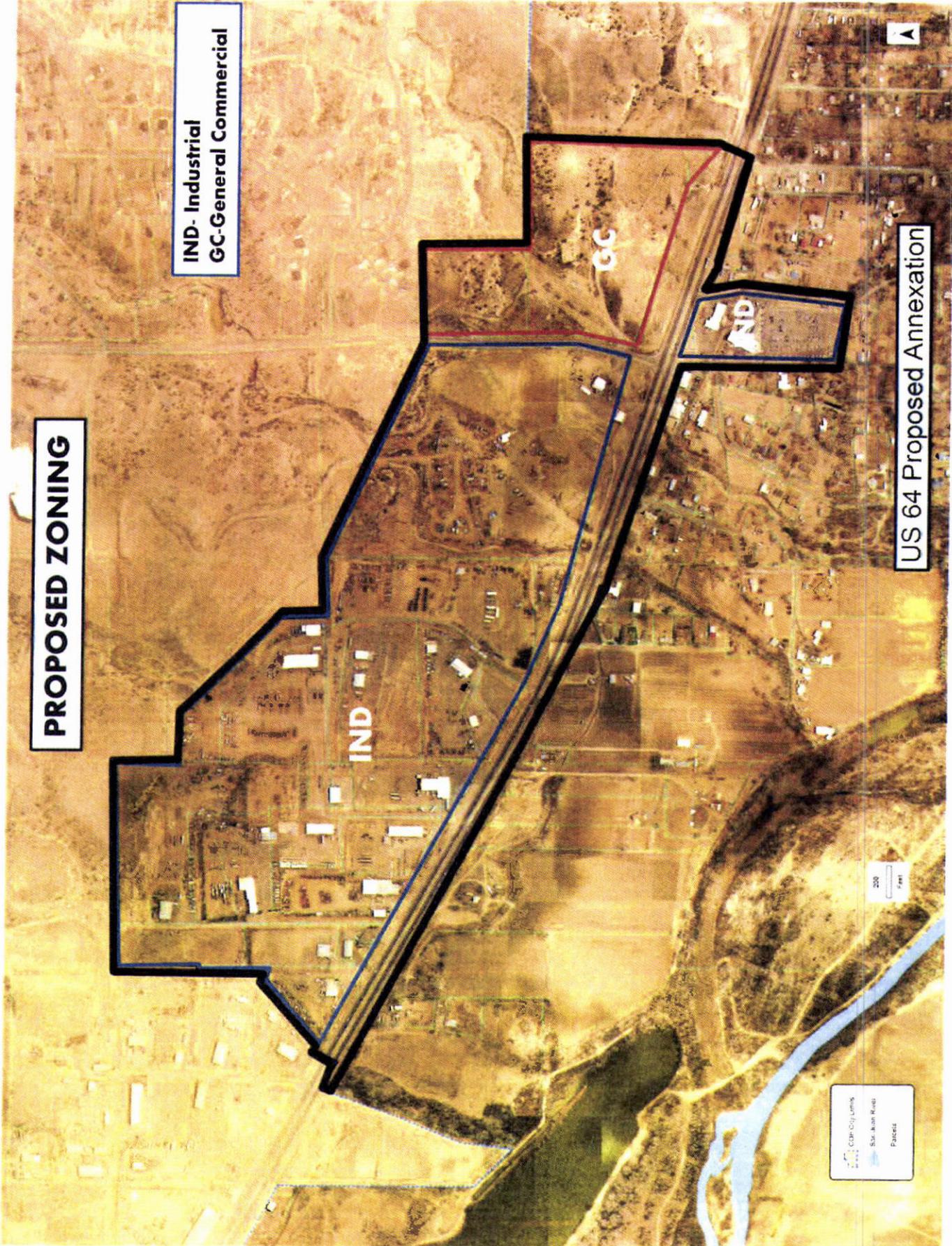
Both meetings will be located in the City Council Chambers located at 800 Municipal Drive in Farmington. The meeting room and facilities are fully accessible to persons with mobility disabilities. If you plan to attend the meeting and will need an auxiliary aid or service, please contact the City Clerk's Office at 599-1106 or 599-1101 prior to the meeting so that arrangements can be made.

Please contact me at 505-599-1285 or via email at mholton@fmtn.org if you have any questions or comments regarding the proposal.

Sincerely,

Mary L. Holton, AICP
Community Development Director

COMMUNITY DEVELOPMENT



UTAH

COLO.

ARIZ.

N.M.



CITY OF FARMINGTON

800 MUNICIPAL DRIVE

FARMINGTON, NEW MEXICO 87401-2663

FAX: (505) 599-1299

www.fmtn.org

June 6, 2016

New Mexico Department of Transportation
P.O. Box 1149
Santa Fe, NM, 87504-1149

RE: Proposed annexation of 235.23 acres located southeast of the Farmington City Limits

The City of Farmington is considering an annexation of 235.23 acres into the City of Farmington. The land is adjacent to the City's southwest municipal boundary. A map of the proposed land area is enclosed. Pursuant to NM State Statute, the right-of-way for US 64 would be included in the annexation.

This letter is to notify you of this proposed annexation.

The annexation proposal and its proposed zoning will be considered in public hearings held by the Planning and Zoning Commission during their regular meeting scheduled on Thursday, June 16, 2016, at 3:00 p.m., and by the City Council during their regular meeting scheduled on Tuesday, June 28, 2016, at 6:00 p.m.

Both meetings will be located in the City Council Chambers located at 800 Municipal Drive in Farmington. 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.

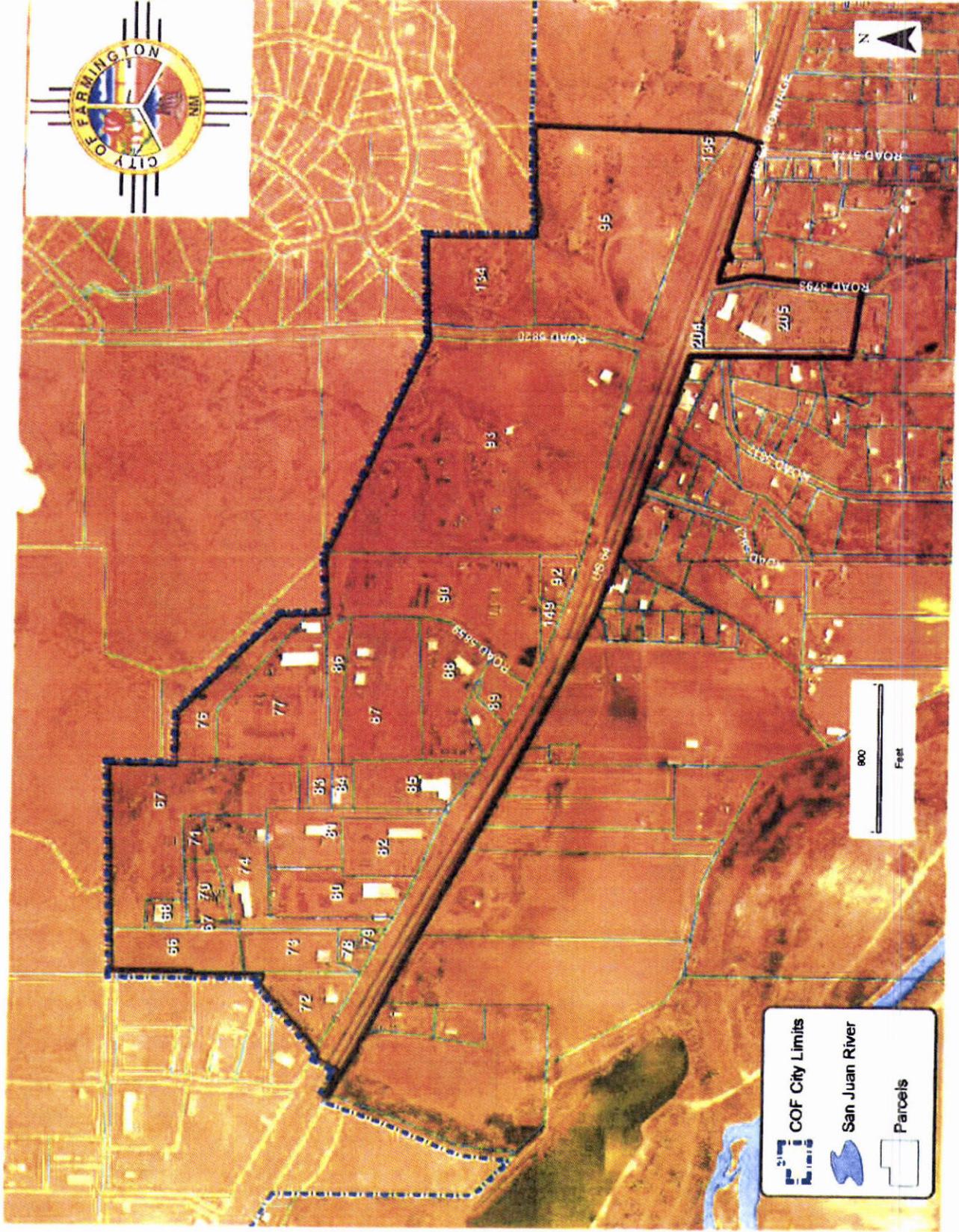
If you have any questions, please contact me at (505) 599-1285, or by email at mholton@fmtn.org.

Sincerely,

A handwritten signature in blue ink that reads "Mary L. Holton". The signature is written in a cursive style.

Mary L. Holton, AICP
Community Development Director

COMMUNITY DEVELOPMENT



 COF City Limits

 San Juan River

 Parcels

UTAH
ARIZ.

COLO.
N.M.



CITY OF FARMINGTON

800 MUNICIPAL DRIVE
FARMINGTON, NEW MEXICO 87401-2663
FAX: (505) 599-1299
www.fimtn.org

June 6, 2016

Dave Keck
San Juan County
100 S. Oliver
Aztec, NM 87410

RE: Proposed annexation of 235.23 acres located southeast of the Farmington City Limits

The City of Farmington is considering an annexation of 235.23 acres into the City of Farmington. The land is adjacent to the City's southwest municipal boundary. A map of the proposed land area is enclosed. Pursuant to NM State Statute, the right-of-way for US 64 and San Juan County roads located in the proposed area would be included in the annexation.

This letter is to notify you of this proposed annexation.

The annexation proposal and its proposed zoning will be considered in public hearings held by the Planning and Zoning Commission during their regular meeting scheduled on Thursday, June 16, 2016, at 3:00 p.m., and by the City Council during their regular meeting scheduled on Tuesday, June 28, 2016, at 6:00 p.m.

Both meetings will be located in the City Council Chambers located at 800 Municipal Drive in Farmington. 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.

If you have any questions, please contact me at (505) 599-1285, or by email at mholton@fimt.org.

Sincerely,

Mary L. Holton, AICP
Community Development Director

COMMUNITY DEVELOPMENT

Amarillo Diamond LTD
P.O. Box 1071
Amarillo, TX 79189

Maxwell Energy Services, LLC
17 Road 5859
Farmington, NM 87401

Harry B Jr & Shannon L Monk Trust
3910 N. Mesa Verde Ave.
Farmington, NM 87401

Jerry S & Judy L Neely Trust
37383 Arroyo Verde Dr.
Saddlebrooke, AZ 85739

Brandon Stafford
5496 US 64
Farmington, NM 87401

Walter H. Bump Et Al
c/o Bernard Polanco
P.O. Box 2667
Farmington, NM 87499

Animas Valley Land & Water Co, LLC
P.O. 5520
Farmington, NM 87499

Thomas F & Evelyn H Kerby Trust
5471 US 64
Farmington, NM 87401

ConocoPhillips Company
ATTN: Nathan Coats
3401 E. 30th St.
Farmington, NM 87401

Cecil & Dorothy Daniel Trust
c/o Wrecker Boyz, LLC
5418 US 64
Farmington, NM 87401

Leonard C. Jones
P.O. Box 2495
Farmington, NM 87499

Bear Cat Drilling, LLC
12225 Greenville Ave, Ste 950
Dallas, TX 75243

Carl & Donna Rhames
c/o C And R Leasing, LLC
5615 US 64
Farmington, NM 87401

Farmington DTC, LLC
P.O. Box 568
Farmington, NM 87499

Neil & Billie M Tefteller
3007 Northwood Cir.
Farmington, NM 87401

CLM Properties, Inc.
3555 E. Main St. Ste. A
Farmington, NM 87402

Laroche LR
ATTN: Ryan
13155 Noel Rd. Ste 100
Dallas, TX 85240

Z-C Inc.
104 E. Main
Farmington, NM 87401

Aspen Properties, LLC
4350 Rancho De Animas Dr.
Farmington, NM 87402

Addresses within 100'

Charles & Patricia Hicks
5905 Kristy St.
Farmington, NM 87401

Adam Soukup
P.O. Box 6832
Farmington, NM 87499

EIS, LLC
P.O. Box 1980
Farmington, NM 87499

Padilla Properties Inc.
446 RD 3000
Aztec, NM 87410

McElvain Oil & Gas Properties, Inc.
1050 17th St. Ste. 2500
Denver, CO 80265

Digman Properties
P.O. Box 70024
Albuquerque, NM 87197

Mike & Laurie Hamilton
3300 Iles
Farmington, NM 87401



800 Municipal Drive
Farmington, NM 87401-2663
(505) 599-1103
Fax: (505) 599-8430
www.fmtn.org
email: troberts@fmtn.org

July 1, 2016

New Mexico Municipal Boundary Commission
c/o New Mexico Department of Finance and Administration
Bataan Memorial Building, Room 202
Santa Fe, NM 87501

Attn: Jeanette Gallegos, Chief
Budget and Finance Bureau

The City of Farmington, New Mexico, respectfully submits this petition to annex 233.53 acres located contiguous to and southeast of the City's current jurisdictional boundaries. The territory is located within Tier 2 of the City's Planning and Platting Jurisdiction and is depicted on the Proposed US 64 Annexation Map. The legal description for the territory is provided on the proposed Annexation Plat. The territory is additionally referenced as Area #6 on Figure 5.1, Proposed Annexation Areas, from the City's 2002 Comprehensive Plan. The Proposed Service Plan for the territory, as well as all maps referenced herein, are enclosed.

For information regarding this petition, please contact either Jennifer Breakell, City Attorney, at 505-599-1122 or jbreakell@fmtn.org, or Mary L. Holton, Community Development Director, at 505-599-1285 or mholton@fmtn.org.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals this ____ day of _____, 2016.

By: _____
Tommy Roberts
Mayor, City of Farmington

SEAL

ATTEST:

Notary

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals this ____ day of _____, 2016.

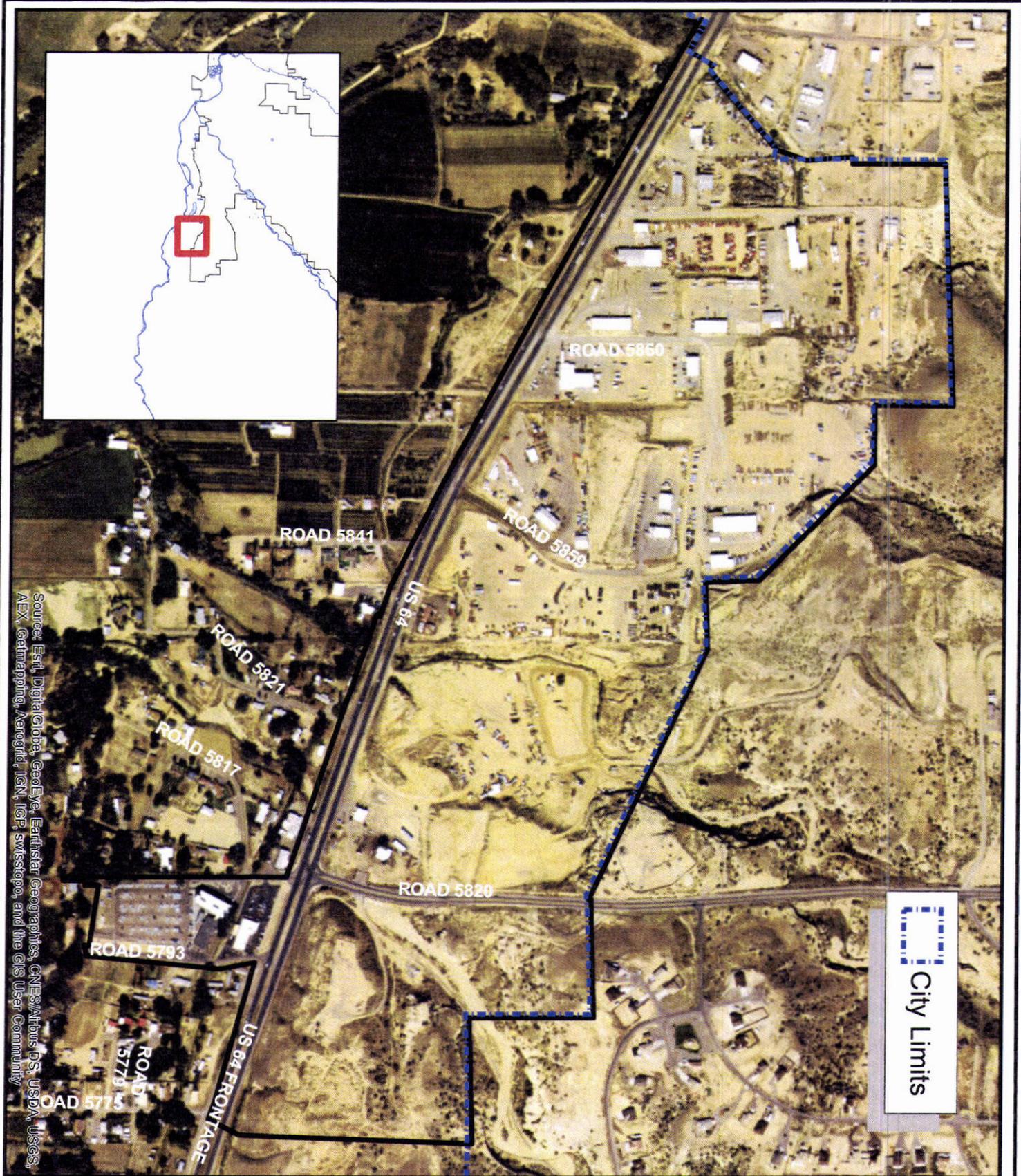
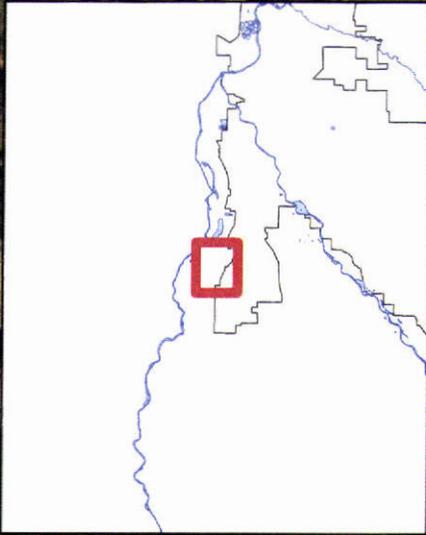
By: _____
Dianne Smylie, MMC
City Clerk, City of Farmington

SEAL

ATTEST:

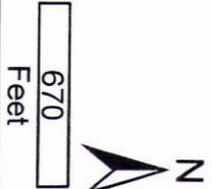
Notary

Legal Department
Approved as to form
By: _____
Date: 7/1/2016



Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community


City Limits



Proposed US 64 Annexation

COMMUNITY
DEVELOPMENT
DEPARTMENT

Date: 6/13/2016

ANNEXATION PLAT
of lands lying in the
E 1/2 NE 1/4 of Section 24, T29N R13W and
Section 19 T29N R12W N.M.P.M.
San Juan County, New Mexico

NORTH 1/4 CORNER
SECTION 19

SHEET 2
SHEET 3

N88°21'07"E 2576.21'
1/2" PIPE
500°36'24"W
397.88'

N88°25'48"E
1280.16'

81589.032
NORTHWEST CORNER
SEC 19 T29N R12W N.M.P.M.
FLDPT CHP LS 6159

S88°34'35"E 36.16'
N02°23'53"W 243.21'

N20°02'26"E
166.09'

N20°47'25"E
518.96'

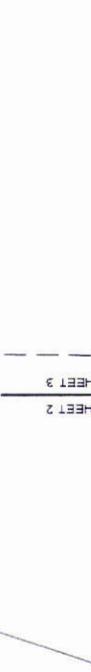
N30°05'55"E
200.00'

N00°59'16"W
659.54'

S01°36'07"E
283.63'

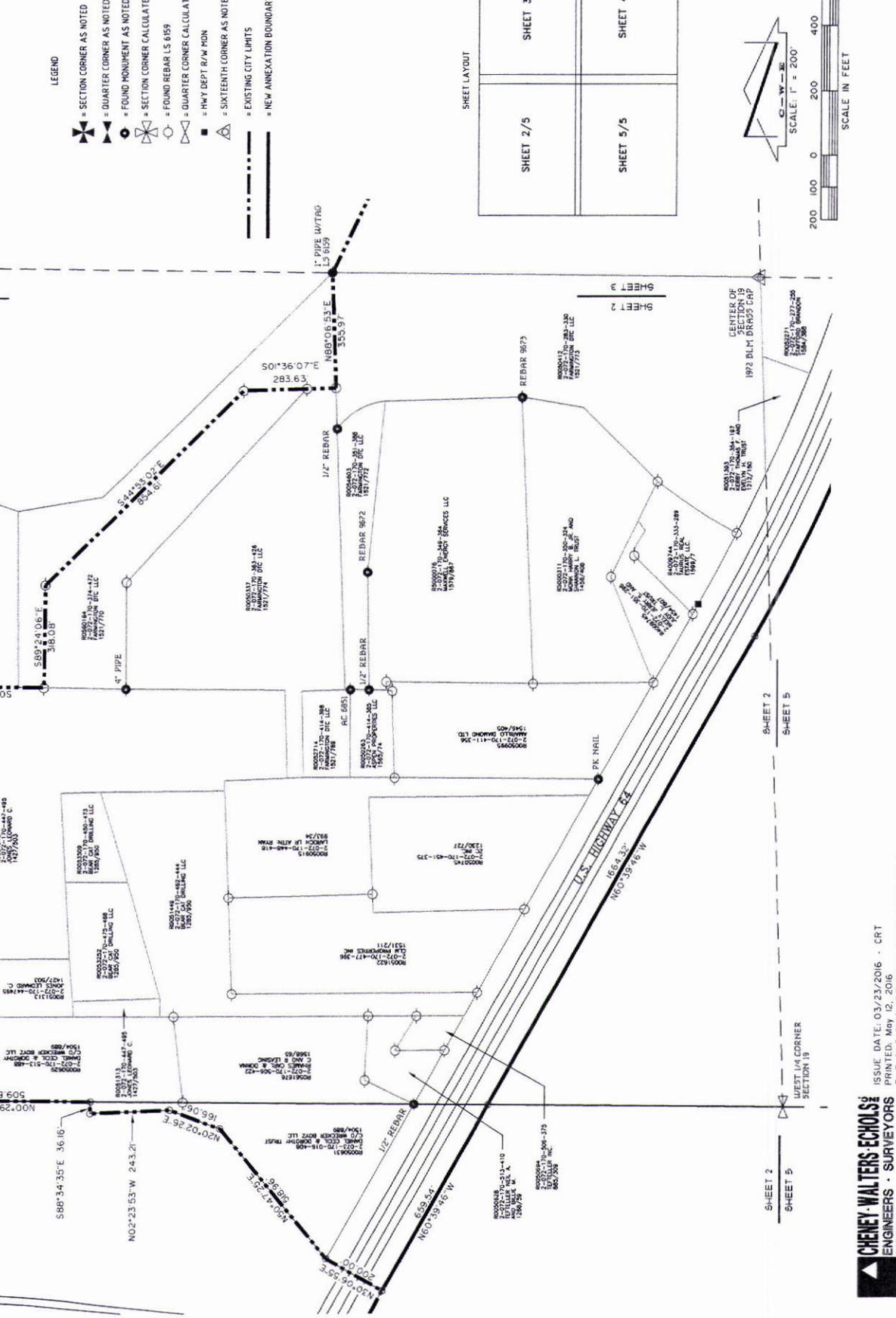
N08°05'53"E
355.97'

1" PIPE W/TROG
LS 6159



LEGEND

- ⊠ = SECTION CORNER AS NOTED
- ⊠ = QUARTER CORNER AS NOTED
- ⊠ = FOUND MONUMENT AS NOTED
- ⊠ = SECTION CORNER CALCULATED
- ⊠ = FOUND REBAR LS 6159
- ⊠ = QUARTER CORNER CALCULATED
- ⊠ = HWY DEPT R/W MON
- ⊠ = SIXTEENTH CORNER AS NOTED
- = EXISTING CITY LIMITS
- - - = NEW ANNEXATION BOUNDARY



91589.032
NORTHWEST CORNER
SEC 19 T29N R12W N.M.P.M.
FLDPT CHP LS 6159

81589.032
NORTHWEST CORNER
SEC 19 T29N R12W N.M.P.M.
FLDPT CHP LS 6159

81589.032
NORTHWEST CORNER
SEC 19 T29N R12W N.M.P.M.
FLDPT CHP LS 6159

81589.032
NORTHWEST CORNER
SEC 19 T29N R12W N.M.P.M.
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NORTHWEST CORNER
SEC 19 T29N R12W N.M.P.M.
FLDPT CHP LS 6159

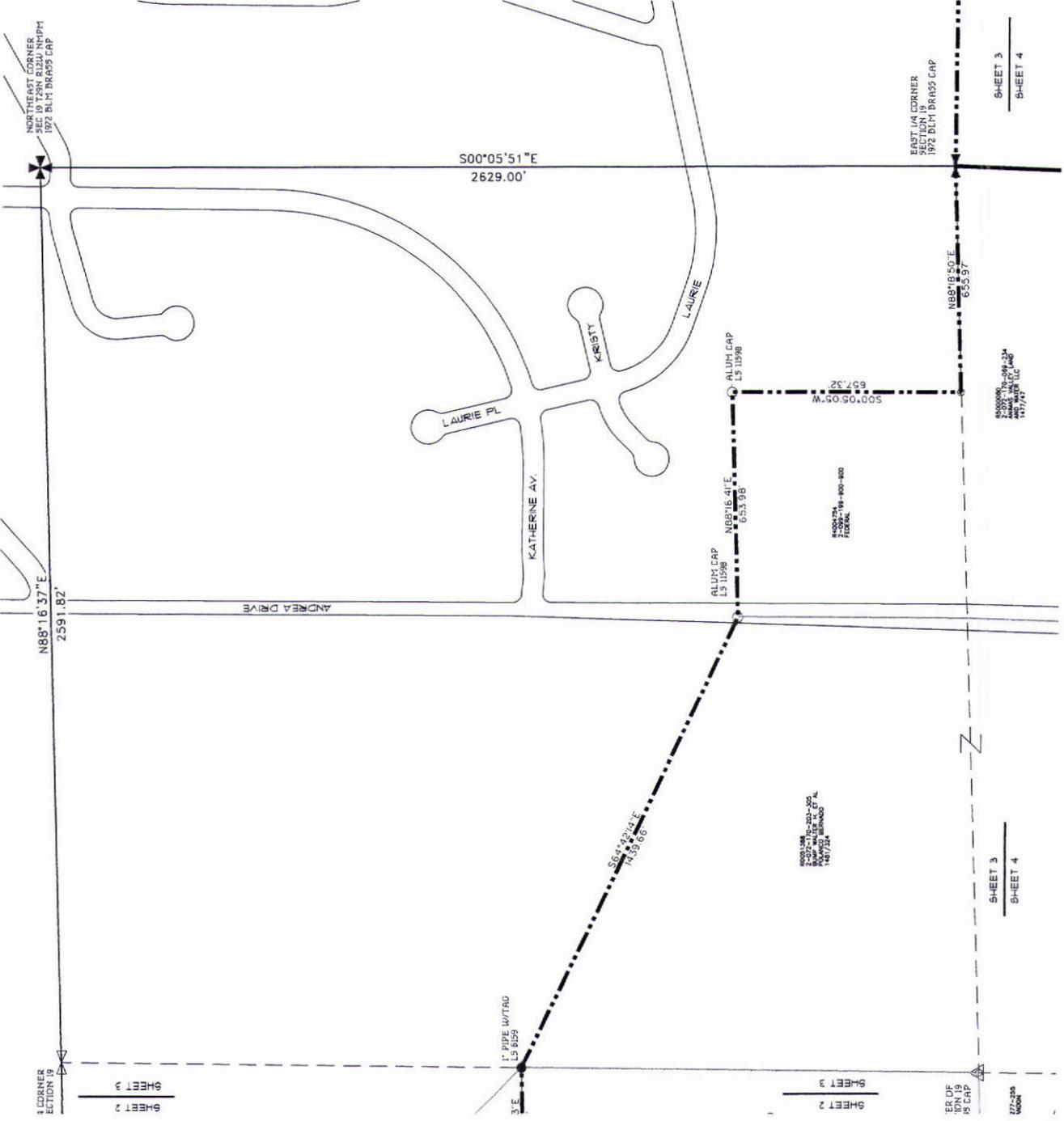
81589.032
NORTHWEST CORNER
SEC 19 T29N R12W N.M.P.M.
FLDPT CHP LS 6159

81589.032
NORTHWEST CORNER
SEC 19 T29N R12W N.M.P.M.
FLDPT CHP LS 6159

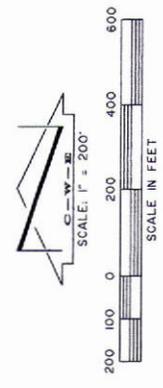
81589.032
NORTHWEST CORNER
SEC 19 T29N R12W N.M.P.M.
FLDPT CHP LS 6159

81589.032
NORTHWEST CORNER
SEC 19 T29N R12W N.M.P.M.
FLDPT CHP LS 6159

ANNEXATION PLAT
of lands lying in the
Section 19 NE1/4 of Section 24, T29N R13W and
Section 19 T29N R12W N.M.P.M.
San Juan County, New Mexico



- LEGEND**
- ✱ SECTION CORNER AS NOTED
 - ✱ QUARTER CORNER AS NOTED
 - FOUND MONUMENT AS NOTED
 - ✱ SECTION CORNER CALCULATED
 - FOUND REBAR LS 6159
 - ✱ QUARTER CORNER CALCULATED
 - HWY DEPT R/W MON
 - △ SIXTEENTH CORNER AS NOTED
 - EXISTING CITY LIMITS
 - - - NEW ANNEXATION BOUNDARY



CHENEY WALTERS ECHOLS & ASSOCIATES
ENGINEERS - SURVEYORS
100 N. AVENUE - CANNONVILLE, NEW MEXICO 87411 - (505) 327-1333

ISSUE DATE: 03/23/2016 · CRT
PRINTED: May 12, 2016
FILE: C:\AD\DWG-CRT\2016\CRT\N6435\N6435.dwg

ANNEXATION PLAT
of lands lying in the
E1/2 NE1/4 of Section 24, T29N R13W and
Section 19 T29N R12W N.M.P.M.
San Juan County, New Mexico

SHEET 3
SHEET 4

BOOK 10000
PAGE 1454
11/17/17

ANDREA DRIVE

SHEET 3
SHEET 4

SHEET 4
SHEET 5

S02°03'55"W 1431.80'

N7°07'46"W
1433.07'

1/8" CORNER
JUL 13Z
1992 BLM DRAWING GRP

N00°19'04"E 1064.91'

S02°03'55"W 2707.37'

R = 17288.58'
L = 156.93'
D = 0°31'04"
T = 78.11'
CL = 156.23'
CD = N71°27'16"W

WISDOM SUMMARY
SUBDIVISION REPLAT A
BOOK 1454 PAGE 830
11/17/2016

164°49'44"W
362.72'

S06°52'00"W
686.03'

227.05'
05°22'22"

506°52'00"W
Road 5793

574°18'00"W 54.78'

5/8" REDBAR

506°50'27"W 26.02'

5/8" REDBAR

2546.20'

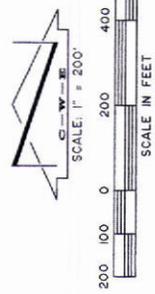
S08°33'52"W

50° ROAD DEDICATED BY
THE TOWN OF COUNTRY SUB
03/20/1962

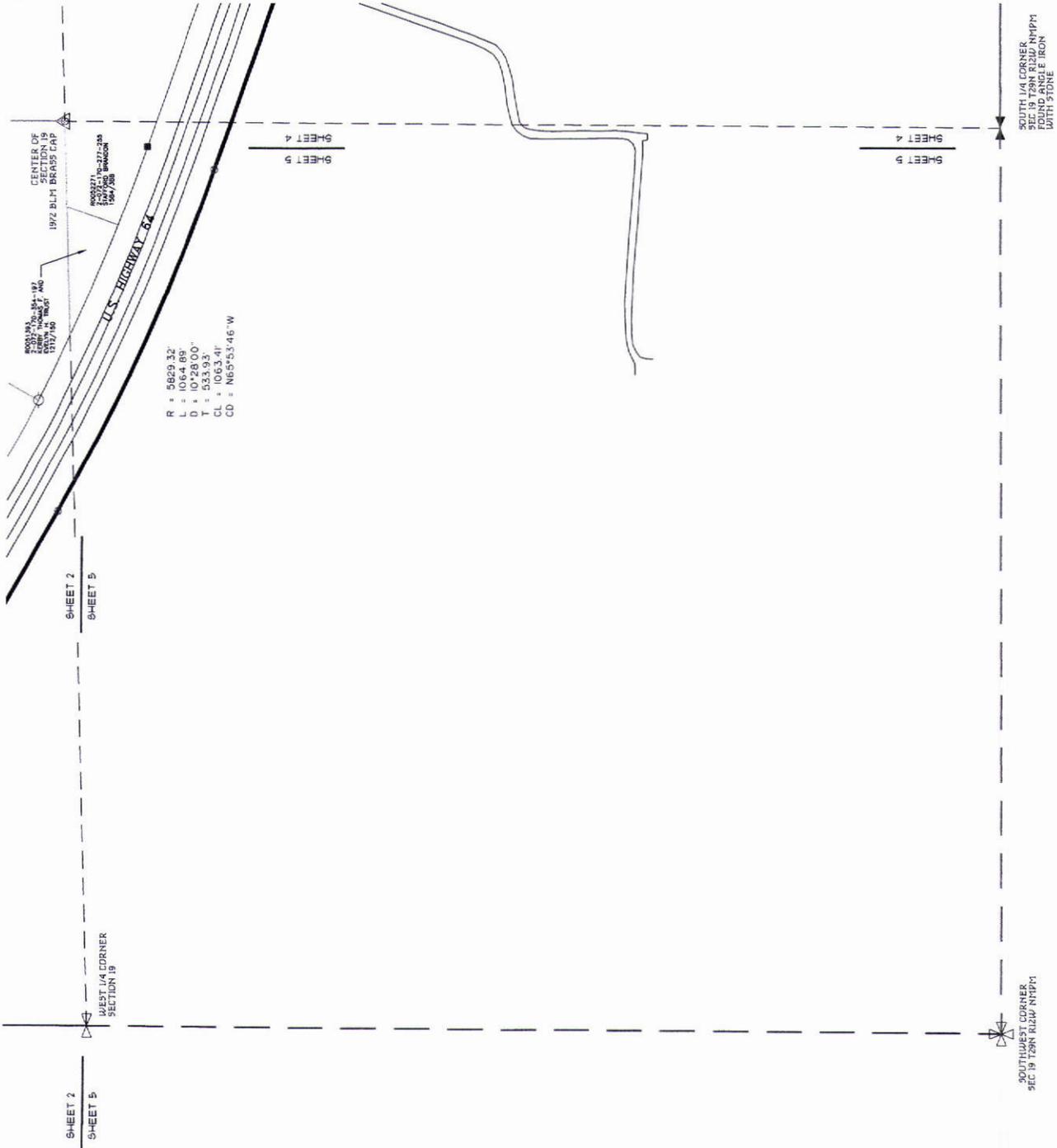
SOUTH 1/4 CORNER
SEC 19 T29N R12W N10PM
FOUND ANGLE IRON
LUTHER STONE

SOUTHEAST CORNER
SEC 19 T29N R12W N10PM
FOUND ANGLE IRON
REFERENCE MARKERS

- LEGEND**
- ⊕ = SECTION CORNER AS NOTED
 - ⊙ = QUARTER CORNER AS NOTED
 - ⊛ = FOUND MONUMENT AS NOTED
 - ⊗ = SECTION CORNER CALCULATED
 - ⊘ = FOUND REBAR LS 6159
 - ⊚ = QUARTER CORNER CALCULATED
 - ⊞ = HWY DEPT R/W MON
 - ⊠ = SIXTEENTH CORNER AS NOTED
 - = EXISTING CITY LIMITS
 - - - = NEW ANNEXATION BOUNDARY

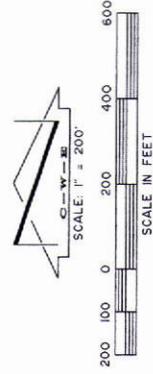


ANNEXATION PLAT
of lands lying in the
Section 19 T29N R12W N.M.P.M.
San Juan County, New Mexico



LEGEND

- ⊕ = SECTION CORNER AS NOTED
- ⊙ = QUARTER CORNER AS NOTED
- ⊙ = FOUND MONUMENT AS NOTED
- ⊕ = SECTION CORNER CALCULATED
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City of Farmington
Comprehensive Plan

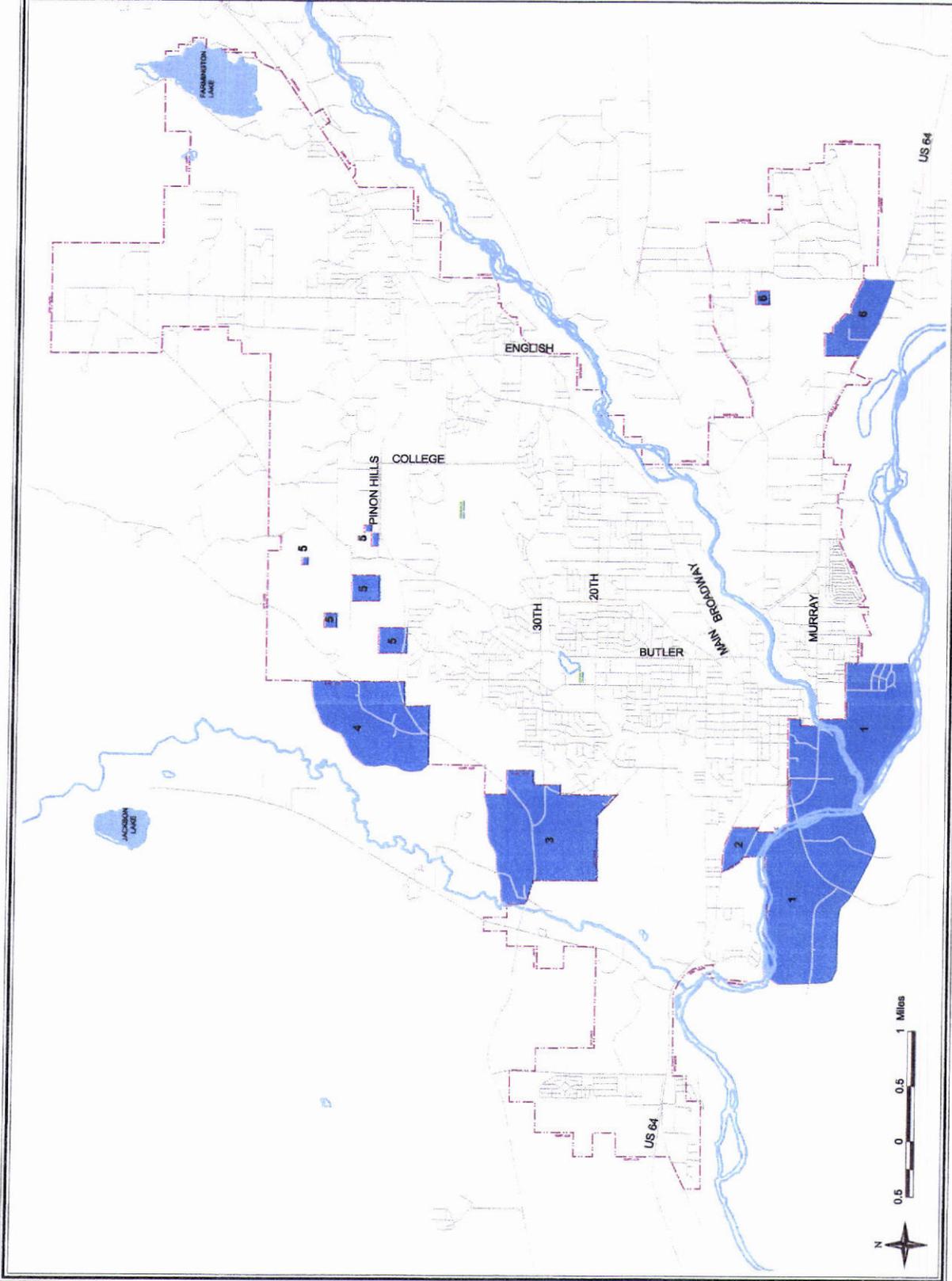
Figure 5.1
Proposed Annexation
Areas

Legend

- Proposed Annexation Areas
- Roads
- City Limits
- River
- Lake

- 1) South Farmington Area
- 2) Murray Drive (West)
- 3) Sports Complex Area
- 4) College Area
- 5) U.S. 64 Area (East)
- 6) U.S. 64 Area (West)

October 2002
Source: City of Farmington,
San Juan County, FEMA, BLM,
Wilbur Smith Associates



US 64 Annexation – Proposed Service Plan

<u>Municipal Service</u>	<u>To Be Provided By</u>	<u>When Available</u>	<u>Where Available</u>
Water	Lee Acres Water Association	Now	
Sanitary Sewer	City of Farmington	Now	Presently available in US 64 ROW
Police	City of Farmington	Upon Annexation	
Fire and Ambulance	City of Farmington	Upon Annexation	
Solid Waste	City of Farmington	Upon Annexation	
Electric Service	City of Farmington	Now	Already located in FEUS Service Area

**GMS Application Number – 2016-H3181-NM-DJ
2016 Edward Byrne Memorial Justice Assistance Grant (JAG)**

Abstract Farmington Police Department

Applicant Name: Farmington Police Department

Project Title: Imaging Laser Scanner / GPS

Project Identifiers: Equipment – General
Crime Scene Processing
Traffic Safety
Equipment – Investigative
Prosecution - Enhancement

Project Goal: The Farmington Police Department proposes the utilization of the allocated JAG funds (\$33,277) for the purchase of unfunded items of police equipment required to maintain operational efficiency.

These items include equipment needed to maximize utilization of a Imaging Laser Scanner as well as investigative GPS tracking devices which would enhance the Farmington Police Department's investigative capabilities on crime scenes and serious traffic collisions.

**Strategy for
Implementation of
Grant Activities:**

The items to be purchased pursuant to the program will be researched for appropriateness, feasibility, and pricing. Upon selection of appropriate equipment, valid quotes will be obtained for the equipment costs and delivery. Upon delivery of the equipment, they will be placed into service.

Benchmarks for Program Implementation:

1. Research and Identification.
2. Price and Delivery Quotes Obtained.
3. Acquisition and Issuance.

**Coordination and
Major Deliverable:**

Acquisition of the equipment will be made with the assistance of the City of Farmington Purchasing Division.

**GMS Application Number – 2015-H3181-NM-DJ
2016 Edward Byrne Memorial Justice Assistance Grant (JAG)**

Budget and Budget Narrative; Farmington Police Department

D. Equipment

The Farmington Police Department proposes the utilization of the allocated JAG funds (\$33,277) for the purchase of various, unfunded, items of police equipment required to maintain operational efficiency and regional response capabilities.

These items include equipment designed to increase the investigative capabilities of department personnel when on crime scenes and after responding to serious traffic collisions.

The proposed purchase of the equipment amounts to \$33,308.90 which exceeds the 2016 JAG allocation by \$31.90. This excess amount will be paid for out of the Farmington Police Department's FY 16-17 Operating budget.

Current research has identified the appropriate manufacturer, model, and pricing of the equipment for the purposes of this Budget and Budget Narrative. However, manufacturer, model, and/or pricing are subject to potential substitution of similar item(s) based upon availability and pricing at the time of the grant award.

City policy dictates capital purchases are non-expendables valued at \$5,000 or more per item. The State of New Mexico state pricing agreements (SPA's) will be utilized if possible, or a competitive bid process will be utilized where necessary.

Budget Category: Equipment

Item	Description	Vendor	Qty	Unit Price	Extended
Imaging Laser Scanner / GPS					
SOFTS0369	Hard lock (USB Dongle)	FARO	1	\$190.00	\$190.00
SOFTS0302	SCENE version 6.N Software and license	FARO	1	\$5,990.00	\$5,990.00
ACCSS6027	Power Block, charging cradle	FARO	1	\$1,710.00	\$1,710.00
ACCSS6005	Carbon fiber tripod for Focus 3d X130	FARO	1	\$1010.00	\$1010.00
ACCSS6013	Optic Cleaning Kit	FARO	1	\$50.00	\$50.00
ACCSS6018	Focus 3D car adaptor / charger	FARO	1	\$220.00	\$220.00
SOFT40110	FARO crash reconstruction software	FARO	1	\$11,995.00	\$11,995.00
SOFT40150	Additional user license	FARO	1	\$2,000.00	\$2,000.00
ACCSS0287	Target spheres w/ tripods	FARO	1	\$2,560.00	\$2,560.00
APPS01002	SCENE video software	FARO	1	\$1,340.00	\$1,340.00
ACCSS6070	Backpack carrier	FARO	1	\$390.00	\$390.00
ACCSS6071	Tripod carrier	FARO	1	\$39.00	\$39.00
Shipping	Shipping		1	\$94.00	\$94.00
	Micro Track 4 GPS tracker	CovertTrack	1	\$250.00	\$250.00
	Micro Track 3 case	CovertTrack	1	\$30.00	\$30.00
	Recon II Accessory Kit	CovertTrack	1	\$399.95	\$399.95
	Recon II Tracking Device	CovertTrack	3	\$695.00	\$2085.00
	Basic RF Receiver	CovertTrack	1	\$499.95	\$499.95
	One year Airtime / Updates	CovertTrack	4	\$600.00	\$2400.00
Shipping	Shipping		1	\$56.00	\$56.00
Budget Category Total					\$33,308.90
Final Budget Total					\$33,308.90

**GMS Application Number – 2016-H3181-NM-DJ
2016 Edward Byrne Memorial Justice Assistance Grant (JAG)**

Program Narrative Farmington Police Department

The Farmington Police Department provides specialized police services to the City of Farmington, San Juan County. The Farmington Police Department frequently works with and carries out joint operations with regional law enforcement agencies, including the Navajo Nation Tribal Police. Officers are expected to respond and act independently in both urban and rural areas.

Officers, Detectives, and Crime Scene Investigators respond to traffic collision scenes involving minor damage to vehicles all the way to major injury and death to people involved in the collision. In addition, these personnel respond to crime scenes, both minor and major, that may require crime scene reconstruction. At this time, these scenes are often recreated through hand-drawn reconstructions. Because of this, the Department is attempting to provide upgraded crime scene services and enhance prosecution through technologically superior reconstructions of both traffic collision scenes and crime scenes.

Officers and Detectives also respond and investigate a wide variety of property crimes where property is removed and re-located elsewhere for disposal. At this point, Department personnel have no resources available that allow them to track property stolen from controlled operations trying to identify criminals involved in property crimes. Because of this, the Department is attempting to add technology to track stolen property.

The Farmington Police Department proposes to use a portion of the allocated JAG funds (\$27,588) to purchase equipment utilized with a Imaging Laser Scanner in order to provide better recreations of collision and crime scenes. The remainder of the funds, (\$5,720.90) is to be utilized for GPS-related equipment to allow for the tracking of property stolen during controlled operations trying to identify criminals involved in property crimes.

The project objectives are to identify, purchase, obtain, and issue equipment related to the Imaging Laser Scanner as well as GPS-related equipment to the Detective Division, Traffic Division, and District Coordinator Unit of the Farmington Police Department.

The City of Farmington will establish a separate account from which the awarded funds may be deposited and dispersed in order to track draw-downs and account activity. All project objectives and purchases of equipment are expected to be completed within the first year of the grant period.

The performance measure (purchase of the equipment) will be met once the equipment is ordered, received, and dispersed for implementation.

**GMS Application Number – 2016-H3181-NM-DJ
2016 Edward Byrne Memorial Justice Assistance Grant (JAG)**

Review Narrative

Review Narrative Farmington Police Department

This grant application will be presented to the City of Farmington City Council for public comment at the June 28th, 2016 Council Meeting.

The City of Farmington/Farmington Police Department will run a newspaper advertisement announcing the 2016 Edward Byrne Memorial Grant as well as the program objectives in the Farmington Daily Times, the primary source for public information throughout San Juan County. The advertisement will notify the public as to the opportunities for public input in regards to the grant and program objectives.

The Public Notice for Comment legal advertisement was delivered to and accepted by the Farmington Daily Times on May 27, 2016 for publication in the June 22, 2016 and June 25, 2016 editions of the regional publication, (see submitted Notice of Public Hearing below).

NOTICE OF PUBLIC HEARINGS

NOTICE IS HEREBY GIVEN that public hearings will be held to receive comments and suggestions regarding uses for the FY 2016 Edward Byrne Memorial Justice Assistance Grant (JAG) Program through which the Farmington Police Department is eligible to receive \$33,277. The hearing to receive comments on the funding will be held at the Regular Meeting of the City Council scheduled for Tuesday, June 28th, 2016 at 6:00 p.m. in the Council Chamber at the Municipal Building, 800 Municipal Drive, Farmington, New Mexico.

Interested persons may contact Deputy Chief of Police Keith McPheeters of the Farmington Police Department at 599-1072.

Dianne Smylie, City Clerk

May 27, 2016

Melanie Davis
Grant Manager
USDOJ

Re: 2016-H3181-NM-DJ Disclosure of Pending Applications

Ms. Davis,

The City of Farmington Police Department, City of Farmington, County of San Juan, State of New Mexico, does not have pending applications submitted within the last 12 months for federally funded assistance that include requests for funding to support the same project being proposed under this solicitation and will cover the identical cost items outlined in the budget narrative and worksheet in the application under this solicitation.

Respectfully submitted,

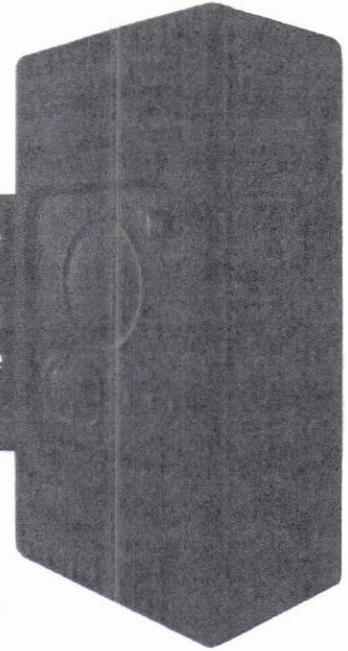
A handwritten signature in black ink, appearing to read "Dale Bode". The signature is stylized with large, overlapping loops for the letters "D" and "B".

Dale Bode
Lieutenant
Farmington Police Department

COVERTTRACK®

Recon II

Designed and manufactured 100% by CovertTrack, the Recon II is a cutting-edge tracker that packs in an array of features to help you gather critical information while monitoring any vehicle, asset, or person - anytime - anywhere. The Recon II combines multiple technologies including GPS and BlueTooth tracking to provide a complete tracking solution.



The complete tracking solution for
all of your business needs.

Features

- Hardwire Capable - 2 Inputs/2 Outputs
- External Battery Capable - Enables extended tracking
- External GPS Antenna Capable - For obstructed deployment areas
- Panic Button - Notifies designated contacts when activated
- Light Sensor - Alerts user when exposed to preset light threshold
- On/Off Button - Programmable to block unauthorized power down
- Bluetooth Pinger - Enables close proximity locating via cell phone
- Track by Computer or Mobile Device

Specifications

- 3G Six Band UMTS/HSPA
- Backwards Compatible with 2G GSM
- Cell Tower Triangulation
- Over Air OTA Firmware Updates
- 1.7Ah Internal Battery
- 2000 Report Memory Buffer
- FCC, PTCRB, IC, AT&T, Rogers Certified

Compact Size

3" x 1.75" x 1"

Mapping

- Live Tracking
- Tracking Reports
- Satellite Mapping
- SMS & Email Alerts
- Geo-Fence Alerts
- Landmarks
- No Software to Install
- Trackable by Cell Phone



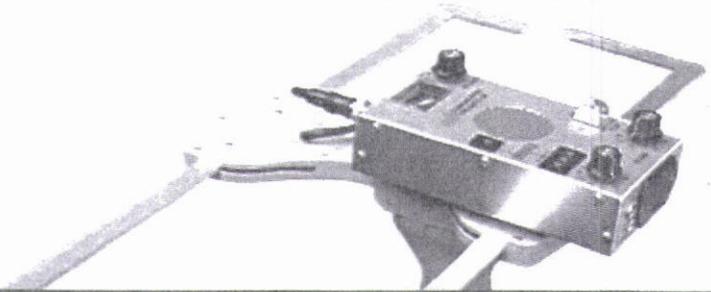
For Product and Sales Information
(480) 661-1916
sales@coverttrack.com

RECON II

COVERTTRACK®

RF Receiver

R-400A



The R-400A Telemetry Receiver is an easy-to-use, highly effective, radio frequency receiver, used to locate RF transmitters. A directional antenna mounts directly to the receiver enabling one-handed operation. The R-400A is extremely sensitive to the weakest telemetry signals, but employs highly effective filters to eliminate unwanted interference. A four-step attenuator allows full receiver sensitivity for long range applications, and reduced sensitivity for extremely close tracking.

FEATURES

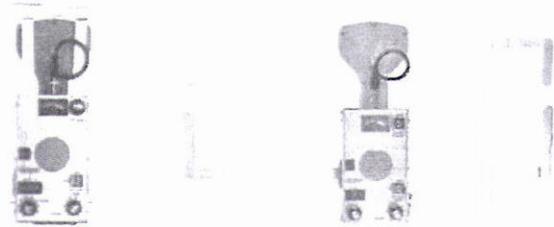
- Super sensitive @ -150dbm to hear the weakest signals.
- Convenient one hand operation.
- Receiver can be removed and a yagi with coax can be connected.
- Four step attenuator allows full receiver sensitivity for longest range or reduced sensitivity for one foot or less close-in range.
- Super sensitive meter for received signal strength and monitoring battery voltage.
- Extremely selective front end to reject the most troublesome interference.
- Loud, great sounding audio for in vehicle use.
- High gain directional folding antenna w/removable pistol grip and soft carrying case.

RF FREQUENCY

Covers the entire 216.000 to 220.000MHz band in 1KHz steps for quick and accurate frequency selection, with ± 500 Hz fine tuning on all frequencies.

BATTERY

Standard 9 volt alkaline battery



PHYSICAL SPECIFICATIONS

Size of receiver without antenna is 6.2" x 3.5" x 1.4". Total footprint of receiver with antenna when viewed from above is 20.25" x 11.25". When antenna elements are folded, footprint measures 12" x 4.75". Total weight of receiver is 18 oz. Total weight with antenna is 31 oz.

OPERATING TEMPERATURE

Synthesized design for extreme frequency stability under all temperature conditions.

PRICE

R-400A Telemetry Receiver

\$499.⁹⁵

For Information Contact Brandon Haney
(480) 661-1916 or WesternSales@gpsintel.com

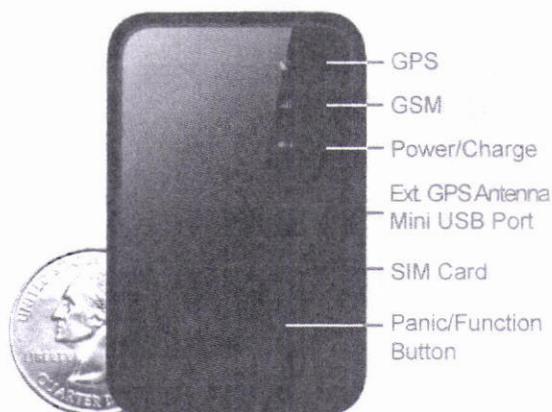
COVERTTRACK®



MicroTracker

Miniature GPS Trackers

MicroTrackers are designed with superior tracking capabilities in miniature sizes to provide endless possibilities for concealment. Loaded with an array of advanced reporting features, MicroTrackers are the smallest, most versatile trackers available!



MicroTracker III Miniature GPS Tracker



Internal 1.3 Amp Hour Rechargeable Battery
Tracks up to 3 weeks
Only - 2.3" x 1.5" x .75"

MicroTracker III EXT Extended Life Battery



Internal 2.0 Amp Hour Rechargeable Battery
Tracks up to 6 weeks
Only - 2.3" x 1.5" x 1"

Features

Ideal for Tracking People, Vehicles and Assets
Miniature Size
Weather Resistant Design
Panic Button
GPRS/GSM Network
Cell Tower ID Reporting
Locate NOW Ability

Specifications

Internal Antennas
Frequency - Quad Band:
850/900/1800/1900 MHz
FCC Certified
Anti-Jamming Technology
Internal Motion Sensor
High Performance GPS over
2 million correlators

Optional Accessories



Ext. Battery w/ Case



Waterproof Magnetic Case



Car Charger Unit

Tracking Center

Live Tracking
Tracking Reports
Satellite Mapping
SMS & Email Alerts
Geo-Fence Alerts
Landmarks
Proximity Alerts
No Software to Install
Trackable by Cell Phone
Worldwide Coverage Available



Secure GPS tracking on any web-enabled computer or mobile device.

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contact (480) 661-1916
sales@gpsintel.com

COVERTTRACK®



CovertTrack Group, Inc. 8361 E. Gelding Drive Scottsdale, AZ 85260 (480) 661-1916 gpsintel.com

FARO Focus^{3D} X 130 HDR

The Imaging Laser Scanner

FARO

HDR Laser Scanner for Mid-Range Applications

The FARO Focus^{3D} X 130 HDR Laser Scanner is a powerful high-speed 3D scanner delivering realistic and true-to-detail scan results.

The ultra-portable Focus^{3D} X 130 HDR enables fast, straightforward, and accurate measurements of façades, complex structures, production and supply facilities, accident scenes, and crime scenes. Combining high-precision scanning technology with authentic mobility and ease of use, the device offers reliability, flexibility, and real-time views of recorded data. The 3D scan data can easily be imported into commonly used software solutions for architecture, engineering, construction, accident reconstruction, forensics or industrial manufacturing.

With a battery runtime of 4.5 hours, the laser scanner also has a high level of flexibility and endurance. The Focus^{3D} light weight, small size and SD card make the scanner truly mobile.

Features



HDR Photo Overlay

The Focus^{3D} X 130 HDR delivers precision scanning with authentic color imagery, even under challenging lighting conditions. Predefined HDR profiles increase the picture quality recorded in very bright or dark environments.



High-Definition (HD) Photo Resolution

The increased camera resolution of the Focus^{3D} X 130 HDR delivers extraordinary color overlays for scanned point clouds. This improves the visualization of important details.



Mid-Range Scanning - Up to 426 feet

The Focus^{3D} X 130 HDR can scan objects up to 426 feet away. Buildings, interiors, accident scenes and crime scenes can be documented with just a few scans, thus resulting in efficient project completion.



Easy Positioning - Integrated GPS Receiver

With its integrated GPS receiver, the Focus^{3D} X 130 HDR is able to correlate individual scans in post-processing, simplifying workflows.



Extra Portable

The Focus^{3D} X 130 HDR measures just 9⁷/₁₆ x 7⁷/₈ x 4 in (240 x 200 x 100 mm) weighs only 11.5 lb (5.2 kg). The standard carrying case meets the carry-on physical size requirements of most airlines.



Benefits

- Safe and fast data capturing with superior color detail
- Reliable, life-like visualization, even under extreme lighting conditions
- Reduced complexity by integrated scanning and imaging workflow for all kinds of measurements even in challenging environments
- Increased onsite productivity due to one-person operation
- Revolutionary price/performance ratio, as an all-in-one device
- The Focus^{3D} X 130 HDR is an ideal tool for architectural construction, facility management and public safety (forensics & accident reconstruction) applications.

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 \$2,424,000, TOGETHER WITH INTEREST, EXPENSES, IF ANY, AND ADMINISTRATIVE FEES THEREON, AND TO ACCEPT A LOAN SUBSIDY OF NO MORE THAN \$808,000, FOR THE PURPOSE OF FINANCING THE COSTS OF IMPROVING AND BETTERING THE GOVERNMENTAL UNIT'S WATER SYSTEM; 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

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.

"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.

"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.

"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 twenty-five percent (25%) of the Maximum Principal Amount. The Maximum Forgiven Principal is \$808,000.

"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 \$2,424,000.

"Maximum Principal Amount" means \$3,232,000.

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

"Net Revenues" means the Gross Revenues the Water System minus Operation and Maintenance Expenses.

"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.

"Ordinance" means this Ordinance No. 2016-1289 adopted by the Governing Body of the Governmental Unit on 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 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 twenty-five (25%) of such Disbursement.

"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.

"Water 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.

"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 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-fourths 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 \$2,424,000 and interest thereon, and to accept a loan subsidy in the amount of \$808,000 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 \$3,232,000. 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.

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.

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. 2016-1289, duly adopted and approved by the Governing Body of the City of Farmington, New Mexico (the "Governmental Unit"), on 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. 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 \$2,424,000, TOGETHER WITH INTEREST, EXPENSES, IF ANY, AND ADMINISTRATIVE FEES THEREON, AND TO ACCEPT A LOAN SUBSIDY OF NO MORE THAN \$808,000, FOR THE PURPOSE OF FINANCING THE COSTS OF IMPROVING AND BETTERING THE GOVERNMENTAL UNIT'S WATER SYSTEM; 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.]

\$3,232,000 Maximum Principal Amount

DRINKING WATER STATE REVOLVING LOAN FUND
LOAN AND SUBSIDY AGREEMENT

dated

August 5, 2016

by and between the

NEW MEXICO FINANCE AUTHORITY

and the

CITY OF FARMINGTON,
SAN JUAN COUNTY, NEW MEXICO

DRINKING WATER STATE REVOLVING LOAN FUND
LOAN AND SUBSIDY AGREEMENT

This LOAN AND SUBSIDY AGREEMENT (the "Loan Agreement"), dated as of August 5, 2016, is entered into by and between the NEW MEXICO FINANCE AUTHORITY (the "Finance Authority"), and the CITY OF FARMINGTON, SAN JUAN COUNTY, NEW MEXICO (the "Governmental Unit"), a municipality duly organized and existing under the laws of the State of New Mexico (the "State").

WITNESSETH:

Capitalized terms used in the following recitals of this Loan Agreement and not defined in the first Paragraph above or in these recitals shall have the same meaning as defined in Article I of this Loan Agreement, unless the context requires otherwise.

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

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 Finance Authority is authorized, pursuant to the Drinking Water State Revolving Loan Fund Act, NMSA 1978, §§ 6-21A-1 through 6-21A-9, as amended (the "DWSRLF Act") to implement a program to permit qualified local authorities, such as the Governmental Unit, to enter into agreements with the Finance Authority to provide financial assistance in the acquisition, design, construction, improvement, expansion, repair and rehabilitation of drinking water supply facilities as authorized by the Safe Drinking Water Act; and

WHEREAS, a portion of the Loan funds made available under this Agreement pursuant to the DWSRLF Act and the Safe Drinking Water Act may be forgiven and, if forgiven, will not be required to be repaid; and

WHEREAS, the Governing Body of the Governmental Unit has determined that it is in the best interests of the Governmental Unit and the public it serves that the Governmental Unit enter into this Loan Agreement with the Finance Authority and accept a loan and subsidy from the Finance Authority to finance the costs of the Project, as more fully described on the Term Sheet attached hereto as Exhibit "A"; and

WHEREAS, the Project appears on the Drinking Water Fundable Priority List; and

WHEREAS, the Project has been planned and authorized in conformity with the Intended Use Plan; and

WHEREAS, the New Mexico Environment Department (the "Department") shall have determined that the Governmental Unit's Project plans and specifications comply with the provisions of 42 U.S.C. Section 300j-12 and the requirements of the laws and regulations of the State governing the construction and operation of drinking water systems prior to disbursement of any proceeds of the Loan for construction; and

WHEREAS, the Finance Authority has found and determined that the Project meets all applicable requirements of the State Environmental Review Process (SERP) for the Drinking Water State Revolving Loan Fund; and

WHEREAS, the New Mexico Environment Department Drinking Water Bureau has determined that the Governmental Unit has sufficient technical, managerial and financial capability to operate the Project for its useful life and ensure compliance with the requirements of the Safe Drinking Water Act.

NOW, THEREFORE, for and in consideration of the premises and the mutual promises and covenants herein contained, the Finance Authority and the Governmental Unit agree:

ARTICLE I
DEFINITIONS

Capitalized terms defined in this Article I shall have the meaning specified in this Article I wherever used in this Loan Agreement, including the foregoing recitals, unless the context clearly requires otherwise. Capitalized terms defined in the foregoing recitals, if not defined in this Article I, shall have the same meaning as therein stated when used in this Loan Agreement, unless the context clearly requires otherwise.

“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.

“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 Program Amount” means, with respect to this Loan Agreement, the sum of \$3,200,000 which amount shall be available for disbursement to the Governmental Unit to pay costs of the Project.

“Aggregate Repayable Disbursements” means, at any time after the Closing Date, the Aggregate Disbursements \$24,000.

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

“Authorized Officers” means, with respect to the Governmental Unit, the Mayor, Public Works Director, City Manager and City Clerk thereof; and with respect to the Finance Authority, any one or more of the Chairperson, Vice-Chairperson, Secretary and Chief Executive Officer of the Finance Authority, and any other officer or employee of the Finance Authority designated in writing by an Authorized Officer of the Finance Authority.

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

“Closing Date” means the date of execution and delivery of this Loan Agreement as shown on the Term Sheet.

“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 this Loan Agreement as the same become due.

“Department” means the New Mexico Environment Department.

“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 calculated on the basis of the amount of such Approved Requisition.

“Drinking Water Fundable Priority List” means the list of drinking water projects compiled by the Department pursuant to the Memorandum of Understanding and the Intended Use Plan.

“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 Loan Agreement including the Ordinance.

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

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

“Event of Default” means one or more events of default as defined in Section 10.1 of this Loan Agreement.

“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 this Loan Agreement, simultaneously withdrawn and deposited in the Expense Fund to pay Expenses.

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

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

“Finance Authority Act” means 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.

“Generally Accepted Accounting Principles” means the officially established accounting principles applicable to the Governmental Unit consisting of the statements, determinations and other official pronouncements of the Government Accounting Standards Board, Financial Accounting Standards Board, Federal Accounting Standards Board or other principle-setting body acceptable to the Finance Authority establishing accounting principles applicable to the Governmental Unit.

“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 Farmington in San Juan County, New Mexico.

“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 this 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.

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

“Independent Accountant” means (i) an accountant employed by the State and under the supervision of the State Auditor, or (ii) any certified public accountant or firm of such accountants duly licensed to practice and practicing as such under the laws of the State, appointed and paid by the Governmental Unit who (a) is, in fact, independent and not under the domination of the Governmental Unit, (b) does not have any substantial interest, direct or indirect, with the Governmental Unit, and (c) is not connected with the Governmental Unit as an

officer or employee of the Governmental Unit, but who may be regularly retained to make annual or similar audits of the books or records of the Governmental Unit.

“Intended Use Plan” means the current plan prepared by the Finance Authority and the Department and approved by the Environmental Protection Agency pursuant to 42 U.S.C. Section 300j-12(b) which establishes criteria for extending drinking water improvements financial assistance to qualifying public drinking water utility systems.

“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 this Loan Agreement as shown on the Term Sheet.

“Interim Period” means the period no greater than twenty seven (27) months, or a longer period as may be approved by the Finance Authority as provided in Section 4.1(b) of this Loan Agreement, beginning on the Closing Date, during which the Finance Authority will disburse moneys to the Governmental Unit to pay costs of the Project, unless extended pursuant to Section 4.1(b) of this Loan Agreement.

“Interim Loan Agreement Payment Schedule” means the anticipated schedule of Loan Agreement Payments due on this Loan Agreement following the Final Requisition, assuming disbursement of the entire Aggregate Program Amount within twenty seven (27) months of the Closing Date. The Interim Loan Agreement Payment Schedule is attached hereto as Exhibit “B”.

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

“Loan Agreement” means this loan and subsidy agreement and any amendments or supplements hereto, including the exhibits attached to this 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 this Loan Agreement, as shown on Exhibit “B” hereto.

“Loan Agreement Payment Date” means each date a payment is due on this Loan Agreement as shown on the Interim Loan Agreement Payment Schedule, attached hereto as Exhibit “B,” or in the Final Loan Agreement Payment Schedule.

“Loan Agreement Principal Amount” means, as of any date of calculation, the Aggregate Repayable Disbursements then outstanding.

“Loan Agreement Term” means the term of this Loan Agreement as provided under Article III of this Loan Agreement.

“Maximum Forgiven Principal” means the maximum amount of loan subsidy available in the form of principal forgiveness, which is equal to twenty-five percent (25%) of the Maximum Principal Amount. The Maximum Forgiven Principal is \$808,000.

“Maximum Repayable Principal” means the maximum amount of Aggregate Repayable Disbursements repayable by the Governmental Unit pursuant to this Loan Agreement, and is equal to the Maximum Principal Amount less the Maximum Forgiven Principal. The Maximum Repayable Principal is \$2,424,000.

“Maximum Principal Amount” means \$3,232,000.

“Memorandum of Understanding” means the current memorandum of understanding by and between the Finance Authority and the Department pursuant to the DWSRLF Act describing and allocating duties and responsibilities in connection with the Drinking Water State Revolving Loan Fund.

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

“Net Revenues” means the Gross Revenues minus Operation and Maintenance Expenses.

“Operating Agreement” means the operating agreement entered into between the Finance Authority and the Environmental Protection Agency, Region 6, for the Drinking Water State Revolving Loan Fund program.

“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 this 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. “

“Ordinance” means Ordinance No. 2016-1289 adopted by the Governing Body of the Governmental Unit on June 28, 2016, approving this Loan Agreement and pledging the Pledged Revenues to the payment of the Loan Agreement Payments as shown on the Term Sheet, as supplemented from time to time.

“Parity Obligations” means any obligations of the Governmental Unit under this 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 this Loan Agreement, including any such obligations shown on the Term Sheet.

“Permitted Investments” means securities which are at the time legal investments of the Governmental Unit for the money to be invested, as applicable, including but not limited to the following if permitted by law: (i) securities that are issued by the United States government or by its agencies or instrumentalities and that are either direct obligations of the United States, the federal home loan mortgage association, the federal national mortgage association, the federal farm credit bank, federal home loan banks or the student loan marketing association or that are backed by the full faith and credit of the United States government; (ii) negotiable securities of the State; (iii) money market funds which invest solely in obligations described in clause (i) above which are rated in the highest rating category by Moody’s Investors Service, Inc. or S&P Global Ratings; and (iv) the State Treasurer’s short-term investment fund created pursuant to NMSA 1978, § 6-10-10.1, as amended, and operated, maintained and invested by the office of the State Treasurer.

“Pledged Revenues” means the Net Revenues of the Governmental Unit pledged to payment of the Loan Agreement Payments pursuant to this Loan Agreement and the Ordinance and described in the Term Sheet

“Principal Component” means the portion of each Loan Agreement Payment paid as principal on this Loan Agreement, based upon the Aggregate Repayable Disbursements, as shown on Exhibit “B” attached to this Loan Agreement.

“Project” means the project(s) described on the Term Sheet.

“Safe Drinking Water Act” means 42 U.S.C. §§ 300f et seq.

“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 this Loan Agreement, including any such obligations shown on the Term Sheet.

“Service Area” means the area served by the Water System, whether situated within or without the limits of the Governmental Unit.

“State Environmental Review Process” or “SERP” means the environmental review process adopted by the Finance Authority, as required by and approved by the Environmental Protection Agency, pursuant to the Operating Agreement.

“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 this 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 any 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 twenty-five percent (25%) of such Disbursement.

“Term Sheet” means Exhibit “A” attached to this 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 this Loan Agreement.

“Utility Revenue Bonds” means any bonds and other similar indebtedness payable solely or primarily from the Pledged Revenues, including this Loan Agreement, and any Senior Obligations, Parity Obligations and Subordinated Obligations.

“Water 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.

“Water Utility System Income Fund” has the meaning set forth in Section 5.2 hereof.

“2010 Loan” has the same meaning set forth in the fourth preamble of this Loan Agreement.

“2012 Loan” has the same meaning set forth in the fifth preamble of this Loan Agreement.

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 2.1 Representations, Covenants and Warranties of the Governmental Unit.
The Governmental Unit represents, covenants and warrants as follows:

(a) Binding Nature of Covenants. All covenants, stipulations, obligations and agreements of the Governmental Unit contained in this Loan Agreement shall be deemed to be the covenants, stipulations, obligations and agreements of the Governmental Unit to the full extent authorized or permitted by law, and such covenants, stipulations, obligations and agreements shall be binding upon the Governmental Unit and its successors and upon any board or body to which any powers or duties affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law. Except as otherwise provided in this Loan Agreement, all rights, powers and privileges conferred and duties and liabilities imposed upon the Governmental Unit by the provisions of this Loan Agreement and the Ordinance shall be exercised or performed by the Governmental Unit or by such members,

officers, or officials of the Governmental Unit as may be required by law to exercise such powers and to perform such duties.

(b) Authorization of Loan Agreement and Readiness to Proceed. The Governmental Unit is a municipality, a political subdivision of the State, and is duly organized and existing under the statutes and laws of the State, including the Municipal Code, NMSA 1978, Chapter 3, and specifically §§ 3-31-1 through 3-31-12, NMFA 1978, as amended. The Governmental Unit is a local authority as defined in the DWSRLF Act. The Governmental Unit is authorized to enter into the transactions contemplated by this Loan Agreement and to carry out its obligations hereunder. The Governmental Unit has duly authorized and approved the execution and delivery of this Loan Agreement and the other documents related to the transaction. The Governmental Unit has met all readiness to proceed requirements of the Finance Authority and has met and will continue to meet all requirements of law applicable to this Loan Agreement.

(c) Use of Loan Agreement Proceeds. The Governmental Unit shall proceed without delay in applying the Aggregate Program Amount, pursuant to Section 6.1 of this Loan Agreement to the acquisition and completion of the Project and to no other purpose, as follows:

(i) The Governmental Unit shall requisition moneys to pay for the costs of the Project not less frequently than quarterly following the Closing Date;

(ii) The Governmental Unit shall, within two (2) years after the Closing Date, have completed the acquisition of the Project, and shall within twenty-seven (27) months after the Closing Date have requisitioned the Aggregate Program Amount, or such portion thereof as shall be necessary to complete the Project, unless an extension is agreed to pursuant to Section 4.1(b) of this Loan Agreement.

(d) Payment of Loan Agreement Payments. The Governmental Unit meets and will continue to meet the requirements established by the Finance Authority to assure sufficient revenues to operate and maintain the Water System for its useful life and repay the Loan. The Governmental Unit shall promptly pay Loan Agreement Payments, as specified in the Interim Loan Agreement Payment Schedule or the Final Loan Agreement Payment Schedule, as applicable, according to the true intent and meaning of this Loan Agreement.

(e) Acquisition and Completion of Project; Compliance with Laws. The Project will be acquired and completed so as to comply with all applicable ordinances, resolutions and regulations, if any, and any and all applicable laws relating to the acquisition and completion of the Project and to the use of the Pledged Revenues.

(f) Necessity of Project. The acquisition and completion of the Project under the terms and conditions provided for in this Loan Agreement are necessary, convenient and in furtherance of the governmental purposes of the Governmental Unit and are in the best interests of the Governmental Unit and the public it serves.

(g) Legal, Valid and Binding Obligation. The Governmental Unit has taken all required action necessary to authorize the execution and delivery of this Loan Agreement. This Loan Agreement constitutes a legal, valid and binding special obligation of the Governmental Unit enforceable in accordance with its terms.

(h) Loan Agreement Term. The Loan Agreement Term does not exceed the anticipated useful life of the Project.

(i) Use of Project. During the Loan Agreement Term, the Project will at all times be used for the purpose of benefiting the Governmental Unit and the public it serves.

(j) No Breach or Default Caused by Loan Agreement. Neither the execution and delivery of this Loan Agreement, nor the fulfillment of or compliance with the terms and conditions in this Loan Agreement, nor the consummation of the transactions contemplated herein, conflicts with or results in a breach of terms, conditions or provisions of any restriction or any agreement or instrument to which the Governmental Unit is a party or by which the Governmental Unit is bound or any laws, ordinances, governmental rules or regulations or court or other governmental orders to which the Governmental Unit or its properties are subject, or constitutes a default under any of the foregoing.

(k) Irrevocable Enactments. While this Loan Agreement remains outstanding and unpaid, any ordinance, resolution or other enactment of the Governing Body applying the Pledged Revenues for the payment of this Loan Agreement shall be irrevocable until this Loan Agreement has been paid in full as to both principal and interest, and shall not be subject to amendment or modification in any manner which would in any way jeopardize the timely payment of Loan Agreement Payments.

(l) Outstanding and Additional Debt. Except for any any Parity Obligations described on the Term Sheet, there are currently no outstanding bonds, notes or other obligations of the Governmental Unit which are payable from and secured by a lien on the Pledged Revenues superior to or on a parity with the lien of this Loan Agreement. No additional indebtedness, bonds or notes of the Governmental Unit, payable on a priority ahead of the indebtedness herein authorized out of Pledged Revenues, shall be created or incurred while this Loan Agreement remains outstanding without the prior written approval of the Finance Authority.

(m) No Litigation. To the knowledge of the Governmental Unit after due investigation, no litigation or proceeding is pending or threatened against the Governmental Unit or any other person affecting the right of the Governmental Unit to execute or deliver this Loan Agreement or to comply with its obligations under this Loan Agreement. Neither the execution and delivery of this Loan Agreement by the Governmental Unit nor compliance by the Governmental Unit with the obligations under this Loan Agreement requires the approval of any regulatory body, or any other entity, which approval has not been obtained or which is not reasonably expected to be obtained.

(n) No Event of Default. No event has occurred and no condition exists which, upon the execution and delivery of this Loan Agreement, would constitute an Event of Default on the part of the Governmental Unit under this Loan Agreement.

(o) Existing Pledges; Pledged Revenues Not Budgeted. Except as described on the Term Sheet the Pledged Revenues have not been pledged or hypothecated in any manner for any purpose at the time of execution and delivery of this Loan Agreement. The portion of the Pledged Revenues necessary to pay the Loan Agreement Payments, as and when due, is not needed or budgeted to pay current or anticipated operational or other expenses of the Governmental Unit.

(p) Expected Coverage Ratio. The Pledged Revenues from the current Fiscal Year are projected to equal or exceed one hundred twenty percent (120%) and, on an ongoing basis during each year of the Loan Agreement Term are reasonably expected to equal or exceed, one hundred twenty percent (120%) of the maximum annual principal and interest due on all outstanding Parity Obligations of the Governmental Unit.

(q) Governmental Unit's Existence. The Governmental Unit will maintain its corporate identity and existence so long as this Loan Agreement is unpaid, unless another political subdivision by operation of law succeeds to the liabilities and rights of the Governmental Unit without adversely affecting to any substantial degree the privileges and rights of the Finance Authority.

(r) Continuing Disclosure. The Governmental Unit covenants that it shall provide continuing disclosure to the Finance Authority, as the Finance Authority may require, that shall include, but not be limited to: Project documents, annual audits, operational data required to update information in any disclosure documents used in connection with assignment or securitizing this Loan Agreement or the Loan Agreement Payments by issuance of Bonds, if any, by the Finance Authority, and notification of any event deemed material by the Finance Authority. For the purposes of this Loan Agreement, a material event shall include, without limitation, any violation or alleged violation by a state or federal agency of appropriate jurisdiction, of federal law, regulation, or policy which governs or applies to participants in the Drinking Water State Revolving Loan Fund.

(s) Single Audit Act Requirement. The Governmental Unit acknowledges that the funding provided pursuant to this Loan Agreement is derived in large part from federal grants to the Drinking Water State Revolving Loan Fund program pursuant to the Operating Agreement. During the Loan Agreement Term, the Governmental Unit shall annually cause an audit of the books and accounts of its operations in their entirety, or in the alternative an audit of the books and accounts of each of its departments, agencies and other organizational units which expended or otherwise administered the Loan or any other funds derived from the government of the United States, to be completed by an Independent Accountant in accordance with the Single Audit Act Amendments of 1996 (31 U.S.C. Section 7501 et seq.), and applicable regulations thereunder. The audit will be available for inspection by the Finance Authority and by the Environmental Protection Agency.

(t) Construction Requirements. The Governmental Unit shall require any contractor hired by it in connection with the construction of the Project to post a performance and payment bond as provided by NMSA 1978, § 13-4-18, as amended.

Section 2.2 Protective Covenants Regarding Operation of the Water System. The Governmental Unit further represents, covenants and warrants as follows:

(a) Rate Covenant. The Governmental Unit covenants that it will at all times fix, charge and collect such rates and charges as shall be required in order that in each Fiscal Year in which the Loan is outstanding the Gross Revenues shall at least equal the Operation and Maintenance Expenses of the Water System for the Fiscal Year, plus one hundred twenty percent (120%) of the maximum annual principal, interest and Administrative Fee payments due on all outstanding Parity Obligations.

(b) Efficient Operation. The Governmental Unit will maintain the Water System in efficient operating condition and make such improvements, extensions, enlargements, repairs and betterments to the Water System as may be necessary or advisable for its economical and efficient operation at all times and to supply reasonable public and private demands for System services within the Service Area of the Water System.

(c) Records. So long as this Loan Agreement remains outstanding, proper books of record and account will be kept by the Governmental Unit, separate from all other records and accounts, showing complete and correct entries of all transactions relating to the Water System. However, pursuant to NMSA 1978, § 6-14-10(E) , as amended, records with regard to the ownership or pledge of Utility Revenue Bonds are not subject to inspection or copying.

(d) Right to Inspect. The Finance Authority, or its duly authorized agents, shall have the right to inspect at all reasonable times the Project and all records, accounts and data relating to the Project, the Pledged Revenues, and the Water System.

(e) Audits. Within two hundred seventy (270) days following the close of each Fiscal Year, the Governmental Unit will cause an audit of the books and accounts of the Water System and its separate systems to be made by an Independent Accountant and the audit to be made available for inspection by the Finance Authority. Each audit of the Water System shall comply with Generally Accepted Accounting Principles. The audit required by this section may, at the Governmental Unit's discretion, be performed as a part of or in conjunction with the audit required under the Single Audit Act as set forth in Section 2.1(s) of this Loan Agreement.

(f) Billing Procedure. Bills for water service or facilities furnished by or through the Water System shall be rendered to customers on a regular basis each month following the month in which the service was rendered and shall be due as required by the applicable ordinance of the Governmental Unit. To the extent permitted by law, if a bill is not paid within the period of time required by such ordinance, water service shall be discontinued as required by Governmental Unit ordinance and the rates and charges due shall be collected in a lawful manner, including, but not limited to, the cost of disconnection and reconnection.

(g) Charges and Liens Upon System. The Governmental Unit will pay when due from Gross Revenues or other legally available funds all taxes and assessments or other municipal or governmental charges, lawfully levied or assessed upon the Water System and will observe and comply with all valid requirements of any municipal or governmental authority relating to the Water System. The Governmental Unit will not create or permit any lien or charge upon the Water System or the Gross Revenues or it will make adequate provisions to satisfy and discharge within sixty (60) days after the same accrue, all lawful claims and demands for labor, materials, supplies or other objects, which, if unpaid, might by law become a lien upon the Water System or the Gross Revenues. However, the Governmental Unit shall not be required to pay or cause to be discharged, or make provision for any tax assessment, lien or charge before the time when payment becomes due or so long as the validity thereof is contested in good faith by appropriate legal proceedings and there is no adverse effect on Finance Authority.

(h) Insurance. Subject, in each case, to the condition that insurance is obtainable at reasonable rates and upon reasonable terms and conditions, in its operation of the Water System, the Governmental Unit will procure and maintain or cause to be procured and maintained commercial insurance or provide Qualified Self Insurance with respect to the facilities constituting the Water System and public liability insurance in the form of commercial insurance or Qualified Self Insurance and, in each case, in such amounts and against such risks as are, in the judgment of the Governing Body, prudent and reasonable taking into account, but not being controlled by, the amounts and types of insurance or self-insured programs provided by entities which operate systems such as the Water System. "Qualified Self Insurance" means insurance maintained through a program of self insurance or insurance maintained with a fund, company or association in which the Governmental Unit may have a material interest and of which the Governmental Unit may have control, either singly or with others. Each plan of Qualified Self Insurance shall be established in accordance with law, shall provide that reserves be established or insurance acquired in amounts adequate to provide coverage which the Governmental Unit determines to be reasonable to protect against risks assumed under the Qualified Self Insurance plan, including any potential retained liability in the event of the termination of such plan of Qualified Self Insurance. In the event of property loss or damage to the Water System, insurance proceeds shall be used first for the purpose of restoring or replacing the property lost or damaged and thereafter, and any remainder may be used to redeem Utility Revenue Bonds or be treated as Gross Revenues and used in any legally permissible manner.

(i) Competing Utility System. Unless contrary to any provision of, or required by, applicable law, as long as this Loan Agreement is outstanding, the Governmental Unit prior to granting any franchise or license to a competing utility system, or permitting any person, association, firm or corporation to sell similar utility services or facilities to any consumer, public or private, within the Service Area of the Water System, shall obtain a written report from an independent utility rate consultant stating that in the opinion of the consultant the use charges in effect immediately prior to the approval of the franchise or license by the Governmental Unit are sufficient to meet the requirement of section 2.1(p) (expected coverage ratio) for the first full calendar year after the approval of the franchise or license, based on the new Service Area of the Water System.

(j) Alienating System. While this Loan Agreement is outstanding, the Governmental Unit shall not transfer, sell or otherwise dispose of the Water System, except that the Governmental Unit may dispose of inadequate, obsolete or worn out property. For purposes of this Section, any transfer of an asset over which the Governmental Unit retains or regains substantial control shall, for so long as the Governmental Unit has such control, not be deemed a disposition of the Water System.

(k) Management of the Water System. If an Event of Default shall occur or if the Pledged Revenues in any Fiscal Year fail to equal principal, interest and Administrative Fees due on the Parity Obligations, the Governmental Unit shall retain an independent consultant qualified in the management of water utility systems to assist in the management of the Water System so long as such default continues.

(l) Competent Management. The Governmental Unit shall employ experienced and competent personnel to manage the Water System.

(m) Performing Duties. The Governmental Unit will faithfully and punctually perform all duties with respect to the Water System required by the Constitution and laws of the State and the ordinances and resolutions of the Governmental Unit relating to the Water System and this Loan Agreement, including, but not limited to, making and collecting reasonable and sufficient rates and charges for services rendered or furnished by the Water System as required by this Loan Agreement and the proper segregation and application of the Gross Revenues.

(n) Other Liens. Except for any Parity Obligations listed in the Term Sheet, there are no liens or encumbrances of any nature whatsoever, on or against the Water System or the Gross Revenues or Net Revenues on parity with or senior to the lien of this Loan Agreement.

Section 2.3 Representations, Covenants and Warranties of the Finance Authority. The Finance Authority represents, covenants and warrants for the benefit of the Governmental Unit:

(a) Legal Status and Authorization of Loan Agreement. The Finance Authority is a public body politic and corporate constituting a governmental instrumentality, separate and apart from the State, duly organized and created under and pursuant to the laws of the State, particularly the Finance Authority Act. The Finance Authority has all necessary power and authority to enter into and perform and observe the covenants and agreements on its part contained in this Loan Agreement and has duly authorized the execution and delivery of this Loan Agreement.

(b) No Breach or Default Caused by Loan Agreement. Neither the execution and delivery of this Loan Agreement, nor the fulfillment of or compliance with the terms and conditions of this Loan Agreement, nor the consummation of the transactions contemplated in this Loan Agreement, conflicts with or results in a breach of the terms, conditions and provisions of any restriction or any agreement or instrument to which the Finance Authority is a party or by which the Finance Authority is bound or constitutes a default under any of the foregoing and will not conflict with or constitute a violation of any constitutional or statutory provision or order, rule, regulation, decree or ordinance of any court, government or governmental authority having

jurisdiction over the Finance Authority, or its property and which conflict or violation will have a material adverse effect on the Finance Authority or the financing of the Project.

(c) No Litigation. To the knowledge of the Finance Authority, there is no litigation or proceeding pending or threatened against the Finance Authority or any other person affecting the right of the Finance Authority to execute or deliver this Loan Agreement or to comply with its obligations under this Loan Agreement. To the knowledge of the Finance Authority, neither the execution and delivery of this Loan Agreement by the Finance Authority, nor compliance by the Finance Authority with its obligations under this Loan Agreement, requires the approval of any regulatory body, or any other entity, which approval has not been obtained.

(d) Legal, Valid and Binding Obligations. This Loan Agreement constitutes a legal, valid and binding obligation of the Finance Authority enforceable in accordance with its terms.

ARTICLE III

LOAN AGREEMENT TERM

The Loan Agreement Term shall commence on the Closing Date and shall not terminate until the Governmental Unit's obligations under this Loan Agreement have been paid in full or provision for payment of this Loan Agreement has been made pursuant to Article VIII hereof.

ARTICLE IV

LOAN; APPLICATION OF MONEYS

Section 4.1 Application of Loan Agreement Proceeds.

(a) On the Closing Date, the amount shown on the Term Sheet as the Aggregate Program Amount shall be made available for disbursement by the Finance Authority to the Governmental Unit pursuant to Section 6.2 of this Loan Agreement at the request of the Governmental Unit and as needed by the Governmental Unit to implement the Project.

(b) The Final Requisition shall be submitted by the Governmental Unit within twenty seven (27) months following the Closing Date, except only as otherwise approved in writing by an Authorized Officer of the Finance Authority, based on the Governmental Unit's demonstration, to the reasonable satisfaction of the Authorized Officer of the Finance Authority, that unanticipated circumstances beyond the control of the Governmental Unit resulted in delaying the acquisition and completion of the Project, and submission of the Governmental Unit's Final Requisition.

Section 4.2 Disbursements; Approval of Payment Requests. The Governmental Unit shall transmit payment requisitions in the form attached to this Loan Agreement as Exhibit "C"

and the supporting documentation required pursuant to Exhibit "C" to the Finance Authority. The Finance Authority or its designee shall review each requisition for compliance with (i) the Project's construction plans and specifications and (ii) all applicable state and federal laws, rules and regulations, and shall approve or disapprove the requisition accordingly. The Finance Authority shall cause Approved Requisitions to be paid from the State Drinking Water Revolving Loan Fund.

Section 4.3 Expense Fund Deposit. The Finance Authority shall determine the amount of the Expense Fund Component at the time of each payment to the Governmental Unit pursuant to Section 6.2 of this Loan Agreement and deposit such amount to the Expense Fund.

ARTICLE V

LOAN TO THE GOVERNMENTAL UNIT; PAYMENTS BY THE GOVERNMENTAL UNIT

Section 5.1 Loan to the Governmental Unit; Payment Obligations Limited to Pledged Revenues; Pledge of Pledged Revenues. The Finance Authority hereby lends to the Governmental Unit and the Governmental Unit hereby borrows from the Finance Authority an amount not to exceed the Maximum Principal Amount. The Governmental Unit promises to pay, but solely from the sources pledged herein, the Loan Agreement Payments as herein provided. Subject to any outstanding Parity Obligations, the Governmental Unit does hereby grant a lien on and a security interest in and does hereby convey, assign and pledge unto the Finance Authority and unto its successors in trust forever all right, title and interest of the Governmental Unit in and to (i) the Pledged Revenues to the extent required to pay the Loan Agreement Payments on a parity with any Parity Obligations, (ii) the Debt Service Account, and (iii) all other rights hereinafter granted, for the securing of the Governmental Unit's obligations under this Loan Agreement, including payment of the Loan Agreement Payments, provided, however, that if the Governmental Unit, its successors or assigns, shall pay, or cause to be paid, all Loan Agreement Payments at the time and in the manner contemplated by this Loan Agreement, or shall provide as permitted by Article VIII of this Loan Agreement for the payment thereof, and shall pay all other amounts due or to become due under this Loan Agreement in accordance with its terms and provisions then, upon such final payment, this Loan Agreement and the rights created thereby shall terminate; otherwise, this Loan Agreement shall remain in full force and effect. The Loan Agreement Payments shall, in the aggregate, be sufficient to pay the Aggregate Repayable Disbursements, as set forth in the Final Loan Agreement Payment Schedule.

Within five (5) days after each payment of an Approved Requisition during the Interim Period, the Finance Authority shall recalculate on the basis of the Aggregate Repayable Disbursements to that date the Interest Component and Administrative Fee Component next coming due as set out in Section 5.2(a)(i) of this Loan Agreement and shall provide written notice to the Governmental Unit of the recalculated Interest Component and Administrative Fee Component. Within thirty (30) days after the final disbursement, the Finance Authority shall provide a Final Loan Agreement Payment Schedule. The schedule of Loan Agreement Payments, assuming the disbursal of the entire Aggregate Program Amount within twenty seven (27) months after the Closing Date, identified as the Interim Loan Agreement Payment Schedule,

is attached to this Loan Agreement as Exhibit "B". The Finance Authority shall provide a Final Loan Agreement Payment Schedule following the final disbursement which shall supersede the schedule attached as Exhibit "B".

The pledge of the Pledged Revenues and the lien thereon shall be effective upon the Closing Date. The Governmental Unit and the Finance Authority acknowledge and agree that the sources of the Loan Agreement Payments of the Governmental Unit hereunder are limited to the Pledged Revenues, and that the Loan Agreement shall constitute a special, limited obligation of the Governmental Unit. No provision of this Loan Agreement shall be construed or interpreted as creating a general obligation or other indebtedness of the Governmental Unit or the State within the meaning of any constitutional or statutory debt limitation. No provision of this Loan Agreement shall be construed to pledge or to create a lien on any class or source of Governmental Unit moneys other than the Pledged Revenues, nor shall any provision of this Loan Agreement restrict the future issuance of any bonds or obligations payable from any class or source of Governmental Unit moneys other than the Pledged Revenues. In addition, to the extent not required for the payment of obligations of the Governmental Unit hereunder, the Pledged Revenues may be utilized by the Governmental Unit for any other purposes permitted by law and the laws of the State.

Section 5.2 Water Utility System Revenues and Flow of Funds. The Governmental Unit shall create and maintain a separate fund or account (the "Water Utility System Income Fund") which is to be administered as hereafter provided in this Section. Gross Revenues of the Water System, on a monthly basis, shall be deposited into the Water Utility System Income Fund, and as a first charge thereon, shall be used, first, to pay Operation and Maintenance Expenses, second, shall be deposited into the Debt Service Account as hereafter provided in Section 5.3 and used to pay the Loan Agreement Payments and shall also be deposited into debt service accounts or bond funds to be used to pay principal and interest and any loan agreement payments on Parity Obligations (including the loan agreement payments for the 2010 Loan and the 2012 Loan), third, to pay the principal and interest on Subordinate Obligations, if any (or pro rata share thereof), and fourth, to pay for any other legal purpose, provided that the payment of principal and interest on Parity Obligations from the remaining revenues (i.e., the Pledged Revenues) shall be made on a parity with each other as provided in Section 5.3 hereof.

Section 5.3. Payment Obligations of Governmental Unit. The Debt Service Account shall be established and held by the Finance Authority or its designee on behalf of the Governmental Unit. All Loan Agreement Payments received by the Finance Authority or its designee pursuant to this Loan Agreement from the Governmental Unit shall be accounted for and maintained by the Finance Authority or its designee in the Debt Service Account, which account shall be kept separate and apart from all other accounts of the Finance Authority. The amounts on deposit in the Debt Service Account shall be expended and used by the Finance Authority only in the manner and order of priority specified herein.

(a) As a first charge and lien, but not an exclusive first charge and lien, on the Pledged Revenues (on a parity with the lien on the Pledged Revenues created by any outstanding Parity Obligations), the Governmental Unit shall remit to the Finance Authority and the Finance

Authority shall collect and deposit into the Debt Service Account from the Governmental Unit the Pledged Revenues in the manner specified herein.

(i) Payment of Interest Component and Administrative Fee Component during Interim Period.

(A) During the Interim Period, Interest and Administrative Fees shall accrue on the amount of Aggregate Repayable Disbursements, from the date of each Disbursement.

(B) During the Interim Period the Governmental Unit shall monthly, commencing on the first day of the month next following the first payment by the Finance Authority of an Approved Requisition, pay to the Finance Authority for deposit into the Debt Service Account such amount as is necessary, in monthly installments, to pay the Interest Component and Administrative Fee Component on the Aggregate Repayable Disbursements as of each Loan Agreement Payment Date.

(ii) Loan Agreement Payments Following the Interim Period. After the Interim Period, the Governmental Unit shall pay to the Finance Authority for deposit into the Debt Service Account the following amounts:

(A) Interest and Administrative Fee Components. Monthly, commencing on the first day of the month next following the final disbursement, the Governmental Unit shall pay to the Finance Authority for deposit into the Debt Service Account an amount in equal monthly installments which is necessary to pay the first maturing Interest Component and Administrative Fee Component coming due on this Loan Agreement and monthly thereafter, commencing on each Loan Agreement Payment Date, one-sixth (1/6) of the amount necessary to pay the next maturing Interest Component and Administrative Fee Component on this Loan Agreement as described in the Final Loan Agreement Payment Schedule.

(B) Principal Payments. Monthly, commencing on the first day of the month next following the final disbursement, the Governmental Unit shall pay to the Finance Authority for deposit into the Debt Service Account an amount in equal monthly installments which is necessary to pay the first maturing Principal Component; and thereafter on the first day of each month thereafter, one-twelfth (1/12) of the amount which is necessary to pay the next maturing Principal Component on this Loan Agreement during the Loan Agreement Term, as described in the Final Loan Agreement Payment Schedule.

(iii) Method of Payment. The Governmental Unit shall transfer each month to the Finance Authority, from Pledged Revenues, the amounts set forth in Subsections (i)(C), (ii)(A) and (ii)(B) of this Section 5.3(a) during the time that this Loan Agreement is outstanding, provided, that in the event of any default in making the Loan Agreement Payments by the Governmental Unit, the Finance Authority shall be entitled to seek payment of the amounts due through any of the remedies provided in Article X of this Loan Agreement.

(b) In the event that the balance of payments held in the Debt Service Account should exceed the amount needed to cover Loan Agreement Payments then due, the Finance Authority shall use the balance of the Pledged Revenues received, at the request of the Governmental Unit (i) to credit against upcoming Loan Agreement Payments, or (ii) to distribute to the Governmental Unit for any other purpose permitted by law.

Section 5.4 Manner of Payment. All payments of the Governmental Unit hereunder shall be paid in lawful money of the United States of America to the Finance Authority or its designee at the address designated in Section 11.1 of this Loan Agreement. The obligation of the Governmental Unit to make payments hereunder, from and to the extent of the available Pledged Revenues, shall be absolute and unconditional in all events, except as expressly provided hereunder, and payment hereunder shall not be abated through accident or unforeseen circumstances. Notwithstanding any dispute between the Governmental Unit, the Finance Authority or its designee, any vendor or any other person, the Governmental Unit shall make all deposits hereunder, from and to the extent of the available Pledged Revenues, when due and shall not withhold any deposit hereunder pending final resolution of such dispute, nor shall the Governmental Unit assert any right of set-off or counterclaim against its obligation to make such deposits required hereunder.

Section 5.5. Additional Parity Obligations Payable From Pledged Revenues. No provision of this Loan Agreement shall be construed in such a manner as to prevent the issuance by the Governmental Unit of additional Parity Obligations payable from Pledged Revenues, nor to prevent the issuance of bonds or other obligations refunding all or a part of this Loan Agreement; provided, however, that before any such additional Parity Obligations are actually issued (excluding refunding bonds or refunding obligations which refund Parity Obligations but including parity refunding bonds and obligations which refund Subordinated Obligations as provided in Section 5.6 hereof), it must be determined that:

(a) The Governmental Unit is then current in all of the accumulations required to be made into the Debt Service Account as provided in this Loan Agreement.

(b) No default shall exist in connection with any of the covenants or requirements of the Ordinance or this Loan Agreement.

(c) The Pledged Revenues received by or credited to the Governmental Unit for the Fiscal Year or for any twelve (12) consecutive months out of the twenty-four (24) months preceding the date of issuance of such additional Parity Obligations (the "Historic Test Period") shall have been sufficient to pay an amount representing one hundred twenty percent (120% of the combined maximum annual principal, interest requirement and the Administrative Fee Component coming due in any subsequent Fiscal Year on the then outstanding Parity Obligations and the Parity Obligations proposed to be issued (excluding the accumulation of any reserves therefor).

(d) A written certification or opinion by the Governmental Unit's treasurer or chief financial officer or by an Independent Accountant that the Pledged Revenues for the Historic Test Period are sufficient to pay said amounts, shall be conclusively presumed to be

accurate in determining the right of the Governmental Unit to authorize, issue, sell and deliver the Parity Obligations proposed to be issued.

(e) No provision of this Loan Agreement shall be construed in such a manner as to prevent the issuance by the Governmental Unit of additional bonds or other obligations payable from the Pledged Revenues constituting a lien upon such Pledged Revenues subordinate and junior to the lien of this Loan Agreement nor to prevent the issuance of bonds or other obligations refunding all or part of this Loan Agreement as permitted by Section 5.6 hereof.

(f) The Governmental Unit shall not issue bonds or other obligations payable from the Pledged Revenues having a lien thereon prior or superior to this Loan Agreement, without the written approval of the Finance Authority.

Section 5.6 Refunding Obligations Payable from Pledged Revenues. The provisions of Section 5.5 hereof are subject to the following exceptions:

(a) If at any time after the Closing Date, while this Loan Agreement, or any part thereof, is outstanding, the Governmental Unit shall find it desirable to refund any outstanding bonds or other outstanding obligations payable from the Pledged Revenues, this Loan Agreement, such bonds or other obligations, or any part thereof, may be refunded (but the holders of this Loan Agreement or bonds to be refunded may not be compelled to surrender this Loan Agreement or their bonds, unless this Loan Agreement, the bonds or other obligations, at the time of their required surrender for payment, shall then mature, or shall then be callable for prior redemption at the Governmental Unit's option), regardless of whether the priority of the lien for the payment of the refunding obligations on the Pledged Revenues is changed, except as provided in subparagraphs (b) and (c) of this Section 5.6.

(b) No refunding bonds or other refunding obligations payable from the Pledged Revenues shall be issued on a parity with this Loan Agreement unless:

(i) The outstanding obligations so refunded have a lien on the Pledged Revenues on a parity with the lien thereon of this Loan Agreement and the refunding bonds or other refunding obligations do not increase any aggregate annual principal and interest obligations evidenced by such refunded obligations; or

(ii) The refunding bonds or other refunding obligations are issued in compliance with subparagraphs (a) through (f) of Section 5.5 of this Loan Agreement.

(c) The refunding bonds or other obligations so issued shall enjoy complete equality of lien on the Pledged Revenues with the portion of this Loan Agreement or any bonds or other obligations of the same issue which is not refunded, if any; and the holder or holders of such refunding bonds or such other refunding obligations shall be subrogated to all of the rights and privileges enjoyed by the holder or holders of this Loan Agreement or the bonds or other obligations of this same issue refunded thereby. If only a part of this Loan Agreement or the outstanding bonds and any other outstanding obligations of any issue or issues payable from the

Pledged Revenues is refunded, then such obligations may not be refunded without the consent of the holder or holders of the unrefunded portion of such obligations, unless:

(i) The refunding bonds or other refunding obligations do not increase any aggregate annual principal and interest obligations evidenced by such last maturity date of such unrefunded obligations; or

(ii) The refunding bonds or other refunding obligations are issued in compliance with subparagraphs (a) through (f) of Section 5.5 hereof; or

(iii) The lien on the Pledged Revenues for the payment of the refunding obligations is subordinate to each such lien for the payment of any obligations not refunded.

(d) Any refunding bonds or other refunding obligations payable from the Pledged Revenues shall be issued with such details as the Governmental Unit may provide by ordinance or resolution, but without any impairment of any contractual obligations imposed upon the Governmental Unit by any proceedings authorizing the issuance of any unrefunded portion of such outstanding obligations of any one or more issues (including, but not necessarily limited to, this Loan Agreement).

Section 5.6 Investment of Governmental Unit Funds. Money on deposit in the Debt Service Account created hereunder may be invested by the Finance Authority or its designee in Permitted Investments at the written direction of the Governmental Unit or, in the absence of such written direction of the Governmental Unit, at the discretion of the Finance Authority. Any earnings on Permitted Investments shall be held and administered in the Debt Service Account and utilized in the same manner as the other moneys on deposit therein for the benefit of the Governmental Unit.

Section 5.7 Governmental Unit May Budget for Payments. The Governmental Unit may, in its sole discretion, but without obligation and subject to the Constitution of the State, governing laws, and its budgetary requirements, make available properly budgeted and legally available funds to defray any insufficiency of Pledged Revenues to pay Loan Agreement Payments; provided, however, the Governmental Unit has not covenanted and cannot covenant to make such funds available and has not pledged any of such funds for such purpose.

ARTICLE VI

THE PROJECT

Section 6.1 Agreement to Acquire and Complete the Project. The Governmental Unit hereby agrees that in order to effectuate the purposes of this Loan Agreement and to effectuate the acquisition and completion of the Project, it shall make, execute, acknowledge and transmit any contracts, orders, receipts, writings and instructions with any other persons, firms or corporations and, in general do all things which may be requisite or proper to acquire and complete the Project.

The Governmental Unit agrees to acquire and complete the Project through the application of moneys to be disbursed by the Finance Authority pursuant to Section 6.2 of this Loan Agreement.

Section 6.2 Disbursements. So long as no Event of Default shall occur and the requirements of Section 4.2 are satisfied, the Finance Authority or its designee shall disburse moneys to pay a requisition upon receipt and approval by the Finance Authority or its designee of a requisition substantially in the form of Exhibit "C" attached hereto signed by an Authorized Officer of the Governmental Unit, with required supporting documentation.

Section 6.3 Completion of the Acquisition of the Project. Upon completion of the acquisition of the Project, which shall occur no later than two (2) years after the Closing Date, unless a later date is approved as provided in Section 4.1(b) of this Agreement, an Authorized Officer of the Governmental Unit shall deliver a certificate to the Finance Authority, substantially in the form of Exhibit "D" attached hereto, stating that, to his or her knowledge, the acquisition of the Project has been completed and the Project has been accepted by the Governmental Unit, and all costs have been paid, except for any reimbursements requested pursuant to requisitions submitted prior to the end of the Interim Period. Notwithstanding the foregoing, such certificate shall state that it is given without prejudice to any rights against third parties which exist at the date of such certificate or which may subsequently come into being.

Section 6.4 Unrequisitioned Amounts. In the event that, (1) at the time of the delivery of the certificate of completion required by Section 6.3 hereof, there remains an Unrequisitioned Principal Amount, or (2) the Finance Authority shall not have received a Final Requisition, by the date that is twenty seven (27) months from the Closing Date, unless an extension is approved pursuant to Section 4.1(b) of this Loan Agreement, then the Governmental Unit shall have no right or title to the Unrequisitioned Principal Amount, nor any right to pledge, encumber or draw upon such Unrequisitioned Principal Amount, and the Finance Authority will not approve, honor, or enforce any requisition upon such Unrequisitioned Principal Amount pursuant to this Loan Agreement.

ARTICLE VII

COMPLIANCE WITH LAWS AND RULES; OTHER COVENANTS

Section 7.1 Further Assurances and Corrective Instruments. The Finance Authority and the Governmental Unit agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Project or of the Pledged Revenues, or for otherwise carrying out the intention hereof. Authorized Officers are authorized to execute, acknowledge and deliver any such supplements and further instruments.

Section 7.2 Finance Authority and Governmental Unit Representatives. Whenever under the provisions hereof the approval of the Finance Authority or the Governmental Unit is

required, or the Governmental Unit or the Finance Authority is required to take some action at the request of the other, such approval or such request shall be given for the Finance Authority or for the Governmental Unit by an Authorized Officer of the Finance Authority or the Governmental Unit, as the case may be, and any party hereto shall be authorized to rely and act on any such approval or request.

Section 7.3 Compliance with Court Orders. During the Loan Agreement Term, the Governmental Unit and the Finance Authority shall observe and comply promptly with all current and future orders of all courts having jurisdiction over the parties hereto, the Project or the Pledged Revenues.

Section 7.4 Compliance with Applicable State and Federal Laws. During the Loan Agreement Term, the Governmental Unit shall comply with all applicable State and federal laws, including, without limitation, the following:

(a) For all contracts, the Governmental Unit shall comply with the New Mexico Procurement Code, NMSA 1978, §§ 13-1-28 through 13-1-199, as amended, or its local procurement ordinances and regulations, as applicable.

(b) For all construction contracts awarded in excess of \$10,000, the Governmental Unit shall comply with Executive Order 11246 of September 24, 1965, entitled "Equal Employment Opportunity," as amended by Executive Order 11375 of October 12, 1967, and as supplemented in Department of Labor regulations (41 C.F.R. chapters 40 and 60). In addition, for all contracts, the Governmental Unit shall comply with all State laws and regulations and all executive orders of the Governor of the State pertaining to equal employment opportunity.

(c) For all contracts awarded for construction or repair, the Governmental Unit shall comply with the Copeland "Anti-Kickback" Act (18 U.S.C. § 874) as supplemented in Department of Labor regulations (29 C.F.R. part 3).

(d) For all construction subcontracts, and subgrants of amounts in excess of \$100,000, the Governmental Unit shall comply with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. § 7606), Section 508 of the Clean Water Act (33 U.S.C. § 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 C.F.R. Part 15). In addition, for all contracts, the Contractor shall comply with all applicable State laws and regulations and with all executive orders of the Governor of the State pertaining to protection of the environment.

(e) For all contracts the Governmental Unit shall comply with the mandatory standards and policies relating to energy efficiency which are contained in the State energy conservation plan issued in compliance with section 362 of the Energy Policy and Conservation Act (42 U.S.C. § 6322).

(f) For all contracts in excess of \$2,000 the Governmental Unit shall comply with applicable standards of the Davis-Bacon Wage Act (40 U.S.C. § 3141 et seq.), as amended

and supplemented, relating to wages paid to laborers and mechanics employed by contractors and sub-contractors on a Project funded directly by or assisted in whole or in part by and through the Governmental Unit.

(g) For all contracts, the Governmental Unit shall comply with the requirements of the Environmental Protection Agency's Program for Utilization of Minority and Women's Business Enterprises set out in Title 40, Chapter I, Subchapter B, Part 33 of the Code of Federal Regulations.

(h) For all contracts, the Governmental Unit shall comply with the requirements of Executive Order 13502 on Use of Project Agreements for Federal Construction Projects.

(i) For all contracts, the Governmental Unit shall comply with the requirements of Executive Order dated September 25, 2012 on Strengthening Protections Against Trafficking in Persons in Federal Contracts.

(j) For all contracts, the Governmental Unit shall comply with all federal requirements applicable to the Loan (including those imposed by P.L. 113-76, 2014 Consolidated Appropriations Act, Section 436 and related SRF Policy Guidelines) which the Governmental Unit understands includes, among other, requirements that all of the iron and steel products used in the Project are to be produced in the United States ("American Iron and Steel Requirement") unless (i) the Governmental Unit has requested and obtained a waiver from the Finance Authority pertaining to the Project or (ii) the Finance Authority has otherwise advised the Governmental Unit in writing that the American Iron and Steel Requirement is not applicable to the Project.

(k) For all contracts, the Governmental Unit shall comply with all record keeping and reporting requirements under the Clean Water Act/Safe Drinking Water Act, including any reports required by a Federal agency or the Finance Authority such as performance indicators of program deliverables, information on costs and project progress. The Governmental Unit understands that (i) each contract and subcontract related to the Project is subject to audit by appropriate federal and state entities and (ii) failure to comply with the Clean Water Act/Safe Drinking Water Act and this Agreement may be a default under this Agreement.

(l) For all contracts, the Governmental Unit shall comply with Executive Order 12549 – Debarment and Suspension and all rules, regulations and guidelines issued pursuant to Executive Order 12549, including compliance with the requirement that each prospective participant in transactions related to the Loan execute a written certification that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in transactions related to the Loan. (m)

(m) For all contracts, the Governmental Unit shall comply with the requirements of section 1450(e) of the Safe Drinking Water Act (42 U.S.C.300j-9(e)) in all procurement contracts, and the Governmental Unit and procurement contractors shall include such a term and condition in subcontracts and other lower tiered transactions. All contracts and subcontracts for the Project shall include in any contract in excess of \$2,000 the contract clauses

set out in the EPA publication entitled "Wage Rate Requirements Under the Clean Water Act, Section 513 and the Safe Drinking Water Act Section 1450(e)."

(n) The Governmental Unit shall comply with the requirement of the June 3, 2015 Guidelines for Enhancing Public Awareness of SRF Assistance Agreements issued by the United States Environmental Protection Agency relating to signage, posters, advertisement, website or press releases indicating that financial assistance was received from the EPA for the Project.

The Finance Authority or its designee shall have the right to review all contracts, work orders and other documentation related to the Project that it deems necessary to assure compliance with applicable laws, rules and regulations, and may conduct such review as it deems appropriate prior to disbursing funds for payment of an Approved Requisition.

Section 7.5 Lien Status. The Loan Agreement Payments constitute an irrevocable first lien (but not necessarily an exclusive first lien) upon the Pledged Revenues. The Governmental Unit covenants that the Loan Agreement Payments and any Parity Obligations herein authorized to be issued and from time to time outstanding shall be equitably and ratably secured by a first lien on the Pledged Revenues and shall not be entitled to any priority one over the other in the application of the Pledged Revenues regardless of the time or times of the issuance of such obligations, it being the intention of the Governmental Unit that there shall be no priority between the Loan Agreement Payments and any such Parity Obligations regardless of the fact that they may be actually issued and delivered at different times.

Section 7.6 Expeditious Completion. The Governmental Unit shall complete the Project with all practical dispatch.

ARTICLE VIII

PREPAYMENT OF LOAN AGREEMENT PAYMENTS

The Governmental Unit is hereby granted the option to prepay the Principal Component of this Loan Agreement in whole or in part on any day without penalty or prepayment premium, beginning one (1) year after the Closing Date. The Governmental Unit may designate the due date or due dates of the Principal Component or portions thereof being prepaid in the event of a partial prepayment. Any such prepayment shall include accrued interest to the redemption date of the corresponding Bonds to be redeemed, if any, and notice of intent to make such prepayment shall be provided to the Finance Authority or its designee by the Governmental Unit no less than forty-five (45) days prior to the prepayment date. The Finance Authority or its designee shall recalculate the Loan Agreement Payments due under this Loan Agreement in the event of a partial prepayment in a manner which is consistent with the manner in which the Bonds, if any, are prepaid.

ARTICLE IX

INDEMNIFICATION

From and to the extent of the Pledged Revenues and to the extent permitted by law, the Governmental Unit shall and hereby agrees to indemnify and save the Finance Authority and its designee, if any, harmless against and from all claims, by or on behalf of any person, firm, corporation or other legal entity arising from the acquisition or operation of the Project during the Loan Agreement Term, from: (i) any act of negligence of the Governmental Unit or breach of any covenant or warranty by the Governmental Unit hereunder; and (ii) the incurrence of any cost or expense in connection with the acquisition or operation of the Project in excess of the Loan Agreement proceeds and interest on the investment of the Loan Agreement proceeds. The Governmental Unit shall indemnify and save the Finance Authority and its designee, if any, harmless, from and to the extent of the available Pledged Revenues and to the extent permitted by law, from any such claim arising as aforesaid from (i) or (ii) above, or in connection with any action or proceeding brought thereon and, upon notice from the Finance Authority or its designee, shall defend the Finance Authority or its designee, if any, in any such action or proceeding.

ARTICLE X

EVENTS OF DEFAULT AND REMEDIES

Section 10.1 Events of Default Defined. Any one of the following shall be an Event of Default under this Loan Agreement:

(a) Failure by the Governmental Unit to pay any amount required to be paid under this Loan Agreement on the date on which it is due and payable; or

(b) Failure by the Governmental Unit to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Loan Agreement, other than as referred to in paragraph (a), for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to the Governmental Unit by the Finance Authority or its designee, if any, unless the Finance Authority or its designee, as applicable, shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice can be wholly cured within a period of time not materially detrimental to the rights of the Finance Authority or its designee but cannot be cured within the applicable thirty (30) day period, the Finance Authority or its designee will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the Governmental Unit within the applicable period and diligently pursued until the failure is corrected; and provided, further, that if by reason of force majeure the Governmental Unit is unable to carry out the agreements on its part herein contained, the Governmental Unit shall not be deemed in default under this paragraph (b) during the continuance of such inability (but force majeure shall not excuse any other Event of Default); or

(c) Any warranty, representation or other statement by or on behalf of the Governmental Unit contained in this Loan Agreement or in any instrument furnished in compliance with or in reference to this Loan Agreement is false or misleading in any material respect; or

(d) A petition is filed against the Governmental Unit under any bankruptcy, moratorium, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, and is not dismissed within thirty (30) days after such filing, but the Finance Authority shall have the right to intervene in the proceedings to protect the Finance Authority's interests; or

(e) The Governmental Unit files a petition in voluntary bankruptcy or seeking relief under any provision of any bankruptcy, moratorium, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, or consents to the filing of any petition against it under any such law; or,

(f) The Governmental Unit admits insolvency or bankruptcy or its inability to pay its debts as they become due or is generally not paying its debts as such debts become due, or becomes insolvent or bankrupt or makes an assignment for the benefit of creditors, or a custodian (including, without limitation, a receiver, liquidator or trustee) of the Governmental Unit for any of its property is appointed by court order or takes possession thereof and such order remains in effect or such possession continues for more than thirty (30) days, but the Finance Authority shall have the right to intervene in the proceedings to protect its interests.

Section 10.2 Remedies on Default. Whenever any Event of Default has occurred and is continuing and subject to Section 10.3 hereof, the Finance Authority may take any or all of the following actions as may appear necessary or desirable to collect the payments then due and to become due or to enforce performance of any agreement of the Governmental Unit in this Loan Agreement:

(a) By mandamus or other action or proceeding or suit at law or in equity to enforce the rights of the Finance Authority under this Loan Agreement against the Governmental Unit, and compel the Governmental Unit to perform or carry out its duties under the law and the agreements and covenants required to be performed by it contained herein; or

(b) By suit in equity enjoin any acts or things which are unlawful or violate the rights of the Finance Authority; or

(c) Intervene in judicial proceedings that affect this Loan Agreement or the Pledged Revenues; or

(d) Cause the Governmental Unit to account as if it were the trustee of an express trust for all of the Pledged Revenues and Aggregate Disbursements (except the Expense Fund Component); or,

(e) Take whatever other action at law or in equity may appear necessary or desirable to collect amounts then due and thereafter to become due under this Loan Agreement or enforce any other of its rights thereunder.

Section 10.3 Limitations on Remedies. A judgment requiring a payment of money entered against the Governmental Unit may reach only the available Pledged Revenues.

Section 10.4 No Remedy Exclusive. Subject to Section 10.3 of this Loan Agreement, no remedy herein conferred upon or reserved to the Finance Authority is intended to be exclusive, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder as now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Finance Authority to exercise any remedy reserved in this Article X, it shall not be necessary to give any notice, other than such notice as may be required in this Article X.

Section 10.5 Waivers of Events of Default. The Finance Authority may in its discretion waive any Event of Default hereunder and the consequences of an Event of Default by written waiver; provided, however, that there shall not be waived (i) any Event of Default in the payment of principal of this Loan Agreement at the date when due as specified in this Loan Agreement, or (ii) any default in the payment when due of the interest on this Loan Agreement, unless prior to such waiver or rescission, all arrears of interest, with interest at the rate borne by this Loan Agreement on all arrears of payment of principal and all expenses of the Finance Authority, in connection with such Event of Default shall have been paid or provided. Such waiver shall be effective only if made by written statement of waiver issued by the Finance Authority. In case of any such waiver or rescission, or in case any proceeding taken by the Finance Authority on account of any such Event of Default shall have been discontinued or abandoned or determined adversely, then and in every such case, the Finance Authority shall be restored to its former position and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other Event of Default, or impair any right consequent thereon.

Section 10.6 No Additional Waiver Implied by One Waiver. In the event that any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver shall be in writing and limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Section 10.7 Agreement to Pay Attorneys' Fees and Expenses Related to Defaults. In the event that the Governmental Unit should default under any of the provisions hereof and the Finance Authority employs attorneys or incurs other expenses for the collection of payments hereunder, or the enforcement of performance or observance of any obligation or agreement on the part of the Governmental Unit contained in this Loan Agreement, the Governmental Unit agrees that it shall on demand therefor pay to the Finance Authority the fees of such attorneys and such other expenses so incurred, to the extent that such attorneys' fees and expenses may be determined to be reasonable by a court of competent jurisdiction; provided, however, that the obligation of the Governmental Unit under this Section shall be limited to expenditures from and to the extent of the available Pledged Revenues.

ARTICLE XI

MISCELLANEOUS

Section 11.1 Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered as follows:

If to the Governmental Unit, then to:

City of Farmington
Attn: David Sypher, Public Works Director
800 Municipal Drive
Farmington, New Mexico 87401

If to the Finance Authority, then to:

New Mexico Finance Authority
Attention: Chief Executive Officer
207 Shelby Street
Santa Fe, New Mexico 87501

And if to Finance Authority's designated servicing agent for this Loan Agreement, if any, at the address to be provided by the servicing agent. The Governmental Unit and the Finance Authority may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 11.2 Binding Effect. This Loan Agreement shall inure to the benefit of and shall be binding upon the Finance Authority, the Governmental Unit and their respective successors and assigns, if any.

Section 11.3 Amendments. This Loan Agreement may be amended only with the written consent of the Finance Authority and the Governmental Unit, except as provided in Section 4.1(b) of this Loan Agreement. The consent of the Finance Authority for amendments not affecting the terms of payment of the loan component of this Loan Agreement may be given by an Authorized Officer of the Finance Authority. The execution of any such consent by and Authorized Officer of the Finance Authority shall constitute his or her determination that such amendment does not affect the terms of payment of the loan component of this Loan Agreement.

Section 11.4 No Liability of Individual Officers, Directors or Trustees. No recourse under or upon any obligation, covenant or agreement contained in this Loan Agreement shall be had against any member, employee, director or officer, as such, past, present or future, of the Finance Authority, either directly or through the Finance Authority or against any officer, employee, director or member of the Governing Body, past, present or future, as an individual so long as such individual was acting in good faith. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such officer, employee, director or member of the Governing Body or of the Finance Authority is

hereby expressly waived and released by the Governmental Unit and by the Finance Authority as a condition of and in consideration for the execution of this Loan Agreement.

Section 11.5 Severability. In the event that any provision of this Loan Agreement, other than the requirement of the Governmental Unit to pay hereunder, shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 11.6 Execution in Counterparts. This Loan Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 11.7 Assignment by the Finance Authority. This Loan Agreement (except as to the Administrative Fee and Expense Fund Component) may be assigned and transferred by the Finance Authority to a trustee, which right to assign and transfer is hereby acknowledged and approved by the Governmental Unit.

Section 11.8 Compliance with Governing Law. It is hereby declared by the Governing Body that it is the intention of the Governmental Unit by the execution of this Loan Agreement to comply in all respects with the provisions of the New Mexico Constitution and statutes as the same govern the pledge of the Pledged Revenues to payment of all amounts payable under this Loan Agreement.

Section 11.9 Applicable Law. This Loan Agreement shall be governed by and construed in accordance with the laws of the State.

Section 11.10 Captions. The captions or headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Loan Agreement.

[Remainder of page intentionally left blank.]

[Signature pages follow.]

IN WITNESS WHEREOF, the Finance Authority, on behalf of itself has executed this Loan Agreement, which was approved by the Finance Authority's Board of Directors on September 24, 2015, in its corporate name by its duly authorized officers; and the Governmental Unit has caused this Loan Agreement to be executed in its corporate name and the seal of the Governmental Unit affixed hereto and attested by duly authorized officers. All of the above are effective as of the date first above written.

NEW MEXICO FINANCE AUTHORITY

By _____
Robert P. Coalter, Chief Executive Officer

Prepared for Execution by Officers of the Finance Authority:

SUTIN, THAYER & BROWNE
A Professional Corporation
As Loan Counsel to the Finance Authority

By _____
Suzanne Wood Bruckner

Approved for Execution by Officers of the Finance Authority:

By _____
Daniel C. Opperman, General Counsel

S-1

CITY OF FARMINGTON, SAN JUAN COUNTY, NEW MEXICO

By _____
Tommy Roberts, Mayor

ATTEST:

By _____
Dianne Smylie, City Clerk

3884573_3.doc

Legal Department
Approved for Loan
By _____
Date _____

EXHIBIT "A"

TERM SHEET

**LOAN NO. 3397-DW
TO THE CITY OF FARMINGTON, SAN JUAN COUNTY, NEW MEXICO**

Governmental Unit:	City of Farmington, New Mexico
Project Description:	Improving and bettering the Governmental Unit's water System, including design, construction and acquisition of archaeological and environmental clearances, if required, for the 2P Waterline Replacement Project, Phase I in the Governmental Unit
Pledged Revenues:	Net Revenues of the Governmental Unit's Water System
Currently Outstanding Parity Obligations for Pledged Revenues:	Finance Authority Drinking Water Loan 2314-DW, maturing in 2031 and Finance Authority Drinking Water Loan 2759-DW maturing in 2035
Currently Outstanding Senior Obligations:	None
Currently Outstanding Subordinate Obligations:	None
Authorizing Legislation:	Governmental Unit Ordinance No. 2016-1289 adopted June 28, 2016.
Closing Date:	August 5, 2016
Interest Rate:	2.00% (which includes the Administrative Fee)

Maximum Forgiven Program Fund Principal:	\$ 800,000	
Maximum Repayable Program Fund Principal:	\$2,400,000	
Aggregate Program Fund Amount:		\$3,200,000
Maximum Forgiven Expense Fund Component:	\$ 8,000	
Maximum Repayable Expense Fund Component:	\$ 24,000	
Maximum Expense Fund Component:		\$ 32,000
Maximum Principal Amount:		\$3,232,000
Subsidy Percent:	25%	

EXHIBIT "B"

INTERIM LOAN AGREEMENT PAYMENT SCHEDULE

[ADD INTERIM SCHEDULE]

B-1

Loan Agreement
City of Farmington, Loan No. 3397-DW

DETAILED BOND DEBT SERVICE

City of Farmington
3397-DW Water System Improvement Project

Loan (LOAN)

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
11/01/2016			11,581.33	11,581.33	
05/01/2017			24,240.00	24,240.00	35,821.33
11/01/2017			24,240.00	24,240.00	
05/01/2018			24,240.00	24,240.00	48,480.00
11/01/2018			24,240.00	24,240.00	
05/01/2019	99,764	2.000%	24,240.00	124,004.00	148,244.00
11/01/2019			23,242.36	23,242.36	
05/01/2020	101,759	2.000%	23,242.36	125,001.36	148,243.72
11/01/2020			22,224.77	22,224.77	
05/01/2021	103,794	2.000%	22,224.77	126,018.77	148,243.54
11/01/2021			21,186.83	21,186.83	
05/01/2022	105,870	2.000%	21,186.83	127,056.83	148,243.66
11/01/2022			20,128.13	20,128.13	
05/01/2023	107,988	2.000%	20,128.13	128,116.13	148,244.26
11/01/2023			19,048.25	19,048.25	
05/01/2024	110,147	2.000%	19,048.25	129,195.25	148,243.50
11/01/2024			17,946.78	17,946.78	
05/01/2025	112,350	2.000%	17,946.78	130,296.78	148,243.56
11/01/2025			16,823.28	16,823.28	
05/01/2026	114,597	2.000%	16,823.28	131,420.28	148,243.56
11/01/2026			15,677.31	15,677.31	
05/01/2027	116,889	2.000%	15,677.31	132,566.31	148,243.62
11/01/2027			14,508.42	14,508.42	
05/01/2028	119,227	2.000%	14,508.42	133,735.42	148,243.84
11/01/2028			13,316.15	13,316.15	
05/01/2029	121,612	2.000%	13,316.15	134,928.15	148,244.30
11/01/2029			12,100.03	12,100.03	
05/01/2030	124,044	2.000%	12,100.03	136,144.03	148,244.06
11/01/2030			10,859.59	10,859.59	
05/01/2031	126,525	2.000%	10,859.59	137,384.59	148,244.18
11/01/2031			9,594.34	9,594.34	
05/01/2032	129,055	2.000%	9,594.34	138,649.34	148,243.68
11/01/2032			8,303.79	8,303.79	
05/01/2033	131,636	2.000%	8,303.79	139,939.79	148,243.58
11/01/2033			6,987.43	6,987.43	
05/01/2034	134,269	2.000%	6,987.43	141,256.43	148,243.86
11/01/2034			5,644.74	5,644.74	
05/01/2035	136,955	2.000%	5,644.74	142,599.74	148,244.48
11/01/2035			4,275.19	4,275.19	
05/01/2036	139,694	2.000%	4,275.19	143,969.19	148,244.38
11/01/2036			2,878.25	2,878.25	
05/01/2037	142,488	2.000%	2,878.25	145,366.25	148,244.50
11/01/2037			1,453.37	1,453.37	
05/01/2038	145,337	2.000%	1,453.37	146,790.37	148,243.74
	2,424,000		625,179.35	3,049,179.35	3,049,179.35

EXHIBIT "C"

FORM OF REQUISITION

RE: \$3,232,000 Loan Agreement by and between the Finance Authority and the City of Farmington (the "Loan Agreement")

TO: New Mexico Finance Authority
207 Shelby Street
Santa Fe, New Mexico 87501
Attn: Loan Servicing

LOAN NO. 3397-DW

CLOSING DATE: August 5, 2016

You are hereby authorized to disburse to the City of Farmington or its payee with regard to the above-referenced Loan Agreement the following:

REQUISITION NUMBER:		<input type="checkbox"/> Interim Request <input type="checkbox"/> Final Request
AMOUNT OF PAYMENT:	\$	

PURPOSE OF PAYMENT:

This is a request of REIMBURSEMENT of incurred and paid project expenses. (Attach proof of payment, e.g. check stubs, and corresponding invoices)

This is a request of DIRECT PAYMENT to vendor or service provider of incurred project expenses. (Attach invoices)

PAYEE INFORMATION

NAME:	
CONTACT NAME:	
ADDRESS:	
PHONE NUMBER:	
FAX NUMBER:	
E-MAIL ADDRESS:	

C-1

Loan Agreement
City of Farmington, Loan No. 3397-DW

WIRING INFORMATION

BANK NAME:	
ACCOUNT NUMBER:	
ROUTING NUMBER:	

Please indicate if this Business is considered a

<input type="checkbox"/> SBE (Small Business Entrepreneur)	<input type="checkbox"/> MBE (Minority Business Entrepreneur)	<input type="checkbox"/> WBE (Women owned business Entrepreneur)	<input type="checkbox"/> N/A
--	---	--	------------------------------

(Attach SBE/MBE/WBE Certification)

Each obligation, item of cost or expense mentioned herein is for costs of the Project, is due and payable, has not been the subject of any previous requisition and is a proper charge for requisition and payment.

Each obligation, item of cost or expense mentioned herein is not for costs related to the purchase of land or easement.

All representations contained in the Loan Agreement and the related closing documents remain true and correct and the City of Farmington is not in breach of any of the covenants contained therein.

If this is the final requisition, payment of costs of the Project is complete or, if not complete, the City of Farmington understands its obligation to complete the acquisition and installation of the Project and shall complete the acquisition and installation of the Project from other legally available funds.

Capitalized terms used herein, are used as defined or used in the Loan Agreement.

DATED: _____

By: _____

Authorized Officer

(Print name and title)

EXHIBIT "D"

FORM OF CERTIFICATE OF COMPLETION

RE: \$3,232,000 Loan Agreement by and between the Finance Authority and the City of Farmington (the "Loan Agreement")

Loan No. 3397-DW

Closing Date: August 5, 2016

TO: NEW MEXICO FINANCE AUTHORITY

I, _____, the _____ of the
[Name] [Title or position]

City of Farmington, hereby certify as follows:

1. The project described in the Loan Agreement (the "Project") was completed and placed in service on _____, 20__.
2. The total cost of the Project was \$ _____.
3. Cost of the Project paid from the Loan was \$ _____.
4. The portion of the Maximum Principal Amount unexpended for the Project is \$ _____.
5. The Project was completed and is and shall be used consistent with and subject to the covenants set forth in the Loan Agreement.

This certificate shall not be deemed to prejudice or affect any rights of or against third parties which exist at the date of this certificate or which may subsequently come into being.

CITY OF FARMINGTON, SAN JUAN COUNTY,
NEW MEXICO

By: _____

Its: _____

D-1

Loan Agreement
City of Farmington, Loan No. 3397-DW

CITY OF FARMINGTON
INTER-OFFICE MEMORANDUM

TO: Mayor Roberts and City Council
FROM: Kristi Benson, CPPO, CPPB *KB*
Chief Procurement Officer
DATE: June 23, 2016
SUBJECT: Convention and Visitors Services, RFP #16-115575
USING DEPARTMENT: Parks, Recreation, and Cultural Affairs
=====

A proposal opening was held on June 8, 2016 for Convention and Visitors Services. One offer was submitted.

The name of the business submitting the sole response is Farmington Convention and Visitors Bureau, Farmington, New Mexico.

The Central Purchasing Department concurs with the recommendation from the evaluation committee to award the contract to the Farmington Convention and Visitors Bureau 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 offeror did not qualify for the 5% in-state or Veterans preference.

Kristi Benson (Presenter)
Council Meeting 6/28/16 Close/Reopen

xc: H. Andrew Mason, CPFO, Administrative Services Director
Cory Styron, Parks, Recreation, and Cultural Affairs
File – 16-115575/jlr

Evaluation Committee:
Cory Styron, Parks, Recreation and Cultural Affairs
Lisa Hutchens, Parks, Recreation and Cultural Affairs
Karen Ellsbury, Lodger's Tax Advisory Board

CITY OF FARMINGTON
CENTRAL PURCHASING
INTER-OFFICE MEMORANDUM

TO: Convention and Visitors Services, RFP #16-115575
FROM: Jennifer Rowland, CPPB
Buyer II
DATE: June 23, 2016
SUBJECT: Single Response Documentation

=====
One hundred twenty-seven (127) 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) GRIFFIN AND ASSOCIATES/JOAN GRIFFIN: We do not perform convention and visitors services. We only do advertising.
- (2) FARMINGTON CHAMBER OF COMMERCE/AUDRA WINTERS: The Chamber does not have the staffing and qualifications to perform convention and visitors services.

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, June 14, 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 Nate Duckett

constituting all the members of said Governing Body.

Also present were:

ASSISTANT CITY MANAGER	Julie Baird
CITY ATTORNEY	Jennifer Breakell
DEPUTY CITY CLERK	Andrea Jones

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

MOMENT OF SILENCE

Mayor Roberts asked for a moment of silence in remembrance of the victims of the mass shooting that occurred in Orlando, Florida.

INVOCATION: The invocation was offered by Pastor Nathan Wheeler of East Side Church of Christ.

Councilor Duckett 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 24, 2016 and the minutes of the Regular Work Session of the City Council held May 17, 2016.

*DECLARATION OF SURPLUS PROPERTY: The Chief Procurement Officer recommended that worn-out, unusable or obsolete vehicles and equipment (Administrative Services, Central Warehouse, General Services and Vehicle Maintenance) be declared surplus to the needs of the City and not essential for municipal purposes, and that the City Manager or his designee be authorized to dispose of such surplus property pursuant to State Statutes.

*BID: The Chief Procurement Officer recommended that the bid for purchase of wire and cable (Electric) be awarded to Border States Electric on its low bid after application of five percent in-state preference of \$410,386.04. Bids opened May 25, 2016 with six bidders participating.

*BID: The Chief Procurement Officer recommended that the bid for purchase of construction materials for Cottonwood Substation (Electric) be awarded to the lowest and best bidder meeting specifications per category after application of five percent in-state preference (Category 1 - Stuart C. Irby Co. \$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.

*BID: The Chief Procurement Officer recommended that the bid for the abatement and demolition of the old Daily Times buildings (General Services) be awarded to Young Environmental Services, Inc. doing business as Envirotech, Inc. on its low bid after application of five percent in-state preference of \$199,995. Bids opened June 7, 2016 with three bidders participating.

*INTERGOVERNMENTAL AGREEMENT FOR ANIMAL CARE AND CONTROL between the City and San Juan County to house and care for San Juan County animals.

*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.

*WARRANTS PAYABLE for the time period of May 22, 2016 through June 11, 2016, for current and prior years, in the amount of \$9,824,034.51.

Councilor Duckett asked that the Intergovernmental Agreement for Animal Care and Control between the City and San Juan County be removed from the Consent Agenda.

Thereupon, a motion was made by Councilor Rodgers, seconded by Councilor Duckett to approve the Consent Agenda, with the exception of the Intergovernmental Agreement for Animal Care and Control between the City and San Juan County, and upon voice vote the motion carried unanimously.

RECOMMENDATIONS FROM THE PLANNING AND ZONING COMMISSION:

CONSENT AGENDA: Community Development Director Mary Holton requested that the Planning and Zoning Commission recommendations marked with an asterisk () be placed on the Planning and Zoning Commission Consent Agenda and voted on without discussion by one motion. She asked that if the items proposed do not meet with approval of all Councilors or if a citizen so requested, the item would 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 a special use permit for a private day care in the MF-M, Multiple-Family Medium-Density, District for property located at 4500 Wildflower Mesa Drive, subject to building and fire code requirements.

*(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.

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

PUBLIC SERVICE PROJECT PRESENTATIONS/COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) 2016 ANNUAL ACTION PLAN

Chief Procurement Officer Kristi Benson explained that the purpose for tonight's presentations is to give the Council an opportunity to hear and evaluate the proposals that were received in response to the request for proposals for the Community Development Block Grant ("CDBG") 2016 Annual Action Plan public service projects. She stated that eight

proposals were received and announced that \$55,297 is available for public service projects.

Mayor Roberts announced that the presenters are listed in alphabetical order and stated that each presenter will have five minutes to explain their project. He noted that the entities are requesting a total of \$80,416.33 in funding assistance and stated that direction to staff and award of the funding will be scheduled for the June 21, 2016 City Council Work Session.

Big Brothers Big Sisters of Central New Mexico

Utilizing a PowerPoint presentation, John Bruner, Board President for Big Brothers Big Sisters in San Juan County ("BBBS"), stated that their mission is to provide children facing adversity with strong and enduring, professionally-supported one-to-one relationships that change their lives for the better, forever and noted that the vast majority of the children they serve are from low-income, single-parent families. Noting that there is a waiting list of approximately 40 children residing within Farmington, Mr. Bruner announced that they are requesting \$10,000 to provide 15 new matches (recruiting mentors, performing background investigations and providing match support) and stated that BBBS is has an annual budget of approximately \$350,000 which includes funding from the New Mexico State Department of Finance (170,000) and various grants and corporate donations.

In response to multiple inquiries from Councilor Duckett, Mr. Bruner stated that donations are down substantially and confirmed that BBBS staff can provide a detailed report of how the CDBG monies granted last year were utilized. Responding to Councilor Rodgers' question, Mr. Bruner reported that BBBS receives funds from San Juan United Way as a partner agency.

Frontline Mission, Inc.

Frontline Mission, Inc. ("Frontline") Board Member Bob Flegal reported that the combination soup kitchen and food pantry serves approximately 60 clients in the food pantry and 75 clients with meals from the soup kitchen. He announced that Frontline is the only food pantry that distributes perishable goods such as bread and dairy products and stated that the soup kitchen serves three meals per day on Fridays, Saturdays and Sundays. Mr. Flegal reported that the annual operating budget is approximately \$30,000 which is funded by local business contributions, San Juan United Way and local churches and pointed out that expenses are rising while contributions and donations are declining. Noting that there was an error in the amount of funding requested, he reported that Frontline's request for \$6,000 is to help pay the utility bills, purchase food and provide fuel for the van that transports the donated food.

In response to inquiries by Councilor Rodgers and Sharer, Mr. Flegal reported that Frontline did not request CDBG funds in 2015; stated that they received a \$2,400 grant from San Juan County in 2014; and sadly pointed out that they have seen an increase in family usage of the facility in the current economic downturn.

Councilor Duckett suggested that Frontline submit any kind of infrastructure project (such as painting or carpeting a room) to Leadership San Juan for consideration of their annual group projects funded by ConocoPhillips.

Identity, Inc.

Judy Palier, President of Identity, Inc., reported that the community center now located at 204 West Main Street has been open since January of 2015 for the purpose of providing services to low and moderate income gay, lesbian, bi-sexual, transsexual and questioning individuals ("LGBTQ") and noted that the LGBTQ population is often at-risk for drug abuse and suicide or is homeless, contending that the community center provides them with a "lifeline" for endurance. She stated that the community center has a Resource Associate that works ten hours per week and happily reported that a grant from San Juan United Way enabled them to hire a licensed councilor to facilitate support groups. She announced that they are requesting \$9,984 from the CDBG program for the purpose of maintaining the Resource Associate who runs the community center and to provide a stipend to the licensed counselor.

In response to inquiry from Mayor Roberts, Ms. Palier reported that the organization is very new and is operating on a budget of \$15,000 per year which is funded through private donations, facility rentals and grants. Noting that approximately 200 people attended the candlelight vigil held in remembrance of the Orlando, Florida mass shooting victims, she reported that approximately 485 people who met reporting thresholds were served in the last three-month period and Treasurer Don Stage announced that support groups average nine adolescents, six transgender and 12 Narcotics Anonymous participants per week.

Navajo United Methodist Center

Utilizing a PowerPoint presentation, Nathan Strong Elk, Director for Navajo United Methodist Center's New Beginnings Program ("New Beginnings"), stated that the mission for New Beginnings is to provide a safe and secure transitional living shelter and effective advocacy services for women and their children who are survivors of domestic violence. He reported that New Beginnings provides up to one year of transitional housing, individual advocacy based on goals, domestic violence support groups, life skills groups and transportation and reviewed the four phases of the program. Mr. Strong Elk announced that New Beginnings' is requesting \$7,000 to provide 10 weeks of the program's services and reported that the annual operating budget is \$210,000 which is funded from the New Mexico Children, Youth & Families Department (\$88,000), United Methodist Women (\$24,000), grants from San Juan United Way and Navajo United Way, donations and fundraisers.

Northwest New Mexico Seniors, Inc.

Noting that the Homemaker program's total budget is \$81,830 which serves 50 homes in San Juan County, Executive Director Kathy Daddow reported that the program offers senior citizens with assistance in meal preparation, light house work and errands and stated that they are requesting \$7,000 to provide the program to nine homes in Farmington. She reported that their total operating budget is approximately \$1 million which is divided between five senior citizen centers and seven different programs and noted that the majority of the funds come from State and Federal sources.

People Assisting the Homeless (PATH)

Utilizing a PowerPoint presentation, Executive Director Jonna Sharpe reported that the mission of People Assisting the Homeless ("PATH") is to temporarily provide for the basic needs of homeless persons; to provide information, guidance and support services empowering those we assist to regain productive, self-supportive lifestyles; and to provide a hot, nutritious meal for those in need free of charge and stated that Daily Bread provides an average 30,000 meals annually (one noontime meal per day) and the shelter serves an average of 25,000 meals per year. Noting that San Juan County has the highest poverty rate in New Mexico, Ms. Sharpe reported that the shelter provided approximately 16,000 bed nights to individuals during the past year (an increase of 35 percent over the previous year) and pointed out that the local employment opportunities do not match the local housing opportunities. She reported that PATH's request of \$18,432.33 will be used for operational expenses such as utilities, bookkeeping fees and case management contact hours and stated that this is 19 percent of the total amount needed for these expenses in the 2016/2017 program year.

In response to Mayor Roberts, Ms. Sharpe stated that PATH's annual organizational budget is \$425,000 and the shelter's portion of the budget is \$281,000; pointed out that PATH received \$20,000 less from San Juan United Way and ConocoPhillips each this year and \$14,000 less from another grant source; and reported that PATH receives \$15,000 from the City annually for shelter services and \$2,400 from San Juan County.

San Juan College Daycare

Mary Schumacher-Hoerner, Director of the Child and Family Development Center at San Juan College ("Center"), reported that they are requesting \$7,000 to subsidize childcare costs for students, noting that 80 percent of students at San Juan College qualify for financial assistance. She also pointed out that the average college student is a single female over the age of 30 with children and reported that statistics show that students with reliable childcare are 26 percent more likely to succeed. Ms. Schumacher-Hoerner stated that the Center's

annual budget is \$750,000 which primarily funds teachers' salaries and reported that the only revenue source is the weekly tuition fees.

San Juan County Partnership

Lynn Love, San Juan County Partnership Housing Assistance Program Manager, reported that San Juan County Partnership is requesting \$15,000 for the housing assistance program which provides qualified families with the money necessary for security and utility deposits and the first month's rent. He explained that the housing assistance program is running out of funding about five to six months before the end of the fiscal year and stated that the CDBG funds helps those families who slightly exceed the maximum income threshold.

In response to inquiry from Mayor Roberts, Mr. Love reported that their annual budget is \$329,717 and stated that they receive \$82,462 in funding from the New Mexico Finance Authority, \$122,392 from a Permanent Supportive Housing ("PSH") grant from the U.S. Department of Housing and Urban Development ("HUD"), and \$110,845 from HUD's PSH II grant. Responding to Councilor Rodgers' inquiry, Mr. Love reported that the requested \$15,000 would serve 16 families.

APPOINTMENT TO THE LODGERS' TAX ADVISORY BOARD

The Mayor asked the Council's consideration of the appointment of Wayne Hellberg (term to July, 2017) as a member to the Lodgers' Tax Advisory Board.

Thereupon, a motion was made by Councilor McCulloch, seconded by Councilor Duckett to confirm the appointment of Wayne Hellberg as a member to the Lodgers' Tax Advisory Board, as recommended by the Mayor, and upon voice vote the motion carried unanimously.

COUNCIL BUSINESS

Lake Farmington

Councilor Duckett reported that he has received positive feedback from the community in regards to the addition of swimming at Lake Farmington and requested a synopsis from staff that includes a list of priorities and possible timeline for future development.

Construction timeline

Noting that he is a "pro cone guy", Councilor Duckett requested a document detailing where, when, why and the extent of planned construction projects to help answer the large volume of constituent's questions and concerns he is currently receiving and stated that it may be helpful to have the document in the winter prior to the start of the construction season.

CITY ATTORNEY BUSINESS

City Attorney Jennifer Breakell read by title Resolution No. 2016-1591 urging citizens of the City of Farmington to abstain from using fire sources during periods of drought. The title of the resolution being:

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.

Fire Chief Terry Page briefly reviewed the history surrounding fireworks restrictions and reported that San Juan County ("SJC") will allow larger fireworks this year which will be sold in the fireworks tents skirting the city limits. He stated that the tents located in SJC have agreed to display brochures that explain which fireworks are legal in Farmington and emphasized that all vendors located within the city limits are only authorized to sell fireworks that are permitted in Farmington. Chief Page introduced Fire Marshal Brandy Vega and stated that she will be inspecting these vendors for compliance.

Following further discussion, a motion was made by Councilor Rodgers, seconded by Councilor Duckett to adopt Resolution No. 2016-1591 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. 2016-1591 was duly passed and adopted as presented.

Ms. Breakell presented Ordinance No. 2016-1289 pertaining to a loan from the New Mexico Finance Authority for improvements to the City's water system and requested that final action on the proposed ordinance be tabled to the June 28, 2016 regular City Council meeting to allow publication of notice of intent to consider said ordinance two weeks prior to final action upon the ordinance as required by Section 3-17-3 NMSA 1978 Compilation. The title of the 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.

Thereupon, a motion was made by Councilor McCulloch, seconded by Councilor Rodgers to table final action on Ordinance No. 2016-1289 to the June 28, 2016 regular City Council meeting, and upon voice vote the motion carried unanimously.

DISCUSSION OF AND ACTION ON THE ITEM REMOVED FROM THE CONSENT AGENDA:

- (1) Intergovernmental Agreement for Animal Care and Control between the City and San Juan County to house and care for San Juan County animals.

Councilor Duckett announced that he requested that this item be removed from the Consent Agenda for the purpose of providing comments and stated that while he appreciates San Juan County ("SJC") approving this agreement he wants to be assured that SJC is as committed to the Farmington Regional Animal Shelter ("FRAS") as the City is. He commended FRAS, its staff and volunteers, and the Council for implementing this plan dedicated to the welfare of regional animals and expressed his hopes that SJC continues to recognize the vital role FRAS plays and upholds their financial commitment to the joint effort.

Mayor Roberts contended that staff has made an outstanding effort to obtain the desired long-term commitment from SJC and expressed his appreciation that SJC has increased their financial contribution to FRAS this year which reduces the City's subsidy by approximately \$70,000. He also pointed out that a statement from an undisclosed City of Aztec official in a Daily Times newspaper article stated that the City of Aztec will not make a proposal to SJC next year due to the conflict it caused within the community at-large.

Mayor Roberts announced that he requested changes be made to alleviate any conflict between Paragraphs 5 and 9 of the agreement and stated that City Attorney Jennifer Breakell has drafted an amended version. Referring to the amended agreement distributed to the Council, Ms. Breakell reported that the effective date range of the flat rate was moved from a separate sentence to the beginning of Paragraph 5 and that Paragraph 9 now states that all of the services provided in the agreement excluding the flat rate costs referred to in Paragraph 5 shall be indefinite but that the terms of Paragraph 5 shall be reviewed yearly.

Following further discussion, a motion was made by Councilor Duckett, seconded by Councilor McCulloch to approve the amended Intergovernmental Agreement for Animal Care and Control between the City and San Juan County to house and care for San Juan County animals, and upon voice vote the motion carried unanimously.

CLOSED MEETING

A motion was made by Councilor McCulloch, seconded by Councilor Duckett to close the 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. The roll was called with the following result:

Those voting aye:	Linda G. Rodgers Sean E. Sharer Gayla A. McCulloch Nate Duckett
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Those voting nay:	None
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The presiding officer thereupon declared that four Councilors having voted in favor thereof, the said motion carried.

The Mayor convened the closed meeting at 8:05 p.m. with all members of the Council being present.

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

The open meeting was reconvened by the Mayor at 8:55 p.m. with all members of the Council being present.

PROPOSAL/BEHAVIORAL HEALTH CARE SERVICES

Chief Procurement Officer Kristi Benson announced that proposals for behavioral health care services (General Services) opened on May 31, 2016 with one offeror participating. She recommended that the contract be awarded to Presbyterian Medical Services Totah Behavioral Health as the sole proposal is deemed to be advantageous and in the best interest of the City.

Thereupon, a motion was made by Councilor Rodgers, seconded by Councilor Duckett to award the contract for behavioral health care services to Presbyterian Medical Services Totah Behavioral Health, as recommended by the Chief Procurement Officer, and upon voice vote the motion carried unanimously.

There being no further business to come before the Council, the meeting was adjourned at 8:56 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 28th day of June, 2016.

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

Tommy Roberts, Mayor

SEAL

ATTEST:

Dianne Smylie, City Clerk