

A G E N D A

. . . for the Regular Meeting of the Farmington City Council to be held at 6:00 p.m., Tuesday, November 8 , 2016 in the Executive Conference Room, City Hall, 800 Municipal Drive, Farmington, New Mexico. . .

1. Roll Call and Convening the Meeting:
2. Invocation: Associate Pastor Eli Wyatt 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 October 25, 2016. -----6
6. *Approval of Purchase Agreement between the City and Shawmarie Anderson also known as Shawmarie James, for purchase by the City of 0.492 acres of land located at 5603 Greenwood Drive for a new detention pond as part of the Villa View Detention Ponds project (purchase price \$38,000). -----1
7. *Approval of Warrants up to and including November 5, 2016.
8. New Business:
 - (a) Mayor
 - (b) Councilors
 - (c) City Manager
 - (1) Recommendation from the Metropolitan Redevelopment Agency (MRA) to utilize \$40,000 from the MRA Fund for the renovation of the bathrooms at the Native American Museum located within the Metropolitan Redevelopment Area at 301 West Main Street. The museum requires ADA (Americans with Disabilities Act) compliant restrooms that are currently unfunded. The MRA Board is eager to see the Native American Museum completed and operational. -----2
 - (d) City Attorney
 - (1) Proposed Ordinance – Discussion
-providing for the issuance of the City of Farmington, New Mexico Taxable Direct Payment Qualified Energy Conservation Bonds Series 2016A in the aggregate principal amount of \$4,740,000, to

acquire, install, retrofit and replace energy conservation measures in municipal facilities owned by the City and to pay costs of issuance of the Series 2016A Bonds; providing that the Series 2016A Bonds will be payable from State-shared gross receipts tax revenues distributed to the City pursuant to Section 7-1-6.4 NMSA 1978, and Federal subsidy payments from the United States Treasury; providing the form, terms and conditions of the Series 2016A Bonds, the method of paying the Series 2016A Bonds and the security therefor; prescribing other details concerning the pledged revenues; ratifying action previously taken in connection therewith; and repealing all ordinances in conflict herewith (Final action November 15, 2016)-----3

(e) City Clerk

9. Business from the Floor:
 - (1) Items removed from Consent Agenda for discussion.
 - (2) Any other Business from the Floor.
10. Closed Meeting to discuss request for proposals for a geographic information system transmission inventory for the Electric Utility System and a high definition laser scanning survey bundle, pursuant to Section 10-15-1H(6) NMSA 1978.
11. Proposal: Recommendation from the Chief Procurement Officer to award the proposal for a geographic information system transmission inventory for the Electric Utility System (Electric) to ESC Engineering, Inc. as the top evaluated firm based on the pricing schedule for services and after application of the five percent in-state and Veterans preferences. Proposals opened August 24, 2016 with seven offers participating. -----4
12. Proposal: Recommendation from the Chief Procurement Officer to award the proposal for a high definition laser scanning survey bundle (Electric) to Vectors Inc. as the sole proposal is deemed to be advantageous and in the best interest of the City. Proposals opened September 7, 2016. -----5
13. 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.

Memo

To: Dianne Smiley
From: Lisa Hale-BlueEyes *LHAB*
Date: November 2, 2016
Re: 5603 Greenwood Drive Purchase Agreement

Attached is the purchase agreement for the property at 5603 Greenwood Drive. The Public works department is requesting this item be added to the Council agenda at the November 8, 2016 meeting.

The Main Street and Villa View watershed and associated drainage infrastructure has experienced significant amounts of flooding in the last several years during large storm events. Bohannon Huston Inc. (BHI) completed an analysis and made recommendations for improvements in this watershed. One of the recommendations was to acquire the private property at 5603 Greenwood Drive and build a detention pond at this site to temporarily store and release runoff at a controlled rate. Based on these recommendations listed in the analysis the Public Works Department bid the Villa View Detention Pond project in February 2016 and the project was awarded in May 2016.

BHI won the bid and is currently designing the Villa View Detention ponds and appurtenances. BHI has sub-contracted Tierra Right-of-Way to complete documents to acquire the private property. Based on the appraisal the appraised cost of the property is \$38,000. The owner of the property has accepted the appraisal price and has signed the attached agreements.

The Public works department recommends approval of the purchase of the property located at 5603 Greenwood Drive.

Please let me know if you have any questions.

PURCHASE AGREEMENT

This agreement is made and entered into this 28 day of Oct, 2016, by and between **SHAWMARIE ANDERSON A.K.A. SHAWMARIE JAMES**, herein, for convenience, called "Seller" and **CITY OF FARMINGTON**, a municipal corporation of San Juan County, New Mexico, herein for convenience called "Purchaser";

WITNESSETH:

WHEREAS, the Seller owns property located at **5603 Greenwood Drive, Farmington, New Mexico 87402**; and

WHEREAS, the Purchaser wishes to purchase the property to construct a detention pond and associated uses in relation to the public improvement known as Villa View Detention Ponds Project, and

WHEREAS, the parties now wish to enter into a property purchase and sales agreement whereby the Seller will sell to Purchaser and Purchaser will purchase from Seller the real property owned by the Seller, located at **5603 Greenwood Drive, Farmington, New Mexico 87402**, and as shown on the attached Exhibit "A" as:

Lot 2, Block F, Lee Max Terrace Subdivision, as shown on the Replat of Blocks B and C, Parts of Blocks D, E, F and G and Crestwood Road, Lee Max Terrace Subdivision, Farmington, San Juan County, New Mexico filed for record in the Office of the San Juan County Clerk on February 23, 1972 ("the Property")..

NOW, THEREFORE, in consideration of the mutual covenants between them, the parties agree as follows:

1. Seller, in consideration of the covenants and agreements on the part of the Purchaser, agrees to sell and convey by warranty deed, and Purchaser agrees to purchase on terms and conditions hereinafter stated, the real property as depicted in Exhibit "A" attached hereto.

2. Purchaser agrees to purchase said real property, containing 0.492 acres, more or less, for a total purchase price of Thirty-Eight Thousand and 00/100 U.S. Dollars (\$38,000.00), to be paid to Seller at closing. The purchase price is the fair market value of the land as determined by an appraisal of same completed by Commercial Appraisal, Inc. dated September 15, 2016. The performance of this Agreement constitutes the entire consideration by the Purchaser, including just compensation as required by law and shall relieve the Purchaser of all further obligations or claims relating to the Property.

3. The sale of real property contemplated herein is contingent on the Seller's authorization of the sale through the procedures outlined in Section 3-54-1 A NMSA

1978. It is specifically agreed by the parties that should any one of the following events occur, this Agreement will terminate with each party bearing its own costs expended or incurred as of the date of the termination:(a) The Farmington City Council fails to approve this purchase authorizing this transaction on or before the closing date.

4. Seller shall convey the Property to Purchaser by good and sufficient warranty deed in proper form for recording so as to convey to Purchaser good and merchantable title to the land affected by this Agreement free and clear of all liens and encumbrances, except for those of record or known and agreed to by Purchaser.

5. If title insurance is desired by Purchaser, they shall pay a premium therefor.. Should defects appear upon title for any reason, Purchaser shall have a reasonable time within which to cure any defect which affects merchantability of title and Seller shall cooperate to cure any such defects as may be required.

6. This agreement shall be closed at the offices of a local title company selected by the Purchaser on or before the later of 90 days after the date this agreement is accepted and approved by the Purchaser; or 30 days after receipt of all necessary releases or consents to convey the Property free and clear of all liens and encumbrances, unless the time is extended by mutual agreement of the parties. Such title company is hereby designated, constituted, and appointed as Escrow Agent to act between the parties. The Escrow Agent is authorized to prepare and have executed the deed to the Property referenced above upon payment by Purchaser to Seller the sum referenced in Paragraph 2 above, and shall deliver said deed to Purchaser after completion of the terms of this agreement at closing and recording of the deed with the County Clerk.

7. Time is of the essence in the performance of this contract.

8. Expenses related to this transaction shall be paid by the parties as follows:

	<u>Purchaser</u>	<u>Seller</u>
Title Insurance:	100%	0%
Deed Recording:	100%	0%
Abstracting:	100%	0%
Appraisal Fee	100%	0%
Other Closing Costs:	100%	0%
Subdivision Plat:	N/A	

Seller shall pay all real and personal property taxes and assessments for tax years prior to the year of Closing, together with any penalties and interest thereon, and its share of prorated Taxes for the current tax year, which Taxes shall be prorated daily on a calendar basis, to the date of Closing. All Taxes, the amount of which might not be ascertainable as of the Closing Date, will be based on the last ascertainable annual bill, and shall be final. City shall assume all subsequent Taxes.

9. Purchaser agrees to buy, and Seller agrees to sell, the Property herein described according to the terms and conditions set out above.

10. The sum paid by Purchaser represents full and complete payment due Seller, including but not limited to any and all severance damages as to any remaining property owned by Seller.

11. The Seller hereby grants to the Purchaser, its agents and assignees, Right of Entry to the Property for project related purposes including but not limited to construction. Possession of the Property shall be given to Purchaser upon close of escrow and recording of the documents conveying the Property.

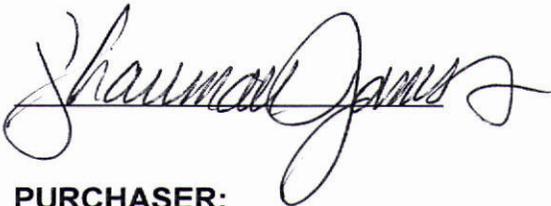
12. No broker or finder has been used and the Purchaser shall owe no brokerage or finder's fee related to this transaction. The Seller has the sole obligation to pay all brokerage or finders fees to any agent employed by Seller.

13. This instrument comprises the entire understanding and agreement of the parties hereto on the subject matter herein contained and shall be binding upon and inure to the benefit of the parties, their heirs, personal representatives, successors, and assigns.

In witness whereof the Purchaser has signed and sealed this agreement and Seller has caused this agreement to be executed on its behalf by its duly authorized representative the day and year first above written.

SELLER:

SHAWMARIE ANDERSON A.K.A. SHAWMARIE JAMES



PURCHASER:

CITY OF FARMINGTON

ATTEST:

By: Tommy Roberts, Mayor

Dianne Smiley, City Clerk



State of New Mexico)
) ss.
County of San Juan)

The foregoing instrument was acknowledged before me this _____ day of _____, 20__ by Tommy Roberts, Mayor, City of Farmington, a Municipal Corporation, on behalf of said Municipal Corporation.

Notary Public

My Commission Expires:

State of ~~New Mexico~~ ^{Oklahoma})
) ss.
County of ~~San Juan~~ ^{Oklahoma})

The foregoing instrument was acknowledged before me this 28 day of October, 2016 by Shawmarie Anderson a.k.a Shawmarie James.

Arde Jumper
Notary Public

My Commission Expires:
Indefinite



EXHIBIT "A"

DESCRIPTION

Beginning at a point on the south right of way line of Cedarwood Drive from which point the center of Section 30, T. 30 N., R. 12 W., N.M.P.M., bears N 0°45' E, 150.00 feet and West 65.00 feet:

Thence: Along a curve to the left whose radius is 25.0 feet a distance of 39.16 feet to a point on the east right of way line of Foothills Drive;

Thence: S 0°45' W, 1254.70 feet, to a point on the north line of Lot 4, Block G;

Thence: S 89°59' E, 100.00 feet;

Thence: N 18°58' E, 112.25 feet, along the West line of Lot 12, Block G;

Thence: N 49°09' E, 236.93 feet to the south right of way line of Terry Terrace, along the NW line of Lots 12, 13 and 14, Block G;

Thence: N 41°00' W, 45.36 feet;

Thence: Along a curve to the left whose radius is 100.0 feet, a distance of 85.43 feet;

Thence: N 08°10' W, 50.32 feet to a point on the north right of way line of Terry Terrace;

Thence: Along a curve to the left whose radius is 100.0 feet, a distance of 71.45 feet;

Thence: N 49°00' E, 82.07 feet;

Thence: Along a curve to the right whose radius is 150.0 feet a distance of 43.66 feet;

Thence: N 20°53' W, 114.00 feet; Thence: S 62°18' W, 9.30 feet;

Thence: N 23°45' W, 100.00 feet to a point on the south right of way line of Greenwood Drive; Thence: N 33°38' W, 50.00 feet;

Thence: Along a curve to the right whose radius is 457.0 feet, a distance of 19.25 feet;

Thence: N 0°45' E, 274.91 feet, to a point on the south right of way line of Greenwood Drive;

Thence: North, 275.64 feet to a point on the south right of way line of Cedarwood Drive;

Thence: West, 246.41 feet to the point of beginning, all in Farmington, San Juan County, New Mexico.

DEDICATION

KNOW ALL MEN BY THESE PRESENTS: That R. L. WEIR, GEORGE H. WAGNER and DAVE L. TAYLOR, TRUSTEES UNDER TRUST AGREEMENT DATED DECEMBER 8, 1971; and MARCUS CONSTRUCTION COMPANY, a New Mexico corporation, being all the owners and proprietors of all of Blocks B and C; Lot 1 in Block D, all of Lot 9 in Block D, the west 30 feet of Lot 8 in Block D; all of Lots 1, 11, and 12, and the west 20.48 feet of Lots 2 and 10 in Block E; all of Lots 1, 2, 17 and 18 in Block F; and Lots 1, 2 and 3 in Block G of LEE MAX TERRACE SUBDIVISION, as shown on the Plat of said Subdivision filed for record April 15, 1959, do hereby vacate said former Plat with street shown on said Plat, insofar only as the above described land is concerned, and do hereby dedicate a new subdivision of said land and declare that said new subdivision is named and shall be known as REPLAT OF PART OF LEE MAX TERRACE SUBDIVISION; that the above new subdivision shown on this Plat, is with the free consent and in accordance with the desires of the owners, as herein set out, and the streets shown are dedicated for public use as such. There are further designated utility easements as appears on this Plat, which easements are hereby dedicated, and lots where said easements are located are hereby made subject to said easements for utility service and benefit of each and every one of the lots in this subdivision.

IN WITNESS WHEREOF, we have hereunto set our hands and affixed our seals this January 18th 1972.

George H. Wagner
Robert L. Taylor
Dave L. Weir
 TRUSTEES UNDER TRUST AGREEMENT DATED DECEMBER 8, 1971

ATTEST:

Ronald P. Land
 Secretary

MARCUS CONSTRUCTION COMPANY
 By *Roy Marcum*
 President

STATE OF NEW MEXICO, I
 COUNTY OF SAN JUAN, I

The foregoing instrument was acknowledged before me, this January 18th 1972, by R. L. WEIR, GEORGE H. WAGNER and DAVE L. TAYLOR, TRUSTEES UNDER TRUST AGREEMENT DATED DECEMBER 8, 1971.

My Commission Expires: 12/27/1975


Bury Padilla
 Notary Public

STATE OF NEW MEXICO, I
 COUNTY OF SAN JUAN, I

The foregoing instrument was acknowledged before me, this January 18th 1972, by ROY MARCUM, President of MARCUS CONSTRUCTION COMPANY, a New Mexico corporation, on behalf of said Corporation.

My Commission Expires: 12/27/1975


Bury Padilla
 Notary Public

We, the undersigned Mayor and City Clerk of the CITY OF FARMINGTON, NEW MEXICO, do hereby certify that the above and foregoing plat and dedication of the REPLAT OF PART OF LEE MAX TERRACE SUBDIVISION, was duly submitted by the proprietors thereof to the Board of Trustees as the governing board thereof in the exercise of its planning and platting jurisdiction in and for said municipality, and that Crestwood Road, as shown on the Plat of Lee Max Terrace Subdivision filed for record April 15, 1959, is hereby ordered vacated, and the REPLAT OF PART OF LEE MAX TERRACE SUBDIVISION as shown hereon is hereby approved and accepted for filing in the Records of said County of San Juan, State of New Mexico.

Ervin G. Hunt Mayor
Walter D. Lusk City Clerk

ENGINEER'S CERTIFICATE

I, Lawrence A. Brewer, hereby certify that I am a registered Professional Engineer & Land Surveyor and that the plat was prepared from field notes of an actual survey and certified plat, and is true and correct to the best of my knowledge and belief.

Lawrence A. Brewer
 Registered P. E. and L. S. No. 3122
 State of New Mexico

APPROVED

PLANNING & ZONING COMMISSION

[Signature]
 Chairman Date

FARMINGTON ELECTRIC UTILITY SYSTEM

Grady E. Williams 1-25-72
 Date

SOUTHERN UNION GAS COMPANY

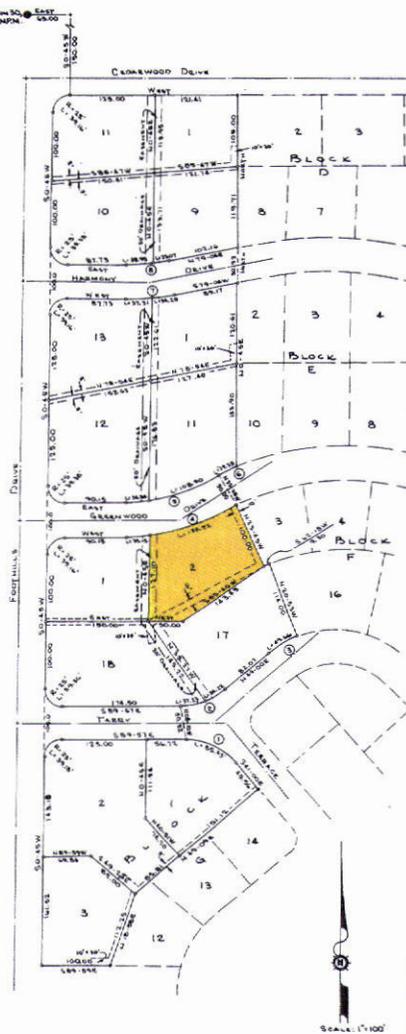
[Signature] Date

MOUNTAIN STATES TELEPHONE & TELEGRAPH COMPANY

S. L. Woolman 1-18-72
 Date

WATER & SEWER UTILITIES

R. J. Scanlon 2-23-72
 City Engineer Date



159561 02/23/1972 06:00A
 101 R 0.00
 San Juan County, NM Clerk

REPLAT
 OF
 BLOCKS B AND C, PARTS OF BLOCKS
 D, E, F AND G AND CRESTWOOD ROAD
 LEE MAX TERRACE SUBDIVISION
 FARMINGTON, SAN JUAN COUNTY, NEW MEXICO

STATE OF NEW MEXICO
 COUNTY OF SAN JUAN
 FEBRUARY 23, 1972
 3:10 P.M.
 LAWRENCE A. BREWER AND ASSOCIATES INC.
 CONSULTING ENGINEERS
 FARMINGTON, NEW MEXICO

CITY OF FARMINGTON
Community Development Department

Memorandum

TO: Mayor and City Council
FROM: Metropolitan Redevelopment Agency
DATE: November 8, 2016

SUBJECT: Native American Museum, 301 W. Main Street

The Metropolitan Redevelopment Agency (MRA) is requesting approval from the City Council to utilize \$40,000 of the MRA Fund for the renovation of the bathrooms at the Native American Museum at 301 W. Main Street. The Native American Museum is in a building that is in the Metropolitan Redevelopment Area. The building was given to the City of Farmington by Mr. and Mrs. Culpepper with the stipulation that it be utilized as a museum for Native American art.

During the September MRA Commission meeting Commissioners requested information on the status of the Native American Art Museum. It was reported that the facility required ADA restrooms and that the restroom project was currently unfunded. The MRA commission requested an update on the restroom needs and costs for their next meeting. Museum Director Bart Wilsey attended the October meeting of the MRA Commission to share preliminary layouts and cost estimates with the Commission.

The Metropolitan Redevelopment Agency (MRA) is eager to see the Native American Art Museum completed and operational. The MRA Commission approved this recommendation at their October 27, 2016 regular MRA meeting.

The City Council authorized the City Manager's Unanticipated Fund in March of 2015 to pay for a fire suppression system for the building. The bathroom remodel is the final building task required to open the museum.

ORDINANCE NO. 2016-XXXX

AN ORDINANCE PROVIDING FOR THE ISSUANCE OF THE CITY OF FARMINGTON, NEW MEXICO TAXABLE DIRECT PAYMENT QUALIFIED ENERGY CONSERVATION BONDS SERIES 2016A IN THE AGGREGATE PRINCIPAL AMOUNT OF \$4,740,000 TO ACQUIRE, INSTALL, RETROFIT AND REPLACE ENERGY CONSERVATION MEASURES IN MUNICIPAL FACILITIES OWNED BY THE CITY AND TO PAY COSTS OF ISSUANCE OF THE SERIES 2016A BONDS; PROVIDING THAT THE SERIES 2016A BONDS WILL BE PAYABLE FROM STATE-SHARED GROSS RECEIPTS TAX REVENUES DISTRIBUTED TO THE CITY PURSUANT TO SECTION 7-1-6.4 NMSA 1978, AND FEDERAL SUBSIDY PAYMENTS FROM THE UNITED STATE TREASURY; PROVIDING THE FORM, TERMS AND CONDITIONS OF THE SERIES 2016A BONDS, THE METHOD OF PAYING THE SERIES 2016A BONDS AND THE SECURITY THEREFOR; PRESCRIBING OTHER DETAILS CONCERNING THE PLEDGED REVENUES; RATIFYING ACTION PREVIOUSLY TAKEN IN CONNECTION THEREWITH; AND REPEALING ALL ORDINANCES IN CONFLICT HEREWITH.

Capitalized terms in the following preambles have the same definitions as are set forth in Section 1 unless the content provides otherwise.

WHEREAS, the City is a legally and regularly created, established, organized and existing municipal corporation under the general laws of the State of New Mexico; and

WHEREAS, pursuant to Section 7-1-6.4 NMSA 1978, the City receives monthly State-Shared Gross Receipts Tax Revenues from the New Mexico Department of Taxation and Revenue equal to one and two hundred and twenty-five thousandths percent (1.225%) of the gross receipts of persons engaging in business within the City, as determined and adjusted under the Gross Receipts and Compensating Tax Act, Chapter 7, Article 9 NMSA 1978; and

WHEREAS, the Pledged State-Shared Gross Receipts Tax Revenues are not pledged to the payment of any bonds or other obligations which are presently outstanding, other than the 2005 Bonds, the 2012 Bonds and the Series 2016 Bonds; and

WHEREAS, the City herein designates the Series 2016A Bonds as "Qualified Energy Conservation Bonds" under Section 54D(a) of the Tax Code and irrevocably elects to receive direct cash subsidies from the United States Treasury pursuant to Section 6431 of the Tax Code; and

WHEREAS, the Series 2016A Bonds shall be additionally secured with an irrevocable and exclusive first lien on the Federal Subsidy Payments received pursuant to Section 54D and Section 6431 of the Tax Code; and

WHEREAS, the Council has determined and hereby determines that it is in the best interests of the City and its citizens that (i) the Series 2016A Bonds be sold at negotiated sale to the New Mexico Finance Authority (the "NMFA") at a purchase price of \$_____ which equals par (\$_____), plus original issue premium (\$_____) and less a total discount of (\$_____) pursuant to the Bond Purchase Agreement dated _____ 2016 between the City and the NMFA (the "Bond Purchase Agreement") and the Council hereby determines to sell, and hereby does sell such Bonds to the NMFA pursuant to the Bond Purchase Agreement which is hereby accepted; and

WHEREAS, Section 3-31-6(C) NMSA 1978, provides as follows:

"Any law which authorizes the pledge of any or all of the pledged revenues to the payment of any revenue bonds issued pursuant to Sections 3-31-1 through 3-31-12, NMSA 1978, or which affects the pledged revenues, or any law supplemental thereto or otherwise appertaining thereto, shall not be repealed or amended or otherwise directly or indirectly modified in such a manner as to impair adversely any such outstanding revenue bonds, unless such outstanding revenue bonds have been discharged in full or provision has been fully made therefor."; and

WHEREAS, the Bond Purchase Agreement has been presented to the Council and is presently is on file with the City Clerk; and

WHEREAS, the Council hereby determines that the Energy Efficiency Project being acquired in part with the proceeds of the Series 2016A Bonds is a governmental purpose and is not a project which would cause the Series 2016A Bonds to be "private activity bonds" as defined by the Code.

NOW, THEREFORE, be it ordained by the governing body of the City of Farmington:

Section 1. Definitions. The terms in this section defined for all purposes of this Ordinance and of any ordinance amendatory hereof or supplemental hereto, or relating hereto, and of any instrument or document appertaining hereto, except where the context by clear implication herein otherwise requires, shall have meanings herein specified:

"Acquisition Fund" means the City of Farmington, New Mexico Taxable Direct Payment Qualified Energy Conservation Bonds, Series 2016A Acquisition Fund" established by Section 17 of this Bond Ordinance.

"Act" means the general laws of the State, including Sections 3-31-1 through 3-31-12 NMSA 1978, as amended, and enactments of the City Council relating to the Pledged Revenues and the issuance of the Bonds, including this Bond Ordinance.

"Authorized Officer" means the following officers of the City: Mayor, City Manager, Administrative Services Director, or other officer of the City when designated by a certificate signed by the Mayor of the City from time to time, a certified copy of which shall be delivered to the Paying Agent and the Registrar.

"Bond Account" has the meaning assigned to that term in Section 20 of this Bond Ordinance.

"Bondholder," "holder," "owner" or "Owner" means the registered owner of any Bond as shown on the registration books of the City for the Bonds, from time to time, maintained by the Registrar. Any reference to a majority or a particular percentage or proportion of the Bondholders shall mean the Holders at the particular time of a majority or of the specified percentage or proportion in aggregate principal amount of all Bonds then outstanding.

"Bond Purchase Agreement" means the bond purchase agreement between the City and the Purchaser.

"Bonds", "2016A Bonds" or "Series 2016A Bonds" means, as the context shall require, the City of Farmington, New Mexico Taxable Direct Payment Qualified Energy Conservation Bonds, Series 2016A.

"Depository" means The Depository Trust Company, New York, New York, or such other securities depository as may be designated by an officer of the City.

"Energy Efficiency Project" means (1) design, purchase, installation, equipping, rehabilitating, making additions to or making energy efficiency improvements to facilities owned by the City; and (2) paying Expenses related to the issuance of the Bonds.

"Event of Default" means any of the events stated in Section 25 of this Bond Ordinance.

"Expenses" means the reasonable and necessary fees, costs and expenses incurred by the City with respect to the issuance of the Bonds, including the fees, compensation, costs and expenses paid or to be paid to the Paying Agent and Registrar, and legal fees, financial advisor fees, expenses and applicable gross receipts taxes; provided, that Expenses payable from proceeds of the Series 2016A Bonds shall not exceed 2% of the proceeds of the Series 2016A Bonds.

"Federal Subsidy Payments" means the semi-annual payments from the United States Treasury to the City related to the City's designation of the Series 2016A Bonds as "Qualified Energy Conservation

Bonds" and the direct payments pursuant to Section 54D and Section 6431 of the Tax Code. Federal Subsidy Payments are equal to the lesser of (i) the interest payable on the Series 2016A Bonds or (ii) 70% of the amount of the applicable tax credit rate determined on the date of sale of the Series 2016A Bonds under Section 54A(b)(3) of the Code; provided that the City makes certain required filings in accordance with applicable federal rules pertaining to the Federal Subsidy Payments.

"Fiscal Year" means the period commencing on July 1 in 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 City as its fiscal year.

"Fitch" means Fitch Ratings Group, its successors and their assigns, and, if such corporation is dissolved or liquidated or no longer performs the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the City.

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

"Hold Harmless Distribution" means the distribution to the City made pursuant to Section 7-1-6.46 NMSA 1978, as that distribution relates to the gross receipts tax revenues received pursuant to Section 7-1-6.4 NMSA 1978, which revenues are reduced pursuant to the deductions under Sections 7-9-92 and 7-9-93 NMSA 1978; provided that the percentage of such distribution decreases annually as provided in Section 7-1-6.46 NMSA 1978 each year beginning on July 1, 2015 until the distribution is eliminated after July 1, 2029.

"Income Fund" means the State-Shared Gross Receipts Tax Income Fund continued in Section 19 of this Bond Ordinance.

"Independent Accountant" means (A) an accountant employed by the State and under supervision of the State Auditor of the State, or (B) any certified public accountant, registered accountant, or firm of such accountants duly licensed to practice and practicing as such under the laws of the State of New Mexico, appointed and paid by the City who (i) is, in fact, independent and not under the domination of the City, (ii) does not have any substantial interest, direct or indirect, with the City, and (iii) is not connected with the City as an officer or employee of the City, but who may be regularly retained to make annual or similar audits of the books or records of the City.

"Insured Bank" means any federally or state-chartered savings and loan association or federally or state-chartered commercial bank, the deposits of which are insured by the Federal Deposit Insurance Corporation and which has, or is the lead bank of a parent holding company which has (i) unsecured, uninsured and unguaranteed obligations which are rated AA or better by Fitch and S&P or (ii) combined capital, surplus and undivided profits of not less than \$10,000,000.

"Interest Payment Date" means each June 15 and December 15, commencing June 15, 2017.

"Moody's" means Moody's Investor Service, its successors and their assigns, and, if such corporation is dissolved or liquidated or no longer performs the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the City.

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

"Outstanding" or "outstanding" when used in reference to bonds means, on any particular date, the aggregate of all Bonds delivered under this Bond Ordinance except:

A. those cancelled at or prior to such date or delivered or acquired by the City at or prior to such date for cancellation;

B. those otherwise deemed to be paid in accordance with Section 31 or Section 34 of this Bond Ordinance;

C. those in lieu of or in exchange or substitution for which other Bonds shall have been delivered, unless proof satisfactory to the City and the Paying Agent is presented that any Bond for which a new Bond was issued or exchanged is held by a bona fide holder or in due course.

"Parity Gross Receipts Tax Bonds" or "Parity Bonds" means the 2016 Bonds, the 2016A Bonds, the 2005 Bonds, the 2012 Bonds, and any other bonds or obligations which may in the future be issued with a lien on Pledged State-Shared Gross Receipts Tax Revenues on parity with the lien thereon of the 2016 Bonds, the 2016A Bonds, the 2005 Bonds and the 2012 Bonds.

"Paying Agent" means the City Treasurer, as agent for the City for the payment of the Bonds or any other entity at the time appointed Paying Agent by resolution of the City Council.

"Permitted Investments" means, but only to the extent permitted by applicable laws of the State, ordinances of the City or the Investment Policy of the City, as amended from time to time, including the following:

A. Certificates of deposit issued by banks and savings and loan associations located within the geographical boundaries of the City, collateralized in accordance with this policy and with a maximum stated maturity of five (5) years.

B. Obligations of the United States Government, its agencies, or instrumentalities excluding mortgage backed securities which are either direct obligations of the United States or are backed by the full faith and credit of the United States Government with a maximum stated maturity of five (5) years.

C. Repurchase agreements collateralized by obligations of the U.S. Government, its agencies, or instrumentalities.

D. The New Mexico State Treasurer's Local Government Investment Pool established pursuant to Sec. 6-10-10.1 NMSA 1978, and operated by the New Mexico State Treasurer.

E. Interest bearing demand accounts in approved depositories.

"Pledged Gross Receipts Tax Revenues" means the Pledged State-Shared Gross Receipts Tax Revenues.

"Pledged Revenues" means the Pledged State-Shared Gross Receipts Tax Revenues and the Federal Subsidy Payments.

"Pledged State-Shared Gross Receipts Tax Revenues" means the revenues from the State gross receipts tax derived pursuant to Section 7-9-4 NMSA 1978, imposed on persons engaging in business in the State, which revenues are remitted to the City monthly by the New Mexico Department of Taxation and Revenue pursuant to Section 7-1-6 and 7-1-6.4 NMSA 1978, and which remittances currently equal one and two hundred twenty-five thousandths percent (1.225%) of the taxable gross receipts reported for the City for the month for which such remittances is made; provided that if a greater amount of such gross receipts tax revenues are hereafter provided to be remitted to the City under applicable law, such additional amounts shall be included as revenues pledged pursuant to this Bond Ordinance; and provided further that the amount of revenues pledged pursuant to this Bond Ordinance shall never be less than the greater of: (i) 1.225% of the taxable gross receipts remitted to the City by the State as set forth above, or (ii) the maximum amount at any time provided hereafter to be remitted to the City under applicable law, and includes the Hold Harmless Distribution; and provided further, the City intends that Section 3-31-6(C) NMSA 1978 applies expressly to the amount of revenues pledged pursuant to this Bond Ordinance (the term "Pledged State-Shared Gross Receipts Tax Revenues" does not include any local option gross receipts tax income received by the City).

"Purchaser" means the New Mexico Finance Authority or such other purchaser as may be designated in the Bond Purchase Agreement.

"Rating Category" means a generic securities rating category, without regard, in the case of a long-term rating category, to any refinement or gradation of such long-term rating category by a numerical modifier or otherwise.

"Registrar" means the City Treasurer, as agent for the City for transfer and exchange of the Bonds or any other entity at the time appointed by resolution of the City Council.

"S&P" means S&P Global, its successors and their assigns, and, if such entity is dissolved or liquidated or no longer performs the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the City.

"State" means the State of New Mexico.

"State-Shared Gross Receipts Tax Income Fund" means the income fund continued and maintained by the City and continued in Section 19 of this Bond Ordinance for the deposit of Pledged State-Shared Gross Receipts Tax Revenues.

"2005 Bonds" means the "City of Farmington, New Mexico State-Shared Gross Receipts Tax Revenue Bonds, Series 2005" issued in the original aggregate principal amount of \$5,725,000 and authorized by City Ordinance No. 2005-1164 adopted by the City Council on March 8, 2005, as supplemented by Resolution No. 2005-1136 adopted by the City Council on March 22, 2005.

"2012 Bonds" means the "City of Farmington, New Mexico Sales Tax rate Improvement and Refunding Revenue Bonds, Series 2012" issued in the original aggregate principal amount of \$10,665,000 and authorized by City Ordinance No. 2012-1254 adopted by the City Council on February 28, 2012, as supplemented by Resolution No. 2012-1426 adopted by the City Council on March 27, 2012.

"2016 Bonds" means the City of Farmington, New Mexico Gross Receipts Tax Convention Center Improvement Revenue Bonds, Series 2016, issued in an original principal amount of \$_____.

Section 2. Ratification. All action heretofore taken (not inconsistent with the express provisions of this Ordinance) by the Council and officers of the City directed toward the Project and the authorization, sale and issuance of the Series 2016A Bonds to the Purchase as herein authorized, be, and the same hereby is, ratified, approved and confirmed.

Section 3. Authorization of the Energy Efficiency Project. The Energy Efficiency Project and the method of financing the Energy Efficiency Project are hereby authorized and ordered at a total cost estimated not to exceed the amount of the Bond proceeds and any investment earnings thereon, excluding any such cost defrayed or to be defrayed by any source other than Bond proceeds.

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

A. The Energy Efficiency Project is needed to meet the needs of the City and its inhabitants.

B. Moneys available for the Energy Efficiency Project from all sources other than the issuance of Revenue Bonds are not sufficient to defray the cost of the Improvement Project.

C. The Pledged Revenues may lawfully be pledged to secure the payment and redemption of the Bonds.

D. It is economically feasible to defray, in part, the cost of the Energy Efficiency Project by the issuance of the Bonds.

E. The issuance of the Bonds pursuant to the Act, to provide funds to finance the costs of the Energy Efficiency Project, is necessary and in the interest of the public health, safety and welfare of the residents of the City.

F. The City is current in the accumulation of all amounts which are required to have been accumulated in the debt service funds and the reserve funds for the Parity Bonds.

Section 5. Authorization of the Project and the Bonds.

A. Authorization of Project. The Energy Efficiency Project is hereby authorized at a total cost of \$4,740,000, excluding any such cost defrayed or to be defrayed by any source other than the Series 2016A Bonds. The Energy Efficiency Project is hereby declared to be necessary for the health, safety and welfare of the residents of the City.

B. Authorization of Bonds. For the purpose of protecting the public health, conserving the property and advancing the general welfare of the citizens of the City, and for the purpose of defraying the cost of the Energy Efficiency Project, it is hereby declared that the interest or necessity of the City and the inhabitants thereof demand the issuance by the City of its fully registered (i.e., registered as to payment of both principal and interest) revenue bonds without coupons to be designated the "City of Farmington, New Mexico Taxable Direct Payment Qualified Energy Conservation Bonds Series 2016A" in the aggregate principal of \$4,740,000. The Bonds shall be payable and collectible, both as to principal and interest, from Pledged Revenues and shall constitute special, limited obligations of the City. The Series 2016A Bonds are further secured by an irrevocable and exclusive lien on the Federal Subsidy Payments.

C. Designation as "Qualified Energy Conservation Bonds". The Series 2016A Bonds are hereby designated as "Qualified Energy Conservation Bonds" under Section 54D(a) of the Code, and the City irrevocably elects to receive Federal Subsidy Payments from the United States Treasury in connection therewith pursuant to Section 6431 of the Code. As a result of this election, interest on the Series 2016A Bonds will be included in the gross income of holders thereof for federal income tax purposes, and the holders will not be entitled to any federal tax credits otherwise applicable to Qualified Energy Conservation Bonds in connection with their holding the Series 2016A Bonds. The Federal Subsidy Payments received by the City are pledged as security for the payment of debt service exclusively as to the Series 2016A Bonds as further described herein. The City shall make payments of the principal of and interest on the Series 2016A Bonds whether or not it receives Federal Subsidy Payments.

Section 6. Bond Details.

A. Basic Details. The Bonds shall be dated as of the Series Date, are issuable in the denomination of \$5,000 each or any integral multiple thereof (provided that no Bond may be in a denomination which exceeds the principal coming due on any maturity date and no individual Bond will be issued for more than one maturity), shall be numbered consecutively from 1 upwards, shall bear interest from the Series Date until their respective maturities at the per annum rates hereafter designated payable semiannually on June 15 and December 15 of each year commencing on June 15, 2017.

The Series 2016A Bonds shall mature on June 15 in each of the years hereinafter designated, as follows:

Series 2016A Bonds

<u>Maturity Date</u> <u>(June 15)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		

provided, however, that the individual Series 2016A Bonds shall bear interest from the most recent interest payment date to which interest has been fully paid or duly provided for in full or, if no interest has been paid, from the Series Date.

B. Payment - Regular and Special Record Dates. The principal of and any prior redemption premium applicable to any Bond shall be payable to the registered owner thereof as shown on the registration books kept by the Registrar (which is hereby appointed as registrar, i.e., transfer agent, for the Bonds) upon maturity or prior redemption thereof and upon presentation and surrender at the Paying Agent, which is hereby appointed as the paying agent for the Bonds. If any Bond shall not be paid upon such presentation and surrender at or after maturity, mandatory redemption date or on a designated optional prior redemption date on which the City may exercise its right to prior redeem the Bond pursuant to this Ordinance, it shall continue to draw interest at the rate borne by the Bond until the principal thereof is paid in full. Payment of interest on any Bond shall be made to the registered owner thereof as of the Regular Record Date (as herein defined) by check or draft mailed by the Registrar, on or before each interest payment date (or, if such interest payment date is not a business day, on or before the next succeeding business day), to the registered owner thereof on the Regular Record Date at his address as it last appears on the registration books kept by the Registrar on the Regular Record Date (or by such other arrangement as may be mutually agreed to by the Registrar and any registered owner on such Regular Record Date). All such payments shall be made in lawful money of the United States of America. The person in whose name any Bond is registered at the close of business on any Regular Record Date with respect to any interest payment date shall be entitled to receive the interest payable thereon on such interest payment date notwithstanding any transfer or exchange thereof registered subsequent to such Regular Record Date and prior to such interest payment date; but any such interest not so timely paid or duly provided for shall cease to be payable as provided above and shall be payable to the person in whose name any Bond is registered at the close of business on a Special Record Date fixed by the Registrar for the payment of any such defaulted interest. Such Special Record Date shall be fixed by the Registrar whenever moneys become available for defaulted interest, and notice of any such Special Record Date shall be given not less than ten days prior thereto, by first-class mail, to the registered owners of the Bonds as of a date selected by the Registrar, stating the Special Record Date and the date fixed for the payment of such defaulted interest.

Section 7. Prior Redemption.

A. Optional Redemption. Series 2016A Bonds maturing on and after June 15, 20__ shall be subject to redemption prior to maturity at the City's option in one or more units of principal of \$5,000 on and after June 15, 20__, in whole or in part at any time, in such order of maturities as the City may determine (and by lot if less than all of the bonds of such maturity is called, such selection by lot to be made by the Registrar in such manner as it shall consider appropriate and fair) for the principal amount of each \$5,000 unit so redeemed and accrued interest thereon to the redemption date.

B. Extraordinary Redemption. The Series 2016A Bonds shall be subject to extraordinary redemption at the option of the City, in whole or in part, on any Business Day upon the occurrence of any Extraordinary Event (hereinafter defined), at a redemption price of one hundred percent (100%) of the principal amount of the Series 2016A Bonds being redeemed plus accrued interest to the redemption date. An "Extraordinary Event" will have occurred if (i) there is a final determination by the Internal Revenue Service (after the City has exhausted all administrative appeal remedies) determining that the Series 2016A Bonds have lost their status as Qualified Energy Conservation Bonds under Section 54D of the Tax Code that are "specified tax credit bonds" under Section 6431 of the Tax Code; (ii) there is entered a final non-appealable order by a court of competent jurisdiction holding that the Series 2016A Bonds have lost their status as Qualified Energy Conservation Bonds under Section 54D of the Tax Code that are "specified tax credit bonds" under Section 6431 of the Tax Code; or (iii) Section 54D or Section 6431 of the Tax Code (or other applicable section of the Tax Code or Treasury Regulations) is modified, amended or revised in a manner pursuant to which the Federal Subsidy Payment is reduced by 10% or more below that set forth in Section 54D or Section 6431 of the Tax Code (or other applicable section of the Tax Code or Treasury Regulations) or eliminated.

C. Sinking Fund Redemption. The Series 2016A Bonds maturing on June 15, 20__ are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date. As and for a sinking fund for the redemption of the Bonds maturing on June 15, 20__, the City shall cause to be deposited in the Bond Account a sum which is sufficient to redeem and there shall be redeemed (after credit as provided below) on the following dates the following principal amounts of such Series 2016A Bonds:

Redemption Dates (June 15)	Principal Amount
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On or before the fortieth day prior to the sinking fund redemption date, the Registrar shall proceed to select for redemption (by lot in such manner as the Registrar shall deem equitable and fair) from all Series 2016A Bonds outstanding maturing on June 15, 20__, \$5,000 units of such Series 2016A Bonds equal in the aggregate to the total principal amount of such Series 2016A Bonds redeemable with the required sinking fund payment, and shall call such Series 2016A Bonds, or portions thereof, for redemption from the sinking fund on the next June 15, and give notice of such call, as provided below. At the option of the City to be exercised by delivery of a written certificate to the Registrar on or before the forty-fifth day next preceding any sinking fund redemption date, it may (i) deliver to the Registrar for cancellation Series 2016A Bonds maturing on June 15, 20__, or portions thereof (\$5,000 or any integral multiple thereof) in an aggregate principal amount desired by the City or (ii) specify a principal amount of Series 2016A Bonds maturing on June 15, 20__, or portions thereof (\$5,000 or any integral multiple thereof) which prior to that date have been redeemed (otherwise than through the operation of the sinking fund) and cancelled by the Registrar and not theretofore applied as a credit against any sinking fund redemption obligation. Each Series 2016A Bond or portion thereof so delivered or previously redeemed shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the City on such sinking fund redemption date and any excess over such amount shall be credited against future sinking fund redemption obligations for the Series 2016A Bonds of such maturity in chronological order or any other order specified by the City. In the event the City shall avail itself of the provisions of clause (i) of the second sentence of this Subsection B, the certificate required by the second sentence of this Subsection B shall be accompanied by the Series 2016A Bonds or portions thereof to be cancelled.

D. Notice by City. At least 45 days prior to any date selected by the City for optional prior redemption of any of the Series 2016A Bonds, the City shall give written instructions to the Registrar with respect to optional prior redemption pursuant to Subsection A of this Section 7, unless waived by the Registrar and if the Registrar is not also the Paying Agent, such written instructions shall also be given

to the Paying Agent. The provisions of the preceding sentence shall not apply to the redemption of Series 2016A Bonds pursuant to sinking fund redemption as provided by Subsection B of this Section 7 which shall be called for redemption by the Registrar as provided in Subsection C without any additional action by the City. Notice of redemption shall be given by the City by sending a copy of such notice by first-class, postage prepaid mail, not less than thirty days prior to the redemption date to the Purchaser and if the Registrar is not the Paying Agent, to the Paying Agent.

E. Notice by Registrar. Notice of prior redemption shall be given by the Registrar by delivery or by sending a copy of such notice by first-class, postage prepaid mail, not more than 60 days and not less than 30 days prior to the redemption date to each registered owner as shown on the registration books kept by the Registrar as of the date of selection of units of principal for redemption. The Registrar shall not be required to give notice of any optional prior redemption pursuant to Subsection A of this Section 7 unless it has received written instructions from the City in regard thereto at least 45 days prior to such redemption date or unless it waives such 60 day written instructions requirement. Failure to give such notice by mailing to the registered owner of any Series 2016A Bond, or any defect therein, shall not affect the validity of the proceedings for the redemption of any other Series 2016A Bonds. No notice of mandatory sinking fund redemption of the term bonds to the Registrar from the City shall be required.

F. Other Redemption Details. The notice required by Subsection D of this Section shall specify the number or numbers of the Series 2016A Bond or Bonds or portions thereof to be so redeemed if less than all are to be redeemed (provided that inclusion of the number or numbers or such Series 2016A Bonds to be redeemed is not necessary with respect to the instructions prescribed in Subsection C hereof); and all notices required by Subsection D of this Section shall specify the date fixed for redemption, and shall further state that on such redemption date there will become and be due and payable upon each \$5,000 unit of principal so to be redeemed at the Paying Agent the principal thereof and that from and after such date interest will cease to accrue. Notwithstanding the provisions of this section, any notice of optional prior redemption pursuant to Subsection A may contain a statement that the redemption is conditioned upon the receipt by the Paying Agent of funds on or before the date fixed for redemption sufficient to pay the redemption price of the Series 2016A Bonds so called for redemption, and that if such funds are not available, such redemption shall be canceled by written notice to the registered owner of the Series 2016A Bonds called for redemption in the same manner as the original redemption notice was mailed. Accrued interest to the redemption date will be paid by check or draft mailed to the registered owner (or by alternative means if so agreed to by the Paying Agent and the registered owner). Notice having been given in the manner hereinbefore provided, the Series 2016A Bond or Bonds so called for redemption shall become due and payable on the redemption date so designated; and upon presentation thereof at the Paying Agent, the City will pay the Series 2016A Bond or Bonds so called for redemption. In the event that only a portion of the principal amount of a Series 2016A Bond is so redeemed, a new Series 2016A Bond representing the unredeemed principal shall be duly completed, authenticated and delivered by the Registrar to the registered owner pursuant to Section 10 hereof and without charge to the registered owner thereof.

Section 8. Negotiability. Subject to the provisions made or necessarily implied herein, the Bonds shall be fully negotiable, and shall have all the qualities of negotiable paper, and the registered owner or owners thereof shall possess all rights enjoyed by the holders of negotiable instruments under the provisions of the Uniform Commercial Code.

Section 9. Execution.

A. Filing Manual Signatures. Prior to the execution and authentication of any Bond by facsimile signature pursuant to Sections 6-9-1 through 6-9-6, both inclusive, NMSA 1978, the Mayor and City Clerk shall each forthwith file with the Secretary of State of New Mexico, his or her manual signature certified by him or her under oath; provided, that such filing shall not be necessary for any officer where any

previous such filing may have legal application to the Bonds or if facsimile signatures are not used on the Bonds.

B. Method of Execution. Each Bond shall be signed and executed by the manual or facsimile signature of the Mayor under a manual impression of the seal of the City or a facsimile thereof which shall be printed, stamped, engraved or otherwise placed thereon; each Bond shall be executed and attested with the manual or facsimile signature of the City Clerk; and each Bond shall be authenticated by the manual signature by an authorized officer of the Registrar as hereafter provided. The Bonds bearing the manual or facsimile signatures of the officers in office at the time of the authorization thereof shall be the valid and binding obligations of the City (subject to the requirement of authentication by the Registrar as hereinafter provided) notwithstanding that before the delivery thereof and payment therefor, or before the issuance thereof upon transfer or exchange, any or all of the persons whose manual or facsimile signatures appear thereon shall have ceased to fill their respective offices. The Mayor and Clerk of the City shall, by the execution of a signature certificate pertaining to the Bonds, adopt as and for their respective signatures the manual or facsimile signatures thereof appearing on the Bonds; and, at the time of the execution of the signature certificate, the Mayor and City Clerk may each adopt as and for his or her facsimile signature the manual or facsimile signature of his or her predecessor in office in the event that such facsimile signature appears upon any of the Bonds.

C. Certificate of Authentication. No Bond shall be valid or obligatory for any purpose unless the certificate of authentication, substantially in the form hereinafter provided, has been duly executed by the Registrar. The Registrar's certificate of authentication shall be deemed to have been duly executed by it if manually signed by an authorized officer of the Registrar, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder.

Section 10. Provisions Relating to Registration, Transfer, Exchange, Replacement and Cancellation of and Registration Records for the Bonds.

A. Registration Books - Transfer and Exchange - Authentication. Books for the registration and transfer of the Bonds shall be kept by the Registrar. Upon the surrender for transfer of any Bonds at the Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing, the Registrar shall authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds of a like aggregate principal amount and of the same maturity, bearing a number or numbers not contemporaneously outstanding. Bonds may be exchanged at the Registrar for an equal aggregate principal amount of Bonds of the same maturity of other authorized denominations. The Registrar shall authenticate and deliver a Bond or Bonds which the registered owner making the exchange is entitled to receive, bearing a number or numbers not contemporaneously outstanding. Exchanges and transfers of Bonds as herein provided shall be without charge to the owner or any transferee, but the Registrar may require the payment by the owner of any Bond requesting exchange or transfer of any tax or other governmental charge required to be paid with respect to such exchange or transfer.

B. Times When Transfer or Exchange Not Required. The Registrar shall not be required (1) to transfer or exchange all or a portion of any Series 2016A Bond subject to prior redemption during the period of fifteen days next preceding the mailing of notice to the registered owners calling any Series 2016A Bonds for prior redemption pursuant to Section 7 hereof or (2) to transfer or exchange all or a portion of a Series 2016A Bond after the mailing to registered owners of

notice calling such Series 2016A Bond or portion thereof for prior redemption.

C. Payment - Registered Owners. The person in whose name any Bond shall be registered, on the registration books kept by the Registrar, shall be deemed and regarded as the absolute owner thereof for the purpose of making payment thereof and for all other purposes except as may otherwise be provided with respect to payment of interest as is provided in Section 5(C) hereof; and payment of or on account of either principal or interest on any Bond shall be made only to or upon the written order of the registered owner thereof or his legal representative, but such registration may be changed upon transfer of such Bond in the manner and subject to the conditions and limitations provided herein. All such payments shall be valid and effectual to discharge the liability upon such Bond to the extent of the sum or sums so paid.

D. Replacement Bonds. If any Bond shall be lost, stolen, destroyed or mutilated, the Registrar shall, upon receipt of such evidence, information or indemnity relating thereto as it may reasonably require, authenticate and deliver a replacement Bond or Bonds of a like aggregate principal amount and of the same maturity, bearing a number or numbers not contemporaneously outstanding. If such lost, stolen, destroyed or mutilated Bond shall have matured, the Paying Agent to pay such Bond in lieu of replacement.

E. Delivery of Bond Certificates to Registrar. The officers of the City are authorized to deliver to the Registrar fully executed but unauthenticated Bonds in such quantities as may be convenient to be held in custody by the Registrar pending use as herein provided.

F. Cancellation of Bonds. Whenever any Bond shall be surrendered to the Paying Agent upon payment thereof, or to the Registrar for transfer, exchange or replacement as provided herein, such Bond shall be promptly canceled by the Paying Agent or Registrar, and counterparts of a certificate of such cancellation shall be furnished by the Paying Agent or Registrar to the City.

Section 11. Successor Registrar or Paying Agent. If the Registrar or Paying Agent initially appointed hereunder shall resign, or if the City shall reasonably determine that the Registrar or Paying Agent has become incapable of fulfilling its duties hereunder, the City may, upon notice mailed to each registered owner of Bonds at the address last shown on the registration books, appoint a successor Registrar or Paying Agent, or both. Every such successor Registrar or Paying Agent shall be a bank or trust company located in the United States and having a shareholders' equity (e.g., capital stock, surplus and undivided profits), however denominated, not less than \$50,000,000. It shall not be required that the same institution serves as both Registrar and Paying Agent hereunder, but the City shall have the right to have the same institution serve as both Registrar and Paying Agent hereunder.

Section 12. Special Obligations. The Bonds, together with the interest accruing thereon, shall be payable and collectible solely out of Pledged Revenues and amounts in the Bond Account, all of which are irrevocably so pledged; the registered owner or owners thereof may not look to any general or other fund for the payment of the principal of or interest on such obligations, except the designated special funds pledged therefor as further provided in this ordinance; and the Bonds shall not constitute an indebtedness or a debt within the meaning of any constitutional or statutory provision; nor shall they be considered or held to be general obligations of the City; and each of the Bonds herein authorized to be issued shall recite on its face that it is payable and collectible solely from Pledged Revenues and amounts in the Bond Account, all of which are irrevocably so pledged, and that the registered owner thereof may not look to any general or other fund for the payment of principal and interest on, and prior redemption premium due in connection with, the Bonds. The Bonds are further

secured by an irrevocable and exclusive pledge of Federal Subsidy Payments.

Section 13. Forms of Bonds, Certificate of Authentication, Assignment and Legal Opinion Certificate. The Bonds, Registrar's Certificate of Authentication and Form of Assignment shall be in substantially the following form:

(Form of Series 2016A Bond)

UNITED STATES OF AMERICA
STATE OF NEW MEXICO COUNTY OF SAN JUAN
No. R- _____ \$ _____
CITY OF FARMINGTON
TAXABLE DIRECT PAYMENT QUALIFIED ENERGY CONSERVATION BONDS
SERIES 2016A

INTEREST RATE	MATURITY DATE	SERIES DATE	CUSIP
____ % per annum	____, 20__	____, 2016	N/A

REGISTERED OWNER: NEW MEXICO FINANCE AUTHORITY
PRINCIPAL AMOUNT: _____
DOLLARS

The City of Farmington (herein the "City"), in the County of San Juan and State of New Mexico, for value received, hereby promises to pay upon presentation and surrender of this bond, solely from the special funds provided therefor as hereinafter set forth, to the registered owner named above, or registered assigns, on the maturity date specified above (unless this bond, if subject to prior redemption, shall have been called for prior redemption, in which case, on such redemption date), upon the presentation and surrender hereof at the office of BOKF, NA (or successor in function) Albuquerque, New Mexico, or its successor (herein the "Paying Agent") as paying agent for this Bond, the Principal Amount stated above, in lawful money of the United States of America, and to pay to the registered owner hereof as of the Regular Record Date (defined in Ordinance No. _____, adopted on November 30, 2016, authorizing this bond and herein the "Bond Ordinance"), by check or draft mailed to such registered owner, on or before each interest payment date as hereinafter provided (or, if such interest payment date is not a business day, on or before the next succeeding business day), at his address as it last appears on the Regular Record Date (being the 15th day of the calendar month, whether or not a business day, preceding each regularly scheduled interest payment date) on the registration books kept for that purpose by the office of the City Treasurer, as agent for the City for transfer and exchange of the Bonds or any other entity at the time appointed by resolution of the City Council (herein the "Registrar") or by such other arrangement as may be agreed to by the Registrar and the registered owner hereof, interest on such sum in lawful money of the United States of America from the Series Date specified above or the most recent interest payment date to which interest has been fully paid or duly provided for in full (as more fully provided in the Bond Ordinance) until maturity at the Interest Rate specified above, payable semiannually on June 15 and December 15 in each year commencing on June 15, 2017. Any such interest not so timely paid or duly provided for shall cease to be payable to the registered owner as of the Regular Record Date and shall be payable to the registered owner as of a Special Record Date (as defined in the Bond Ordinance), as further provided in the Bond Ordinance. If upon presentation and surrender to the Paying Agent at or after maturity or on any designated optional prior redemption date on which the City may have exercised its right to prior redeem this bond pursuant to the Bond Ordinance, payment of this bond is not made as herein provided, interest hereon shall continue at the rate herein designated until the principal hereof is paid in full. All capitalized terms herein shall have the same meanings as set forth in the Bond Ordinance unless otherwise expressly defined herein.

The bonds of the series of which this bond is a part maturing on and after June 15, 20__ are subject to prior redemption at the City's option in one or more units of principal of \$5,000 on and after June 15, 20__, in whole or in part at any time, in such order of maturities as the City may determine (and by lot if less than all of the bonds of any maturity is called, such selection by lot to be made by the Registrar in such manner as it shall consider appropriate and fair) for the principal amount of each \$5,000 unit of principal so redeemed and accrued interest thereon to the redemption date. Redemption shall be made upon mailed

notice to each registered owner as shown on the registration books kept by the Registrar in the manner and upon the conditions provided in the Bond Ordinance.

The Bonds are subject to extraordinary redemption at the option of the City, in whole or in part, on any Business Day upon the occurrence of any Extraordinary Event, at a redemption price of one hundred percent (100%) of the principal amount of the Bonds being redeemed plus accrued interest to the redemption date. An "Extraordinary Event" will have occurred if (i) there is a final determination by the Internal Revenue Service (after the City has exhausted all administrative appeal remedies) determining that the Bonds have lost their status as Qualified Energy Conservation Bonds under Section 54D of the Tax Code that are "specified tax credit bonds" under Section 6431 of the Tax Code; (ii) there is entered a final non-appealable order by a court of competent jurisdiction holding that the Bonds have lost their status as Qualified Energy Conservation Bonds under Section 54D of the Tax Code that are "specified tax credit bonds" under Section 6431 of the Tax Code; or (iii) Section 54D or Section 6431 of the Tax Code (or other applicable section of the Tax Code or Treasury Regulations) is modified, amended or revised in a manner pursuant to which the Federal Subsidy Payment is reduced by 10% or more below that set forth in Section 54D or Section 6431 of the Tax Code (or other applicable section of the Tax Code or Treasury Regulations) or eliminated. "Federal Subsidy Payments" means the amount payable by the United States Treasury to the City pursuant to Section 6431 of the Tax Code in an amount equal to the lesser of (i) interest payable on the Series 2016A Bonds or (ii) 70% of the amount of the applicable tax credit rate determined on the date of sale of the Series 2016A Bonds under Section 54A(b)(3) of the Tax Code; provided that the City makes certain required filings in accordance with applicable federal rules pertaining to the Federal Subsidy Payments.

The Bonds maturing on June 15, 20__ are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date. As and for a sinking fund for the redemption of the Bonds maturing on June 15, 20__, the City shall cause to be deposited in the Bond Account a sum which is sufficient to redeem and there shall be redeemed (after credit as provided in the Bond Ordinance) on the following dates the following principal amounts of such Bonds:

<u>Redemption Dates</u> <u>(December 1)</u>	<u>Principal</u> <u>Amount</u>
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The bonds of the series of which this is one are fully registered (i.e., registered as to payment of both principal and interest), and are issuable in the denomination of \$5,000 or any denomination which is an integral multiple of \$5,000 (provided that no bond may be in a denomination which exceeds the principal coming due on any maturity date and no bond may be issued for more than one maturity). Upon surrender of any of such bonds at the Registrar with a written instrument satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney, such bond may, at the option of the registered owner or his duly authorized attorney, be exchanged for an equal aggregate principal amount of such bonds of the same maturity of other authorized denominations, subject to such terms and conditions as set forth in the Bond Ordinance.

This bond is fully transferable by the registered owner hereof in person or by his duly authorized attorney on the registration books kept by the Registrar upon surrender of this bond together with a duly executed written instrument of transfer satisfactory to the Registrar. Upon such transfer a new fully registered bond of authorized denomination or denominations of the same aggregate principal amount and maturity will be issued to the transferee in exchange for this bond, subject to such terms and conditions as set forth in the Bond Ordinance. The City and the Registrar and Paying Agent may deem and treat the person in whose name this bond is registered as the absolute owner hereof for the purpose of making payment and for all other purposes, except to the extent otherwise provided above and in this Ordinance with respect to Regular and Special Record Dates for the payment of interest.

The Registrar shall not be required (1) to transfer or exchange all or a portion of any bond subject to optional prior redemption during the period of fifteen days next preceding the mailing of notice to the registered owners calling any bonds for prior redemption pursuant to the Bond Ordinance or (2) to transfer or exchange all or a portion of a bond after the mailing to registered owners of notice calling such bond or portion thereof for prior redemption.

This bond is one of a series of bonds designated "City of Farmington, New Mexico Taxable Direct Payment Qualified Energy Conservation Bonds Series 2016A," of like tenor and date, except as to interest rate, number, maturity and prior redemption provision. The Series 2016A Bonds are authorized for the purpose of financing the costs of (1) design, purchase, installation, equipping, rehabilitating, making additions to or making energy efficiency improvements to facilities owned by the City; and (2) paying Expenses related to the issuance of the Bonds.

This bond does not constitute an indebtedness of the City within the meaning of any constitutional or statutory provision or limitation, shall not be considered or held to be a general obligation of the City, and is payable and collectible solely out of Pledged Revenues, Federal Subsidy Payments pursuant to Section 54D and Section 6431 of the Tax Code, and amounts in the Bond Account, which are irrevocably so pledged; and the registered owner hereof may not look to any general or other fund for payment of the principal of, interest on, and any prior redemption premium due in connection with this obligation, except the special funds pledged therefor. Payment of the principal of and interest on the bonds of the series of which this is one shall be made solely from, and as security for such payment there are pledged, pursuant to the Bond Ordinance, a special fund identified as the "City of Farmington, New Mexico Taxable Direct Payment Qualified Energy Conservation Bonds Series 2016A Bond Account (the "Bond Account"), into which the City covenants to pay from the Pledged Revenues and Federal Subsidy Payments, sums sufficient to pay when due the principal of and the interest on the bonds of the series of which this is one and to create (except to the extent created from other funds, in the required amount may be credited thereto after the issuance of this bond). For a description of the funds and the nature and extent of the security afforded thereby for the payment of the principal of and interest on the bonds, reference is made to the Bond Ordinance.

The bonds of the series of which this is one are equitably and ratably secured by a lien on the Pledged Revenues and the bonds constitute an irrevocable first lien, but not necessarily an exclusive first lien, on the Pledged Revenues. The bonds are further secured by an irrevocable and exclusive first lien on the Federal Subsidy Payments. Bonds in addition to the series of which this is one may be issued and made payable from the Pledged Revenues, having a lien thereon inferior and junior to the lien or, subject to designated conditions, having a lien thereon on parity with the lien of the bonds of the series of which this is one, in accordance with the provisions of the Bond Ordinance. No additional bonds may be issued with a lien on the Federal Subsidy Payments.

The City covenants and agrees with the registered owner of this bond and with each and every person who may become the registered owner hereof that it will keep and perform all of the covenants of the Bond Ordinance.

This bond is subject to the conditions, and every registered owner hereof by accepting the same agrees with the obligor and every subsequent registered owner hereof that the principal of and the interest on this bond shall be paid, and this bond is transferable, free from, and without regard to any equities between the obligor and the original or any intermediate registered owner hereof for any setoffs or cross-claims.

It is further certified, recited and warranted that all the requirements of law have been fully complied with by the City Council and officers of the City in the issue of this bond; and that it is issued pursuant to and in strict conformity with the Constitution and laws of the State of New Mexico, and particularly the terms and provisions of Sections 3-31-1 through 3-31-12, NMSA 1978, as amended, and all laws thereunto enabling and supplemental thereto.

This bond shall not be valid or obligatory for any purpose until the Registrar shall have manually signed the certificate of authentication herein.

IN WITNESS WHEREOF, the City of Farmington has caused this bond to be signed, subscribed, executed, and attested with the manual or facsimile signatures of its Mayor and its City Clerk, respectively; and has caused its corporate seal to be affixed hereon either manually or by facsimile, all as of the Series Date.

(Manual or Facsimile Signature)
Mayor

(MANUAL OR FACSIMILE SEAL)

Attest:

(Manual or Facsimile Signature)
City Clerk

(Form of Registrar's Certificate of Authentication)

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This is one of the bonds described in the within-mentioned Bond Ordinance, and this bond has been duly registered on the registration books kept by the undersigned as Registrar for such Bonds.

Date of Authentication: _____, 2016

City Treasurer of the City of
Farmington, New Mexico, as
Registrar

By _____
Authorized Officer

(End of Form of Registrar's Certificate of Authentication)
(Form of Assignment)

For value received, _____ hereby
sells, assigns and transfers unto _____ the within
bond and hereby irrevocably constitutes and appoints
_____ attorney, to transfer the same on the books of
the Registrar, with full power of substitution in the premises.

Signature

Dated: _____
Signature Guaranteed:

Name and address of transferee:

Social Security or other Tax
Identification Number of
Transferee:

(End of Form of Assignment)

(End of Form of Series 2016A Bond)

Section 14. Sale of Bonds and Approval of Documents. The City hereby agrees to sell the Bonds to the Purchaser in accordance with the Bond Purchase Agreement. The form, terms and provisions of the Bond Purchase Agreement and the Continuing Disclosure Undertaking, in the forms heretofore on file with the City Clerk and presented at the meeting, are in all respects approved, authorized and confirmed. The Mayor is authorized and directed, and the City Clerk is authorized and directed to affix the seal of the City to and attest, the Bond Purchase Agreement and the Continuing Disclosure Undertaking with such changes therein as are not inconsistent with this Ordinance and as shall be approved by the Mayor, his execution thereof to constitute conclusive evidence of his approval of any and all changes or revisions thereof from the form now before this meeting. From and after the execution and delivery of the Bond Purchase Agreement and the Continuing Disclosure

Undertaking, the officers, agents and employees of the City are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Bond Purchase Agreement as executed.

Section 15. Delivery of Bonds and Registration. When the Bonds have been duly executed, authenticated, registered and sold, the Registrar shall deliver them to the Purchaser upon receipt of the agreed purchase price unless otherwise provided in writing by the Underwriter. The Registrar shall initially register the Bonds in the name of the Purchaser.

Section 16. Use of Proceeds - Period of Usefulness. Except as herein otherwise specifically provided, the proceeds derived from the sale of the Bonds shall be used and paid solely for the purpose of the Project. The Energy Efficiency Project is hereby determined to have a period of usefulness of not less than 15 years from the date of this ordinance.

Section 17. Disposition of Proceeds and Other Funds. On the date of delivery of the Bonds, the net proceeds from the sale of the Bonds, together with \$_____ of available funds of the City, shall be deposited or used as follows:

A. The accrued interest of \$-0- received on the date of delivery of the Bonds shall be deposited into the Bond Account.

B. \$_____ from the proceeds of the Series 2016A Bonds shall be deposited in the Acquisition Fund, which is hereby established and which shall be maintained by or on behalf of the City in an Insured Bank. Until the completion of the Improvement Project, the money in the 2016A Acquisition Fund shall be used and paid out solely for the purpose of the Energy Efficiency Project in compliance with applicable law. As soon as practicable after completion of the Energy Efficiency Project, and in any event not more than 60 days after completion of the Energy Efficiency Project, any proceeds remaining unspent (other than any amount retained by the City for any Energy Efficiency Project costs not then due and payable) shall be transferred and deposited in the Bond Account and used by the City to pay principal and interest on the Series 2016A Bonds as the same become due.

C. \$_____ be used to pay Expenses related to issuance of the Series 2016A Bonds, which does not exceed 2% of the proceeds of the Series 2016A Bonds, together with \$_____ of available funds of the City to pay Expenses.

The City Finance Director shall be, and hereby is, authorized to make any necessary adjustments in the amounts to be deposited in the funds and accounts described in this Section on the Closing Date.

Section 18. Purchaser Not Responsible. The validity of the Bonds is neither dependent on nor affected by the validity or regularity of any proceedings related to the completion of the Project. The Purchaser of the Bonds, and any subsequent owner of any Bonds, shall in no manner be responsible for the application or disposal by the City or by any officer or any employee or other agent of the City of the moneys derived from the sale of the Bonds or of any other moneys herein designated.

Section 19. State-Shared Gross Receipts Tax Income Fund. So long as any of the Bonds or Parity Gross Receipts Tax Bonds shall be outstanding, either as to principal or interest, or both, the Pledged State-Shared Gross Receipts Tax Revenues shall be set aside and deposited monthly into a separate account hereby continued and held by the City known as the "City of Farmington, New Mexico State-Shared Gross Receipts Tax Income Fund" (the "SSGRT Income Fund").

Section 20. Administration of Income Fund. So long as any of the Bonds shall remain outstanding, either as to principal or interest or both, the following payments shall be made monthly from the Pledged Revenues:

A. Bond Account Payments. The following amounts shall be withdrawn, in the order provided in subparagraph (3) of this subsection A, from the SSGRT Income Fund (and on parity with other outstanding Parity Gross Receipts Tax Bonds, and shall be concurrently credited to

the "City of Farmington, New Mexico Taxable Direct Payment Qualified Energy Conservation Bonds Series 2016A Bond Account (the "Bond Account"):

(1) Monthly, commencing on the first day of the month immediately succeeding the delivery of the Bonds, an amount in equal monthly installments necessary, together with any other moneys therein and available therefor, to pay the next maturing installment of interest on the Bonds, and monthly thereafter, commencing on each Interest Payment Date, one-sixth (1/6) of the amount necessary to pay the next maturing installment of interest on the Bonds then outstanding.

(2) Monthly, commencing on the first day of the month immediately succeeding the delivery of the Bonds, an amount in equal monthly installments necessary, together with any other moneys therein and available therefor, to pay the next maturing installment of principal of the outstanding Bonds and monthly thereafter, commencing on each principal payment date, one-twelfth (1/12) of the amount necessary to pay the next maturing installment of principal on the Bonds then outstanding.

(3) Unless the City determines that such amounts shall be withdrawn from such funds in some other order, for the purpose of making the transfers set forth in subparagraphs (1) and (2) of this subsection A, moneys shall be withdrawn in the following order:

FIRST: from the State-Shared Gross Receipts Tax Income Fund for credit to the Bond Account; to the extent that amounts available for such withdrawal from the State-Shared Gross Receipts Income Fund are not sufficient to pay the amounts required in subparagraphs (1) and (2) of this subsection A,

SECOND: upon receipt semi-annually, the City shall deposit Federal Subsidy Payments directly into the Bond Account to be used for debt service payments on the Series 2016A Bonds. Nothing herein shall prevent the City, in its discretion, from making any of the foregoing deposits from other legally available funds. If, prior to any interest payment date or principal payment date, there has been accumulated in the Bond Account the entire amount necessary to pay the next maturing installment of interest or principal, or both, the payments required in subparagraph (1) or (2) (whichever is applicable) of this Section 20(A) may be appropriately reduced, and the required monthly amounts shall be credited to such account commencing on such interest payment date or principal payment date (whichever is applicable). The moneys in the Bond Account are irrevocably and exclusively pledged to the payment of the Bonds.

B. Credit. In making the deposits required to be made into the Bond Account, if there are any amounts then on deposit in the Bond Account available for the purpose for which such deposit is to be made, the amount of the deposit to be made pursuant to subsection A above shall be reduced by the amount available in such fund for such purpose.

C. Transfer of Money out of Bond Account. Each payment of principal and interest becoming due on the Bonds shall be transferred from the Bond Account to the Paying Agent on or before two Business Days prior to the due date of such payment.

D. Defraying Delinquencies in the Bond Account. If, in any month, the City shall, for any reason, fail to pay into the Bond Account the full amount required, the difference between the amount paid and the amount so stipulated shall be paid therein from the first Pledged Revenues thereafter received and not required to be otherwise applied.

E. Payment of Parity Obligations. Concurrently with the payment of the Pledged Revenues required by subsections A and D of this Section, any amounts on deposit in the State-Shared Gross Receipts Tax Income Fund shall be used by the City for the payment of principal of, interest on and debt service reserve fund deposits relating to outstanding Parity Gross Receipts Tax Bonds payable from such Pledged Gross Receipts Tax Revenues, as the same become due. If funds on deposit in the Income Fund are not sufficient to pay when due the required payments of principal of, interest on and debt service reserve fund deposits relating to the Bonds and any other outstanding Parity Bonds, then the available funds in the Income Fund will be used, first, on a

pro-rata basis, based on the amount of principal and interest then due with respect to each series of outstanding Parity Bonds, for the payment of principal of and interest on all series of outstanding Parity Bonds and, second, to the extent of remaining available funds in the Income Fund on a pro rata basis, based on the amount of debt service reserve fund deposits then required with respect to each series of outstanding Parity Bonds, for the required debt service reserve fund deposits for all series of outstanding Parity Bonds.

F. Termination upon Deposits to Maturity. No payment shall be made into the Bond Account if the amounts in such funds total a sum at least equal to the entire aggregate amount due as to principal, premium, if any, and interest, on the Bonds to their respective maturities or applicable redemption dates, in which case moneys in the Bond Account in an amount at least equal to such principal and interest requirements shall be used solely to pay such obligations as the same become due, and any moneys in excess thereof in the Bond Account may be used as provided below.

G. Payment of Subordinate Lien Obligations. Subsequent to the payments required by subsections A, D and E of this Section, any balance remaining in the Income Fund, after making the payments hereinabove provided shall be used by the City for the payment of interest on and the principal of additional bonds or other obligations, if any, having a lien on any of the Pledged Revenues subordinate to the lien thereon of the Bonds hereafter authorized, issued and payable from the Pledged Revenues, as the same become due. Payments with respect to principal, interest and reserve funds for any such subordinate lien obligations may be made at any intervals as may be provided in the ordinance or resolution authorizing such additional obligations.

H. Surplus Revenues. After making all the payments hereinabove required to be made by this Section, the remaining Pledged Revenues, if any, may be applied to any other lawful purpose, as the City may from time to time determine.

Section 21. General Administration of Funds. The funds and accounts designated in this ordinance shall be administered as follows:

A. Investment of Money. Any moneys in any fund or account designated in Sections 17 through 20 hereof may be invested in any Permitted Investment then permitted by New Mexico law, except as is provided in Section 34 hereof with respect to defeasance. The obligations so purchased as an investment of moneys in any such fund or account shall be deemed at all times to be part of said fund or account, and the interest accruing thereon and any profit realized therefrom shall be credited to the fund or account, and any loss resulting from each investment shall be charged to the fund or account. The City Treasurer shall present for redemption or sale on the prevailing market any obligations so purchased as an investment of moneys in the fund or account whenever it shall be necessary to do so in order to provide moneys to meet any payment or transfer from such fund or account.

B. Deposits of Funds and Accounts. The moneys and investments comprising each of the funds and accounts hereinabove designated in Sections 17 through 20 of this Ordinance shall be maintained and kept separate from all other funds and accounts in an Insured Bank or Insured Banks. The amounts prescribed shall be paid to the appropriate funds or accounts as specified in Sections 17 through 20. Each payment shall be made into the proper bank account and credited to the proper fund or account not later than the last day designated; provided that when the designated date is a Saturday, Sunday or a legal holiday, then such payment shall be made on the next preceding business day. Nothing herein shall prevent the establishment of one such bank account or more (or consolidation with any existing bank account), for all of the funds and accounts in Sections 17 through 20 of this Ordinance.

Section 22. Lien on Net Revenues of the System and Federal Subsidy Payments. The Bonds constitute an irrevocable and valid first lien (but not an exclusive first lien) on the Pledged Gross Receipts Tax Revenues. The Bonds constitute an irrevocable, exclusive and valid first lien on the Federal Subsidy Payments.

Section 23. Additional Bonds and Other Obligations.

A. Limitations upon Issuance of Other Parity Gross Receipts Tax Obligations. Nothing contained in this Bond Ordinance shall be construed in such a manner as to prevent the issuance by the City of additional bonds or other obligations payable from the Pledged Gross Receipts Tax Revenues and constituting a lien upon said revenues on a parity with, but not prior nor superior to, the lien of the Bonds herein authorized, nor to prevent the issuance of bonds or other obligations refunding all or a part of the Bonds herein authorized, provided, however, that before any such additional Parity Gross Receipts Tax Obligations are authorized or actually issued, including those refunding obligations which refund subordinate bonds or other subordinate obligations, as permitted in subsection B of this Section 23 (but excluding any Parity Gross Receipts Tax Obligations which refund outstanding Parity Gross Receipts Tax Bonds and other parity lien obligations as permitted by Sections 23B(1) and 23D(1) hereof):

(1) The City is then current in all of the accumulations required to be made into the Bond Account pursuant to Section 19 of this Bond Ordinance; and

(2) The Pledged Gross Receipts Tax Revenues received by the City for the Fiscal Year immediately preceding the date of the issuance of such additional Parity Obligations shall have been sufficient to pay an amount representing at least 200% of the combined maximum annual principal and interest coming due in any subsequent Fiscal Year on the then outstanding Bonds, all other then outstanding Parity Gross Receipts Tax Obligations and the Parity Gross Receipts Tax Obligations proposed to be issued (excluding any accumulation for reserves therefor).

For purposes of the tests set forth in clauses (1) and (2) above, if on the date of issuance of any such Parity Gross Receipts Tax Obligations the full amount of a reserve fund requirement for the Parity Gross Receipts Tax Obligations is immediately funded or capitalized from the proceeds of such Parity Gross Receipts Tax Obligations, the amount of such reserve fund requirement so funded shall be deducted from the principal and interest coming due in the final Fiscal Year for the proposed additional Parity Gross Receipts Tax Obligations.

B. Certificate or Opinion of Earnings. A written certification or opinion by an Independent Accountant or the City's Administrative Services Director that said annual Gross Receipts Tax Pledged Revenues or Convention Center Fee Revenues, as applicable, for such preceding Fiscal Year are sufficient to pay the amounts set forth in Subsection A(2) of this Section, as applicable, shall be conclusively presumed to be accurate in determining the right of the City to authorize, issue, sell and deliver said additional bonds or other obligations on parity with the Bonds herein authorized.

C. Subordinate Obligations Permitted. Nothing in this Bond Ordinance contained shall be construed in such a manner as to prevent the issuance by the City of additional bonds or other obligations payable from the Pledged Gross Receipts Tax Revenues or Pledged Convention Center Revenues, as applicable, and constituting a lien upon said Pledged Gross Receipts Tax Revenues or Pledged Convention Center Revenues, as applicable, subordinate or junior in all respects to the lien of the Bonds herein authorized.

D. Superior Obligations Prohibited. Nothing herein contained shall be construed so as to permit the City to issue bonds or other obligations payable from the Pledged Gross Receipts Tax Revenues or Convention Center Fee Revenues having a lien thereon prior and superior to the Bonds.

Section 24. Refunding Bonds. The provisions of Section 23 hereof are subject to the following exceptions:

A. Privilege of Issuing Refunding Obligations. If at any time after the Bonds, or any part thereof, shall have been issued and remain outstanding, the City shall find it desirable to refund any outstanding bonds or other outstanding obligations payable from Pledged Gross Receipts Tax Revenues, such bonds or other obligations, or any part thereof, may be refunded (but only with the consent of the registered owner or owners thereof, unless 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 City's option), regardless of whether the priority of the lien for the payment of the refunding obligations on the Pledged Gross Receipts Tax Revenues is changed (except as provided in subsection D of Section 23 and in subsections B and C of this Section).

B. Limitations Upon Issuance of Parity Refunding Obligations. No refunding bonds or other refunding obligations payable from the Pledged Gross Receipts Tax Revenues shall be issued on parity with the lien thereon of the Bonds herein authorized, unless:

(1) The lien on the Pledged Gross Receipts Tax Revenues of the outstanding obligations so refunded is on a parity with the lien thereon of the Bonds herein authorized; or

(2) The refunding bonds or other refunding obligations are issued in compliance with Subsection A of Section 23 hereof.

C. Refunding Part of an Issue. The refunding bonds or other obligations so issued shall enjoy complete equality of lien with the portion of any bonds or other obligations of the same issue which is not refunded, if any there be; and the registered owner or owners of such refunding bonds or such other refunding obligations shall be subrogated to all of the rights and privileges enjoyed by the registered owner or owners of the bonds or other obligations of the same issue refunded thereby.

D. Limitations Upon Issuance of any Refunding Obligations. Any refunding bonds or other refunding obligations payable from the Pledged Gross Receipts Tax Revenues shall be issued with such details as the City may by ordinance or resolution provide, subject to the inclusion of any such rights and privileges designated in Subsection C of this Section, but without any impairment of any contractual obligations imposed upon the City 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 the issue herein authorized). If only a part of the outstanding bonds and any other outstanding obligations of any issue or issues payable from the Pledged Gross Receipts Tax Revenues is refunded, then such obligations may not be refunded without the consent of the registered owner or owners of the unrefunded portion of such obligations, unless:

(1) The refunding bonds or other refunding obligations do not increase any aggregate annual principal and interest requirements evidenced by such refunding obligations and by the outstanding obligations not refunded on and prior to the last maturity date of such unrefunded obligations, or

(2) The refunding bonds or other refunding obligations are issued in compliance with Subsection A of Section 23 hereof, or

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

Section 25. Equality of Parity Gross Receipts Tax Bonds. The Parity Bonds from time to time outstanding shall not be entitled to any priority one over the other in the application of the Pledged Gross Receipts Tax Revenues regardless of the time or times of their issuance or the date incurred, it being the intention of the City Council that, except as set forth herein, there shall be no priority among Parity Gross Receipts Tax Bonds regardless of whether they are actually issued and delivered or incurred at different times.

Section 26. Protective Covenants. The City hereby covenants and agrees with each and every holder of the Bonds issued hereunder:

A. Use of Bond Proceeds. The City will proceed without delay to apply the proceeds of the Bonds as set forth in Section 16 of this Bond Ordinance.

B. Payment of Bonds Herein Authorized. The City will promptly pay the principal of and the interest on every Bond at the

place, on the date and in the manner specified herein and in the Bonds according to the true intent and meaning hereof.

C. City's Existence. The City will maintain its corporate identity and existence so long as any of the Bonds remain outstanding, unless another political subdivision by operation of law succeeds to the liabilities and rights of the City, without adversely affecting to any substantial degree the privileges and rights of any owner of the Bonds.

D. Extension of Interest Payments. In order to prevent any accumulation of claims for interest after maturity, the City will not directly or indirectly extend or assent to the extension of time for the payment of any claim for interest on any of the Bonds, and the City will not directly or indirectly be a party to or approve any arrangements for any such extension.

E. Records. So long as any of the Bonds remain outstanding, proper books of record and account will be kept by the City, separate and apart from all other records and accounts, showing complete and correct entries of all transactions relating to the Pledged Revenues.

F. Audits and Budgets. The City will, within two hundred and seventy (270) days following the close of each Fiscal Year, cause an audit of its books and accounts relating to the Pledged Revenues to be commenced by an Independent Accountant showing the receipts and disbursements in connection with such revenues.

G. Other Liens. Other than as described and identified by this Bond Ordinance, there are no liens or encumbrances of any nature whatsoever on or against the Pledged Revenues.

H. Impairment of Contract. The City agrees that any law, ordinance or resolution of the City that in any manner affects the Pledged Revenues or the Bonds shall not be repealed or otherwise directly or indirectly modified, in such a manner as to impair adversely any Bonds outstanding, unless such Bonds have been discharged in full or provision has been fully made therefor or unless the required consents of the holders of the then outstanding Bonds are obtained pursuant to Section [30] of this Bond Ordinance.

I. Bond Account. The Bond Account shall be used solely and only, and those funds are hereby pledged, for the purposes set forth in this Bond Ordinance.

J. Surety Bonds. Each municipal official and employee being responsible for receiving Pledged Revenues shall be bonded at all times, which bond shall be conditioned upon the proper application of such funds.

K. Performing Duties. The City will faithfully and punctually perform all duties with respect to the Bonds required by the Constitution and laws of the State of New Mexico and the ordinances and resolutions of the City relating to the Bonds.

L. Tax Covenants.

(1) Ownership and Location of the QECB Projects. The projects financed with the Series 2016A Bonds are and will be owned by the City and constitute a "Green Community Program" under Section 54D(f)(1)(A)(ii) of the Tax Code. Accordingly, the Series 2016A Bonds are being issued for "qualified conservation purposes" under Section 54D(f)(1)(A)(i) of the Tax Code. The facilities comprising the projects are located within the territorial limits of the City.

(2) Qualified Expenditures of the Series 2016A Bonds. The City reasonably expects and hereby covenants that one hundred percent (100%) of the available project proceeds (which includes investment earnings) will be used with diligence for qualified expenditures as defined in Tax Code Section 54D(f).

(3) No Financial Conflicts of Interest. The City certifies that (i) applicable New Mexico and local law requirements governing conflicts of interest are satisfied with respect to the Series 2016A Bonds, and (ii) if in accordance with Section 54A(d)(6)(B) of the Tax Code the Secretary of the Treasury prescribes additional conflicts of

interest rules governing members of Congress, federal, state and local officials, and their spouses, the City will satisfy such additional rules with respect to the Series 2016A Bonds.

(4) Wage and Labor Standards Requirements. The City expressly acknowledges that Davis Bacon Act, 40 U.S.C. §276a ("Davis-Bacon Act") applies to the projects financed with proceeds of the Series 2016A Bonds. The Davis-Bacon Act contains labor standards and prevailing wage rates applicable to certain contracts for laborer and mechanics utilized in the construction installation and equipping of Qualified Energy Conservation Bond projects as described in subchapter IV of Chapter 31 of Title 40 of the United States Code and in the American Recovery and Reinvestment Act of 2009, Pub.L.No. 111-5, 123 Stat. 115 (2009). The City represents and warrants that it will comply with the Davis-Bacon Act requirements with respect to the projects financed with proceeds of the Series 2016A Bonds.

Section 27. Continuing Disclosure Undertaking. The officers of the City are authorized to sign such documents and to take such actions in the future with respect to the City's continuing disclosure obligations as are necessary or desirable to comply with the Continuing Disclosure Undertaking and the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. Notwithstanding any other provisions of this Bond Ordinance, failure of the City to comply with the Continuing Disclosure Undertaking shall not be considered an "event of default" under Section 28 hereof, and holders and beneficial owners of Bonds shall be entitled to exercise only such rights with respect thereto as are provided in the Continuing Disclosure Undertaking.

Section 28. Events of Default. Each of the following events is hereby declared an "event of default":

A. Nonpayment of Principal. Failure to pay the principal of any of the Bonds when the same becomes due and payable, either at maturity, or by proceedings for redemption, or otherwise.

B. Nonpayment of Interest. Failure to pay any installment of interest when the same becomes due and payable.

C. Incapable of Performing. If the City shall for any reason be rendered incapable of fulfilling its obligations hereunder.

D. Default of any Provision. Default by the City in the due and punctual performance of its covenants or conditions, agreements and provisions contained in the Bonds or in this Bond Ordinance on its part to be performed (other than a default set forth in subsections A and B of this Section), and the continuance of such default for thirty (30) days after written notice specifying such default and requiring the same to be remedied has been given to the City by the holders of twenty-five percent (25%) in aggregate principal amount of the Bonds then outstanding.

E. Bankruptcy. The City (i) files a petition or application seeking reorganization or arrangement of debt under Federal Bankruptcy law, or other debtor relief under the laws of any jurisdiction, or (ii) is the subject of such petition or application which the City does not contest or is not dismissed or discharged within sixty (60) days.

Section 29. Remedies upon Default. Upon the happening and continuance of any of the events of default as provided in Section 28 of this Bond Ordinance, then and in every case, the holder or holders of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds then outstanding, including, but not limited to, a trustee or trustees therefor, may proceed against the City, the City Council and its agents, officers and employees, but only in their official capacities, to protect and enforce the rights of any holder of Bonds under this Bond Ordinance by mandamus or other suit, action or special proceedings in equity or at law, in any court of competent jurisdiction, either for the appointment of a receiver or for the specific performance of any covenant or agreement contained herein or in an award relating to the execution of any power herein granted for the enforcement of any legal or equitable remedy as such holder or holders may deem most effectual to protect and enforce the rights provided above, or to enjoin any act or thing which

may be unlawful or in violation of any right of any Bondholder, or to require the City Council to act as if it were the trustee of an express trust, or any combination of such remedies. All such proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all holders of the Bonds then outstanding. The failure of any Bondholder so to proceed shall not relieve the City or any of its officers, agents or employees of any responsibility for failure to perform, in their official capacities, any duty. Each right or privilege of such holder (or trustee thereof) is in addition and cumulative to any other right or privilege, and the exercise of any right or privilege by or on behalf of any holder shall not be deemed a waiver of any other right or privilege.

Section 30. Duties upon Default. Upon the happening of any of the events of default provided in Section 28 of this Bond Ordinance, the City, in addition, will do and perform all proper acts on behalf of and for the owners of the Bonds to protect and preserve the security created for the payment of the Bonds and to insure the payment of the principal of and interest on the Bonds promptly as the same become due. All proceeds derived therefrom, so long as any of the Bonds, either as to principal or interest, are outstanding and unpaid, shall be applied as set forth in Section 17 of this Bond Ordinance. In the event the City fails or refuses to proceed as provided in this Section, the holder or holders of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds then outstanding, after demand in writing, may proceed to protect and enforce the rights of the owners of the Bonds as hereinabove provided.

Section 31. Bonds Not Presented When Due. If any Bonds shall not be duly presented for payment when due at maturity or on the redemption date thereof, and if moneys sufficient to pay such Bonds are on deposit with the Paying Agent for the benefit of the owners of such Bonds, all liability of the City to such owners for the payments of such Bonds shall be completely discharged, such Bonds shall not be deemed to be outstanding and it shall be the duty of the Paying Agent to segregate and to hold such moneys in trust, without liability for interest thereon, for the benefit of the owners of such Bonds as may be provided in any agreement hereafter entered into between the Paying Agent and an officer of the City.

Section 32. Delegated Powers. The officers of the City be, and they hereby are, authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Bond Ordinance, including, without limiting the generality of the foregoing, the publication of the title and general summary of this Bond Ordinance set out in Section 39 (with such changes, additions and deletions as they may determine), the printing of the Bonds, the execution of the Continuing Disclosure Undertaking and of such documents or certificates as may be required by the Purchaser or bond counsel.

Section 33. Amendment of Bond Ordinance. This Bond Ordinance may be amended without the consent of the holder of any Bond to cure any ambiguity or to cure, correct or supplement any defect or inconsistent provision contained herein. Prior to the date of the initial delivery of the Bonds to the Purchaser, the provisions of this Bond Ordinance may be amended with the written consent of the Purchaser, with respect to any changes which are not inconsistent with the substantive provisions of this Bond Ordinance. In addition, this Bond Ordinance may be amended without receipt by the City of any additional consideration, but with the written consent of the holders of seventy-five percent (75%) of the Bonds then outstanding (not including Bonds which may be held for the account of the City); but no ordinance adopted without the written consent of the holders of all outstanding Bonds shall have the effect of permitting:

- A. An extension of the maturity of any Bond; or
- B. A reduction of the principal amount or interest rate of any Bond; or
- C. The creation of a lien upon the Pledged Revenues ranking prior to the lien or pledge created by this Bond Ordinance; or
- D. A reduction of the principal amount of Bonds required for consent to such amendatory ordinance; or

E. The establishment of priorities as between Bonds issued and outstanding under the provisions of this Bond Ordinance; or

F. The modification of or otherwise affecting the rights of the holders of less than all the outstanding Bonds.

Section 34. Defeasance. When all principal and interest in connection with the Bonds hereby authorized have been duly paid, the pledge and lien on the Pledged Revenues for the payment of the Bonds shall thereby be discharged and the Bonds shall no longer be deemed to be outstanding within the meaning of this Bond Ordinance. Payment shall be deemed made with respect to any Bond or Bonds when the City has placed in escrow with a commercial bank exercising trust powers, an amount sufficient (including the known minimum yield from Defeasance Obligations, as defined below) to meet all requirements of principal and interest as the same become due to their final maturities or upon designated redemption dates. Any Defeasance Obligations shall become due when needed in accordance with a schedule agreed upon between the City and such bank at the time of the creation of the escrow. Defeasance Obligations within the meaning of this Section shall include only (1) cash, (2) U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series - "SLGs"), and (3) obligations the principal of and interest on which are unconditionally guaranteed by the United States of America.

Section 35. Bond Ordinance Irrepealable. After any of the Bonds are issued, this Bond Ordinance shall be and remain irrepealable until the Bonds and the interest thereon shall be fully paid, canceled and discharged, as herein provided, or there has been defeasance of the Bonds as herein provided.

Section 36. Severability Clause. If any Section, paragraph, clause or provision of this Bond 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 Bond Ordinance.

Section 37. 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 38. Effective Date. Upon due adoption of this Bond Ordinance, it shall be recorded in the book of ordinances of the City kept for that purpose, authenticated by the signatures of the Mayor or Mayor Pro-Tem and City Clerk, and the title and general summary of the subject matter contained in this Bond Ordinance (set out in Section 36 below) shall be published in a newspaper which maintains an office and is of general circulation in the City and this Bond Ordinance shall be in full force and effect in accordance with law.

Section 39. 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 Bond Ordinance shall be published in substantially the following form:

(Form of Summary of Bond 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 an ordinance duly adopted and approved by the City Council of the City of Farmington, on November 30, 2016, relating to the authorization and issuance of the City's Taxable Direct Payment Qualified Energy Conservation Bonds, Series 2016A. Complete copies of the Ordinance are available for public inspection during the normal and regular business hours of the City Clerk, Farmington City Hall, 800 Municipal Drive, Farmington, New Mexico.

The title of the Ordinance is:

AN ORDINANCE PROVIDING FOR THE ISSUANCE OF THE CITY OF FARMINGTON, NEW MEXICO TAXABLE DIRECT PAYMENT QUALIFIED ENERGY CONSERVATION BONDS SERIES 2016A IN THE AGGREGATE PRINCIPAL AMOUNT OF \$4,740,000 TO ACQUIRE, INSTALL, RETROFIT AND REPLACE ENERGY CONSERVATION MEASURES IN MUNICIPAL FACILITIES OWNED BY THE CITY AND TO PAY COSTS OF ISSUANCE OF THE SERIES 2016A BONDS; PROVIDING THAT THE SERIES 2016A BONDS WILL BE PAYABLE FROM STATE-SHARED GROSS RECEIPTS TAX REVENUES DISTRIBUTED TO THE CITY PURSUANT TO SECTION 7-1-6.4 NMSA 1978, AND FEDERAL SUBSIDY PAYMENTS FROM THE UNITED STATE TREASURY; PROVIDING THE FORM, TERMS AND CONDITIONS OF THE SERIES 2016A BONDS, THE METHOD OF PAYING THE SERIES 2016A BONDS AND THE SECURITY THEREFOR; PRESCRIBING OTHER DETAILS CONCERNING THE PLEDGED REVENUES; RATIFYING ACTION PREVIOUSLY TAKEN IN CONNECTION THEREWITH; AND REPEALING ALL ORDINANCES IN CONFLICT HEREWITH.

A summary of the subject matter of this Ordinance is contained in its title. This notice constitutes compliance with Section 6-14-6 NMSA 1978.

(End of Form of Notice of Adoption of Ordinance)

DONE AND APPROVED this 30th day of November, 2016.

APPROVED:

Tommy Roberts, Mayor

ATTEST:

Dianne Smylie, City Clerk

CITY OF FARMINGTON
INTER-OFFICE MEMORANDUM

TO: Mayor Roberts and City Council
FROM: Kristi Benson, CPPO, CPPB *KB*
Chief Procurement Officer
DATE: October 25, 2016
SUBJECT: Geographic Information System Transmission Inventory for Farmington Electric
Utility System, RFP #17-115744

USING DEPARTMENT: Electric Utility
=====

A proposal opening was held on August 24, 2016 for Geographic Information System Transmission Inventory for Farmington Electric Utility System. Seven (7) offers were submitted.

The Central Purchasing Department concurs with the recommendation from the evaluation committee to award the contract to ESC Engineering, Inc., the top evaluated firm. Award is based on the pricing schedule for services as required. The in-state or Veterans preference was given to qualified bidders. The final rankings are listed below:

ESC Engineering, Inc. – Fort Collins, CO
SME Environmental, Inc. – Durango, CO
Cobb, Fendley & Associates, Inc. – Albuquerque, NM
LT Environmental, Inc. – Durango, CO
Utility System Efficiencies, Inc. – Carmichael, CA
Ecosphere – Durango, CO
Safe Site Utility Services – Glendale, AZ

Kristi Benson (Presenter)
Council Meeting 11/8/16 Close/Reopen

xc: H. Andrew Mason – Administrative Services Director
Hank Adair – Electric Utility Director
John Armenta – Electric Engineering Manager
File – 17-115744/EM

Evaluation Committee:
Kris Cope – Electric Utility
Mitchell Betonie – Electric Utility
Ward Allies – Electric Utility
Jerri Bluehouse – Electric Utility
Bobbi Kimball - IT

CITY OF FARMINGTON
INTER-OFFICE MEMORANDUM

TO: Mayor Roberts and City Council
FROM: Kristi Benson, CPPO, CPPB *KEB*
Chief Procurement Officer
DATE: November 3, 2016
SUBJECT: High Definition Laser Scanner, RFP #17-116702
USING DEPARTMENT: Electric Utility
=====

A proposal opening was held on September 7, 2016 for the High Definition Laser Scanning Survey Bundle. One offer was submitted.

The name of the business submitting the sole response is Vectors Inc., Albuquerque, NM.

The Central Purchasing Department concurs with the recommendation from the evaluation committee to award the contract to Vectors Inc. 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.

Kristi Benson (Presenter)
Council Meeting, 11/8/16, Close/Reopen

xc: H. Andrew Mason, Administrative Services Director
Hank Adair, Electric Utility Director
Dale Smith, Estimator Superintendent
File – 17-116702/EM

Evaluation Committee:
Herb Blair, Electric Utility
Dalton James, Electric Utility
Mitchell Betonie, Electric Utility
Jerri Bluehouse, Electric Utility
Melvin Cline, Public Works

CITY OF FARMINGTON
CENTRAL PURCHASING
INTER-OFFICE MEMORANDUM

TO: High Definition Laser Scanning Survey Bundle for the Farmington Electric Utility System, RFP #17-116702

FROM: Emily Milne, Buyer II

DATE: September 9, 2016

SUBJECT: Single Response Documentation

=====
Twenty two (22) 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) Geoshack, Inc.: Chad Long - Did not receive our Notice to Offerors. The address on file is correct.
- (2) Allen Precision: Frank Frazier – Did not receive our Notice to Offerors. The address we have on file is incorrect. We mailed the notice to the corporate address. I had the address updated in our system to go to Frank in Scottsdale, AZ.
- (3) Advanced Geodetic Surveys: Laura Boehm – Did not receive our Notice to Offerors. The address on file is correct.
- (4) Holman's Inc.: Eric Evans – Did receive our Notice to Offerors. Their proposal arrived at 2:45 pm on September 7, 2016, but was not accepted and considered late after 2:00 pm.

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, October 25, 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 members of said Governing Body.

Also present were:

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

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

INVOCATION: The invocation was offered by Pastor Nathan Wheeler of East Side Church of Christ.

City Attorney Jennifer Breakell 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 October 11, 2016 and the Regular Work Session of the City Council held October 18, 2016.

*Bid: The Chief Procurement Officer recommended that the bid for purchase of a steerable pole trailer (Electric) be awarded to Moran Welding, Inc., doing business as Brooks Brothers Trailers, on its low bid of \$73,600 after application of the five percent in-state preference. Bids opened October 18, 2016 with two bidders participating.

*PURCHASE AGREEMENT between the City and Animas Valley Land and Water Company, LLC, for purchase by the City of 0.22 acres of land located in the 4P Subdivision (Lot 1) for a new domestic water pump station (purchase price \$8,200).

*RECOMMENDATION FROM THE LIQUOR HEARING OFFICER for approval of Application #1013424 for a new Restaurant License (beer and wine for on premise consumption only) from Shanmon Food Services, 612 Fern Drive, Farmington, New Mexico, doing business as The Chile Pod, 121 West Main Street, Farmington, New Mexico. (Hearing held October 21, 2016)

*WARRANTS PAYABLE for the time period of October 9, 2016 through October 22, 2016, for current and prior years, in the amount of \$7,883,144.62.

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

EXTRA MILE DAY PROCLAMATION

The Mayor presented and read in full a Proclamation declaring November 1, 2016 as "Extra Mile Day" and he encouraged each individual in the community to take the time to "go the extra mile" in his or her own life and to acknowledge those who are committed to making the world a better place.

NATIONAL NURSE PRACTITIONERS WEEK PROCLAMATION

Mayor Roberts presented Melissa Rietz and Anne Daniels with a Proclamation declaring November 13 through 19, 2016 as "National Nurse Practitioners Week."

LAKE FARMINGTON END-OF-SEASON REPORT

Utilizing a Powerpoint presentation, Parks, Recreation & Cultural Affairs Director Cory Styron reported that the dates of operation for non-motorized watercraft on Lake Farmington were extended this year (April 16 through October 30) based on comments received from citizens; stated that more than 4,230 watercraft were inspected; and noted that the swim area (known as "The Beach") was created at the direction of the Council and was operational from the Friday prior to Memorial Day to the weekend after Labor Day. He reported that The Beach was open daily from 12:00 p.m. to 6:00 p.m. and had a total of 40,443 visitors, which far surpassed the number of visitors at Brookside Pool when it was open. Mr. Styron noted that Greg Vick, owner of Paddle and Shiver Shack, expressed to him that the attendance far exceeded his expectations and resulted in him expanding his services to include the rental of life jackets and increasing the number of paddle craft available for rent from 6 to 28. He also pointed out that the local Dick's Sporting Goods store had the largest sale of paddle craft items in the region and noted that the San Juan College Outdoor Equipment Rental Center experienced a peak in the number of inflatable stand-up paddle boards being rented. He stated that 100 visitors were surveyed with an overwhelming number of them indicating that The Beach is a positive addition to the community and noted that the participants indicated that they enjoyed the floating play structures and the snack and watercraft concessionaire but stated that they would like to see more shade, a larger beach and more food options. Furthermore, Mr. Styron reported that swimming outside of designated boundaries, unauthorized camping and fires, a significant increase in traffic and the close proximity of the road to The Beach area were all challenges that staff faced this year. In closing, he reported that staff will be working to 1) provide additional shade options; 2) increase the number of water elements; 3) expand the beach size up to 10,000 square feet; 4) redirect the roadway to cut down on dust; 5) promote out-of-area marketing; and 6) identify funding sources and programs to help expand the programs being provided. He noted that staff is recommending that the Parks, Recreation & Cultural Affairs Commission be authorized to evaluate a fee structure and provide a recommendation to the Council in the near future.

Councilor Duckett stated that he believes that The Beach has turned into a dynamic addition to the community with a lot of potential for growth. He questioned whether there are measures that could be taken to account for the fluctuation of the water levels and he asked about future floatable play structure ideas and picnic tables. In response, Mr. Styron reported that staff will be further surveying the lake bottom in the next few months to determine if the designated area could be expanded if the lake levels decrease. With regard to the floatable play structures, he stated that staff is looking for unique items, such as hamster balls, in an effort to remain different from Blue Hole in Santa Rosa, New Mexico. He also stated that shade was identified as a higher priority than picnic tables and stated that they are also considering adding the rental of lounge chairs and shade structures.

Councilor Rodgers announced that she has heard many positive comments about The Beach and is amazed that staff completed the project with such little funding. She stated that she has also heard comments that picnic tables are needed and questioned the number of people who took advantage of the Red Apple Transit bus stop at Lake Farmington. In response, Mr. Styron reported that the construction costs were approximately \$78,000 (\$100,000 was budgeted) and stated that to his knowledge no one took advantage of the bus stop because the rider would have to go to Aztec and then be dropped off on the way back into town.

Responding to inquiry from Councilor McCulloch, Mr. Styron explained that the theory behind the fee structure is to provide some additional revenue to further develop the park area and help pay for increases in operational costs due to the success of the program.

Lastly, in response to a question from Mayor Roberts, Mr. Styron reported that the Paddle and Shiver Shack provided the best letter of interest for operation of the concessionaire, noting that he paid \$800 for three months of operation and pays an additional \$20 annual fee for each boat that is rented. He also noted that there is a 10 percent escalator programmed into the three-year contract.

REAPPOINTMENTS TO THE ADMINISTRATIVE REVIEW BOARD

Mayor Roberts asked the Council's consideration of the reappointments of Jim Dennis and Ireke Cooper (terms to October 2018) to the Administrative Review Board.

Thereupon, a motion was made by Councilor Duckett, seconded by Councilor Rodgers to confirm the reappointments of Jim Dennis and Ireke Cooper to the Administrative Review Board, as recommended by the Mayor, and upon voice vote the motion carried unanimously.

REAPPOINTMENT TO THE PUBLIC UTILITY COMMISSION

Mayor Roberts asked the Council's consideration of the reappointment of Jeff Parkes (District 2) (term to October 2019) to the Public Utility Commission.

Thereupon, a motion was made by Councilor McCulloch, seconded by Councilor Duckett to confirm the reappointment of Jeff Parkes to the Public Utility Commission, as recommended by the Mayor, and upon voice vote the motion carried unanimously.

COUNCIL BUSINESS

Complaints on Roadway Conditions

Councilor Duckett commended Public Works Director David Sypher for his willingness to address complaints expressed by his constituents with regard to the conditions of 20th Street and Foothills Drive due to construction.

CITY MANAGER BUSINESS

City Manager Rob Mayes presented a proposed ordinance pertaining to the 2016 Civic Center Improvement Revenue Bonds and stated that notice of intent to consider said ordinance has been published two weeks prior to final action upon the ordinance as required by Section 3-17-3 NMSA 1978 Compilation. He recommended the ordinance, if adopted, be given the number 2016-1294. The title of the ordinance being:

AN ORDINANCE AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF THE CITY OF FARMINGTON, NEW MEXICO GROSS RECEIPTS TAX CIVIC CENTER IMPROVEMENT REVENUE BONDS, SERIES 2016 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$12,500,000 FOR THE PURPOSE OF DEFRAYING THE COST OF DESIGNING, CONSTRUCTING, INSTALLING, EQUIPPING AND IMPROVING CIVIC CENTER FACILITIES OWNED BY THE CITY; PROVIDING THAT THE BONDS WILL BE PAYABLE FROM STATE SHARED GROSS RECEIPTS TAX REVENUES DISTRIBUTED TO THE CITY PURSUANT TO SECTION 7-1-6.4 NMSA 1978, HOLD HARMLESS GROSS RECEIPTS TAX REVENUES DISTRIBUTED TO THE CITY PURSUANT TO SECTION 7-1-6.12 NMSA 1978, AND CONVENTION CENTER FEE REVENUES COLLECTED BY THE CITY PURSUANT TO SECTIONS 5-13-1 THROUGH 5-13-15 NMSA 1978 AND CITY ORDINANCE NO. 2014-1272; PROVIDING THAT THE MATURITY DATES, PRINCIPAL AMOUNTS, INTEREST RATES, REDEMPTION PROVISIONS AND OTHER DETAILS OF THE BONDS WILL BE ESTABLISHED IN A SUPPLEMENTAL RESOLUTION; PROVIDING FOR THE EXECUTION OF THE BONDS AND OTHER DOCUMENTS AND AGREEMENTS RELATING TO THE BONDS BY AUTHORIZED OFFICERS OF THE CITY; RATIFYING ACTION PREVIOUSLY TAKEN IN CONNECTION THEREWITH; AND REPEALING ALL ORDINANCES IN CONFLICT HEREWITH.

Mr. Mayes pointed out that staff was successful in obtaining approval of the federally-subsidized rebate program associated with the proposed energy efficiency improvements and, as a result, stated that the amount of the Civic Center Improvement Revenue Bond has been decreased by

\$5 million. He noted that a separate ordinance pertaining to the \$5 million Qualified Energy Conservation Bonds will be presented for discussion at the November 8, 2016 regular City Council meeting and that both bonds will be marketed on November 30 which requires the rescheduling of the Special City Council meeting on November 17, 2016 to November 30, 2016 at noon.

There being no discussion, a motion was made by Councilor McCulloch, seconded by Councilor Duckett to pass and adopt Ordinance No. 2016-1294 as presented. 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 and Ordinance No. 2016-1294 was duly passed and adopted.

BUSINESS FROM THE FLOOR

Lake Farmington/Internet Sales Transactions

Greg Vick, owner of Paddle and Shiver Shack, apologized for being late to the meeting, explaining that he thought it was scheduled for tomorrow night. He thanked the Mayor and Council for the opportunity to operate the concession at Lake Farmington and reported that he heard good responses from all the visitors, especially the out-of-towners. He stated that there were several repeat visitors from Durango, Colorado, Rio Rancho, New Mexico and Bernalillo, New Mexico and contended that Lake Farmington is a gem that offers lots of possibility for expansion. He praised Parks, Recreation & Cultural Affairs Director Cory Styron and his staff for their development and operation of The Beach and stated that he has some ideas for expanding services next year, including sponsorship of a triathlon.

On another note, Mr. Vick announced that he buys many of his items from Amazon because they are not available locally and questioned why New Mexico has not adopted legislation to capture the sales tax on those transactions. In response, Mayor Roberts reported that the Council has, on numerous occasions, urged the legislative delegation to adopt legislation that would remedy the problem and has been told that it would require federal action. However, he noted that there are several states that have already adopted legislation and he contended that one option would be to adopt a compensating tax that would require buyers to self-report and pay the gross receipts tax. He acknowledged that this might not be the best system, but stated that it is a start in right direction. He also assured Mr. Vick that he is an advocate for this effort and stated that he suspects that the Council will also display strong support during the upcoming legislative session. In the meantime, he urged all citizens to shop locally.

CLOSED MEETING

A motion was made by Councilor McCulloch, seconded by Councilor Rodgers to close the meeting to discuss request for proposals for advanced metering infrastructure, pursuant to Section 10-15-1H(6). 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 6:40 p.m. with all members of the Council being present.

Following the closed meeting, during which meeting the matter discussed was limited only to that specified in the motion for closure, a motion was made by Councilor 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 6:43 p.m. with all members of the Council being present.

REQUEST FOR PROPOSALS/ADVANCED METERING INFRASTRUCTURE

Chief Procurement Officer Kristi Benson reported that proposals for advanced metering infrastructure (Electric) opened on September 28, 2016 with six offerors participating. She recommended that negotiations be commenced with Eaton Corporation as the top evaluated offeror after application of the Veterans preference.

Thereupon, a motion was made by Councilor Rodgers, seconded by Councilor Sharer to direct staff to commence negotiations on the proposal for advanced metering infrastructure with Eaton Corporation, 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 6:44 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 8th day of November, 2016.

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

Tommy Roberts, Mayor

SEAL

ATTEST:

Dianne Smylie, City Clerk