

**CITY OF FARMINGTON
CITY COUNCIL SPECIAL WORK SESSION AGENDA
December 6, 2016 – 9:00 a.m.**

DEPARTMENT HEAD REPORTS

1. Update on the Joint Intervention Program (JIP) (Julie Baird and Laura Ann Crawford, Presbyterian Medical Services)

Action Requested of Council:

Information only.

2. Binding Commitment Letter DW 3632 to New Mexico Finance Authority (NMFA) for the 2P Waterline project (Phase II) loan (David Sypher) -----1

Action Requested of Council:

Authorize the Mayor to sign Binding Commitment Letter DW 3632 and any future paperwork required by NMFA to complete the loan process.

Background/Rationale:

The 2P Waterline project is currently phased in the five-year Capital Improvement Plan (CIP) in conjunction with the adopted Infrastructure Capital Improvement Plan (ICIP), ranking as the City's number two project. The project map is attached.

In March 2016 Public Works submitted a Project Interest Form at the request of the New Mexico Environment Department ("NMED") for the Drinking Water State Revolving Loan Fund Program. On July 12, 2016 we were notified that the project for the replacement of water lines was ranked 16th and did not qualify for a grant match, which was determined to not be advantageous to the City.

On September 13, 2016 the Council approved Resolution No. 2016-1605 along with the non-binding project application for funding through a loan/grant for \$3.56 million from NMFA through the Drinking Water State Revolving Loan Fund Program from the NMED Drinking Water Bureau. The loan will be administered by NMFA in the amount of \$3.56 million. The loan is at 2% interest for 22 years with a 25% forgiveness of principal on the proposed 2P Waterline project - Phase II. The amortized payment is proposed within the budgeted R&R revenue at approximately \$152,000 per year.

Project Description:

The New Mexico Finance Authority, through the Drinking Water Revolving Loan Fund, has approved the City of Farmington's application to replace approximately 2.3 miles of antiquated and undersized pipeline at an estimated cost of \$3.56 million for Phase II. This improvement to the aging water infrastructure is one of many phased improvements to the City of Farmington's potable water system. The City grew rapidly in the decade of the 1950's, with the population expanding from approximately 3,600 to more than 23,000; with that rapid expansion came installation of many miles of sewer and water lines. While many of these older utility lines have since been replaced, many more remain in the system and are either undersized, nearing their 50-year life expectancy, or both. The tuberculated cast iron waterlines are restricting the effective inside diameter and thus the capacity. To meet growing demands on the system to improve water quality and fire suppression capabilities in south Farmington, the project will also upsize the pipeline. The City has adopted water and sewer rate changes and implemented a new, essential "renewal and replacement" (R&R) charge for the purpose of funding an aggressive replacement program for this aging infrastructure. Nevertheless, it is apparent that the scale of the replacements needed would be greatly assisted with grant funds over the next ten years augmenting the projected R&R revenues.

The Murray Drive 2P Waterline is a three-phased project. Phase I extends from Camina Flora on Highway 64 to Sandstone Avenue and north on Sandstone to Southside River Road. Phase I comprises about 9300 lineal feet of pipeline. Phase II totals 2.3 miles and runs on Murray Drive from Miller Avenue to Bloomfield Boulevard and then tees on McCormick School Road from Murray Drive to Bloomfield Boulevard for 1.5 miles. Phase III includes Bloomfield Boulevard from Malta Avenue to Carlton Avenue; Carlton Avenue from Bloomfield Boulevard to Miller Avenue; Don Rovin Lane from US 64 to the end of the road; and Hutton Road from US 64 to Southside River Road which comprises approximately 9500 lineal feet of pipeline. The total project cost estimate for all three phases is \$8.2 million.

Staff Recommendation:

Authorize the Mayor to sign the Binding Commitment Letter DW 3632 and any future paperwork required by NMFA to complete the loan process.

Instructions Upon Approval:

Staff will submit the Binding Commitment Letter DW 3632 to NMFA as required for the loan for the 2P Waterline project (Phase II).

Budgetary Impact:

This project can be added as a budget adjustment to the FY18 proposed budget.

3. Bid for purchase of 500 MCM cable (Kristi Benson) -----2

Action Requested of Council:

Approve recommendation for award.

Background/Rationale:

Bids opened November 29, 2016 for the purchase of 500 MCM cable (Electric) with four bidders participating.

Staff Recommendation:

Award the bid to Western United as the lowest and best bidder with the shortest delivery schedule and meeting specifications after application of five percent in-state preference (\$105,525) and to reject the bids received from Border States Electric and Stuart C. Irby for having a longer delivery schedule.

Instructions upon Approval:

Award the contract.

COUNCIL BUSINESS

4. Appointments to the Library Board (Mayor)

CLOSED MEETING

5. To discuss the acquisition of real property (near Lake Farmington), pursuant to Section 10-15-1H(8) NMSA 1978.

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.

**New Mexico Finance Authority
Public Water System Letter of Binding Commitment DW 3632**

November 1, 2016

The New Mexico Finance Authority (Finance Authority), subject to the Board of Directors' normal and customary procedures, hereby commits to make a loan in the approximate amount of \$3,595,600 with a maturity of 22 years and an interest rate of 2%, to the City of Farmington (Applicant), a qualified public water supply system under federal law, 42 U.S.C. 300j-12, and applicable state law, Sections 6-21A-1, *et seq.*, NMSA 1978, organized and existing under the Laws of New Mexico, in order to partially and/or wholly finance the water project of the Applicant, as described in the Applicant's application, subject to the following terms and conditions of this Binding Commitment Letter (Commitment).

- I. This Commitment requires that the Applicant submit the following documents to the Finance Authority by May 1, 2017 as applicable:
- 1) Executed copy of the attached Binding Commitment Letter;
 - 2) Executed copy of attached EPA form 4700-4;
 - 3) Applicant needs to demonstrate compliance with EPA guidance on System Award Management found at the following website:
[\(https://www.sam.gov/portal/public/SAM/\)](https://www.sam.gov/portal/public/SAM/)
 - 4) Preliminary Engineering Report (PER) or technical memo acceptable to the Finance Authority;
 - 5) Cost breakdown of the project, certified by an engineer or architect;
 - 6) Detailed drawdown schedule for project payments;
 - 7) Engineering Contract Award approval by New Mexico Environment Department (NMED-CPB) and Finance Authority;
 - 8) Completion of the State Environmental Review Process approved by the Finance Authority; and
 - 9) Any additional information requested by the Finance Authority.

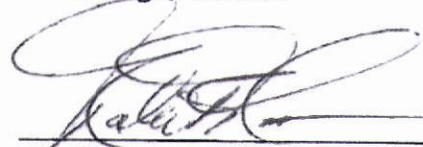
Upon receipt of the above documents, the Finance Authority intends to prepare a financing schedule and initiate the closing process.

- II. If the conditions set forth above are not satisfied, the commitment may be extended, in the sole discretion of the Finance Authority, for an additional 60 days, during which time the Applicant must submit the remaining documentation to the Finance Authority. Failure on the Applicant's part to submit the above documentation will result in termination of the Authority's Commitment.
- III. The following documents will be required before funds are disbursed for construction:

**New Mexico Finance Authority
Public Water System Letter of Binding Commitment DW 3632**

- 1) Approval of Plans and Specifications by New Mexico Environment Department (NMED-CPB) Construction Programs Bureau and Finance Authority;
- 2) Approval of Plans and Specifications by New Mexico Environment Department (NMED-DWB) Drinking Water Bureau prior to construction start;
- 3) Approval of Bids by NMED-CPB and Finance Authority;
- 4) Any additional information requested by Finance Authority; and
- 5) Loan documents shall conform to Finance Authority standard forms.

IV. Closing and funding of the loan has been approved by the Finance Authority's Board of Directors, subject to the terms and conditions set out in this Commitment. The construction of the project must be completed within two years from the date of closing of the loan.



Chief Executive Officer
New Mexico Finance Authority

11/1/16

Date

The undersigned hereby accepts and acknowledges the foregoing commitment and agrees to the terms and conditions thereof.

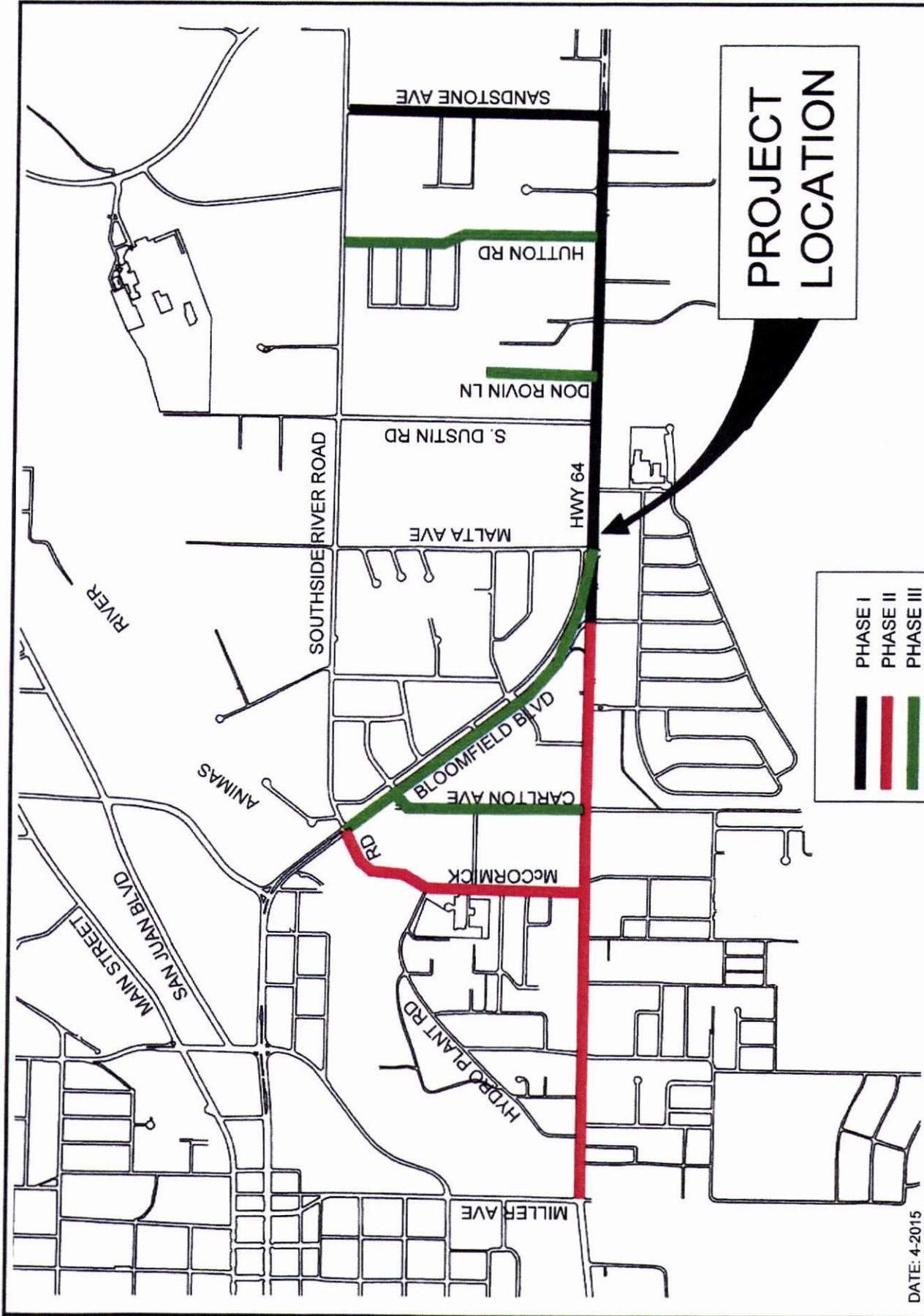
Applicant: City of Farmington

Signatory Authority

Mayor
Title

Date

Legal Department
Approved as to form
By [Signature]
Date 12/1/16



DATE: 4-2015

- PHASE I
- PHASE II
- PHASE III

**PROJECT
LOCATION**

City of Farmington, NM

2P WATERLINE PROJECT VICINITY MAP



This Map is believed to be accurate. However, The City of Farmington makes no warranties, expressed or implied, including fitness for use.

CITY OF FARMINGTON
INTER-OFFICE MEMORANDUM

TO: Mayor Roberts and City Council
FROM: Kristi Benson, CPPO, CPPB *KB*
Chief Procurement Officer
DATE: December 1, 2016
SUBJECT: 500 MCM Cable, Bid #17-118635
USING DEPARTMENT: Electric Utility
=====

A bid opening was held on November 29, 2016 for 500 MCM Cable. Four (4) bidders responded.

The Central Purchasing Department concurs with the recommendation from the Electric Utility to reject the bids from Border States Electric and Stuart C. Irby for having a longer delivery schedule. The bid specifications stated the City would award to the bidder with a shorter delivery schedule if deemed in the best interest of the City.

The Central Purchasing Department concurs with the recommendation from the Electric Utility to award the bid to Western United from Albuquerque, NM a responsible bidder submitting the lowest responsive bid with the shortest lead time and meeting specifications for a total awarded amount of \$105,525 plus estimated applicable taxes of \$5,276. The in-state preference was given to qualified bidders.

Kristi Benson (Presenter)
Work Session/Council Meeting December 6, 2016

Copy to: H. Andrew Mason, Administrative Services Director
Hank Adair, Electric Utility Director
Luke Lugenbeel, Acting Transmission & Distribution Manager

~~File - 17-118635~~

CITY OF FARMINGTON - ABSTRACT SCHEDULE
 BID: 500 MCM, 17-118634 OPENING DATE: November 29, 2016 @ 2:00 PM
 ELECTRIC UTILITY

ITEM DESCRIPTION	Border States Electric 865 S. Browning Parkway Farmington, NM 87402 (Perelli)	Stuart C. Irby 2417 Aztec NE Albuquerque, NM 87107 (General Cable)	Western Unified Electric 7311 La Morada Place Albuquerque, NM 87120 (Okonite)	National Electric Supply 2200 Midtown Place Albuquerque, NM 87107 (Okonite)
A. 2500 FT REEL; 500 COPPER, 15KV, JACKETED CONCENTRIC NEUTRAL	\$69,923.70	\$75,000.00	\$75,375.00	\$78,225.00
B. 1000 FT REEL; 500 COPPER, 15KV, JACKETED CONCENTRIC NEUTRAL	\$27,969.48	\$30,240.00	\$30,150.00	\$31,290.00
C. OPTION: EXPEDITED FREIGHT CHARGE	NO BID	NO BID	NO BID	NO BID
TOTAL BID (Items A-C)	\$97,893.18	\$105,240.00	\$105,525.00	\$109,515.00
TOTAL BID WITH IN-STATE PREFERENCE	\$92,998.52	\$99,978.00	\$100,248.75	\$109,515.00
IN-STATE OR VETERANS PREFERENCE:	L1749188656	L0142770224	L1143125552	expired
PAYMENT TERMS:	NET 30	NET 30	NET 30	NET 30
DELIVERY:	36 CALENDAR DAYS	66 CALENDAR DAYS	28 CALENDAR DAYS	6-8 WEEKS