Regular Meeting of the City Council, City of Farmington, New Mexico, held in the Council Chamber at City Hall at 7:00 p.m. on Tuesday, February 11, 2014. 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

Dan Darnell Mary M. Fischer Gayla McCulloch Jason Sandel

constituting all the members of said Governing Body.

Also present were:

CITY MANAGER

Rob Mayes

ASSISTANT CITY MANAGER

Bob Campbell

CITY ATTORNEY

Jay B. Burnham

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 Men's Minister Jerry Stickler of Crossroads Community Church.

Burt Sandoval led the Pledge of Allegiance.

CONSENT AGENDA: The Mayor announced that 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 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 January 28, 2014 and the minutes of the Regular Work Session of the City Council held January 21, 2014.
- \*ADOPTION OF RESOLUTION NO. 2014-1497 authorizing the City to submit an Alcohol Detoxification Grant application to the Department of Finance and Administration, Local Government Division, to participate in the Local DWI Grant Program.
- \*ACCEPTANCE OF GRANT FUNDING from the New Mexico Department of Homeland Security & Emergency Management (Sub-Grant Agreement No. HM-HMP-0362-13-01-00 FFD3) for training reimbursement for Basic Airport Rescue and Fire Fighting in the amount of \$8,272 (City's match is \$2,068) and Advanced Airport Rescue and Fire Fighting in the amount of \$9,302 (City's match is \$2,325.50) (term to September 30, 2014).
- \*AFFIRMATION OF THE FINDINGS OF FACT, CONCLUSIONS OF LAW AND FINAL DECISION for Petition No. ARB 13-16 to overturn the decision of the Administrative Review Board and to grant Chad Stett a variance to operate a vehicle repair business at 1717 Schofield Lane within 200 feet of a residential area and within the GC, General Commercial, zoning district.
- \*WARRANTS PAYABLE for the time period of January 26, 2014 through February 8, 2014, for current and prior years, in the amount of \$5,484,869.42.

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

## RECOMMENDATION FROM THE PLANNING AND ZONING COMMISSION:

\*CONSENT AGENDA: Community Development Director Mary Holton requested that the Planning and Zoning Commission recommendation marked with an asterisk (\*) be placed on the Planning and Zoning Commission Consent Agenda and voted on without discussion by one motion. She asked that if the item proposed did not meet with approval of all Councilors or if a citizen so requested, the item would be removed from the Consent Agenda and heard in regular order.

\*(1) Adoption of the recommendation from the Planning and Zoning Commission as contained within the Community Development Department Petition Report to approve Petition No. SUP 13-15 from John Morgan requesting a Special Use Permit for a family care unit addition to his residence at 5611 Wildwood in the RE-1, Residential Estates 1, District.

There being no requests to remove the item, a motion was made by Councilor Darnell, seconded by Councilor McCulloch to approve the Planning and Zoning Commission Consent Agenda, as presented, and upon voice vote the motion carried unanimously.

COUNCIL BUSINESS

## Osprey Military Airplane Training Flights

Announcing that she has received complaints about houses in densely populated subdivisions vibrating because of noise being generated by the osprey military airplane, Councilor Fischer asked staff to investigate whether a different flight pattern could be suggested to appropriate authorities.

# Distribution of Resolution No. 2014-1496

In response to inquiry from Councilor Sandel, City Attorney Jay Burnham announced that Resolution No. 2014-1496 discouraging the distribution of severance tax bond proceeds to governmental entities that prohibit or severely restrict oil and gas drilling activities was distributed to the members of the New Mexico Legislature yesterday and he apologized for not including Councilor Sandel. He stated that he will forward him a copy of the signed resolution tomorrow.

# Electric Utility Department Newsletter

Referring to the most recent meeting minutes of the Public Utility Commission, Councilor Sandel questioned whether it is staff's intent to proceed with an electronic newsletter that is community-based rather than a published newsletter that is specific to the Electric Utility. In response, City Manager Rob Mayes confirmed that staff is considering an electronic newsletter that promotes the entire City since it appears to be more cost effective, but assured him that a final recommendation will be forwarded to the Council for consideration in the near future.

# Bureau of Land Management/Resource Management Plan

Councilor Sandel asked whether staff has reviewed and/or made any public comment on the Bureau of Land Management's Resource Management Plan as it relates to the Glade Run area. In response, Parks, Recreation & Cultural Affairs Director Cory Styron reported that he has received notification of the new comment period that ends on February 20, 2014 and stated that staff is formulating their comments in support of a single bicycle track. Councilor Sandel asked that staff schedule this item for discussion at the February 18, 2014 City Council Work Session. There were no objections from the Council.

### Four Corners Regional Airport Master Plan Update

Councilor Sandel pointed out that the newly-adopted Four Corners Regional Airport Master Plan Update makes reference to a comment in the San Juan County Economic Base Analysis dated January 21, 2011 that was commissioned by the organization known as E>P which identifies the next 10 years as particularly difficult due to job losses in the oil and gas industry. He asked for a copy of the analysis. Also, Councilor Sandel asked that staff provide him information on how they are handling the areas identified as no, limited and controlled development areas (as

identified in Exhibit 1D of the Airport Master Plan) within the Community Development Department.

### Storm Drainage Action Plan

Councilor Sandel announced that he has advised the residents of Las Brisas Trail and Crestwood Estates that staff is doing additional research with regard to the Storm Drainage Action Plan that was discussed at the February 4, 2014 Council Work Session and asked that it be scheduled for the February 18, 2014 Work Session agenda for follow-up discussion.

#### CITY MANAGER BUSINESS

# Status report on San Juan Generating Station capacity acquisition

City Manager Rob Mayes reminded the Council that at the January 28, 2014 regular City Council meeting staff was directed to schedule this item for a closed session at tonight's meeting. However, he explained that City Attorney Jay Burnham was not present at that meeting and has advised that this item does not meet the criteria identified in the Open Meetings Act for a closed meeting. As a result, he announced that staff has scheduled the item on tonight's agenda for open discussion and asked the Council for comments.

Councilor Sandel announced that he met privately with staff this evening at 5:30 p.m. to discuss a variety of issues related to the mediation concerning San Juan Generating Station and he urged the remaining Councilors to do the same. As a result of the discussion, he stated that he is not convinced that the City should continue to proceed with the negotiations since it does not appear that a favorable outcome is imminent. In response to inquiry from Councilor Sandel, City Manager Rob Mayes reported that the total annual budget for the Electric Utility Department is approximately \$105 million and that the change in net revenue after depreciation is between \$5-6 million. Electric Utility Director Mike Sims announced that \$2.5 million will be deposited in a "sinking fund" for reclamation of the mine and stated that no funds are being collected at this time for costs associated with decommissioning the plant at some point in the future. He also noted that if the plant were to close, current state law would only require the owners to remediate the environmental liabilities (e.g. the evaporation ponds). Noting that the property is owned by PNM and Tucson Electric, Mr. Sims confirmed that they could choose to install a security fence around the plant and walk away. He also confirmed that the City is considering the possibility of acquiring additional capacity from San Juan Generating Station and explained that the allocation of future liabilities will depend upon the outcome of mediation. He noted that the future liabilities were evaluated and quantified as part of the Pace Global Integrated Resource Plan that was recently adopted and explained that the risks will not be reevaluated unless there is reason to believe that they have substantially changed. He also assured the Council that any agreements that result from mediation that are outside of the parameters that were authorized by the Council will be forwarded to the Council for consideration and further direction to staff. He noted, however, that the \$500 per kilowatt price is about the level where Pace Global predicted the City to be at a breakeven point as compared to the cost of contracting a new source.

Referring to page 55 of the Comprehensive Annual Financial Report, Councilor Sandel noted that it is mentioned that an engineering firm conducted a study in 1992 (updated in 2003) to estimate the cost of decommissioning San Juan Generating Station and pointed out that there is a statement that reads, "The City is analyzing the effects of this study on its financial statements." He questioned what specifically is being analyzed. In response, Mr. Sims stated that to his knowledge nothing has been analyzed and Mr. Mayes agreed with his comment. However, Mr. Mayes stated that he needs to verify this with Administrative Services Director Andy Mason. Mr. Sims pointed out that when that study was conducted, the decommissioning date for the plant was 2053.

Councilor Sandel stated that he strongly believes that there are significant liabilities to the City as a result of the proposed transaction and questioned whether the Council should reevaluate the decision that was made in September.

Mayor Roberts announced for the record that no decision has been made by the Council other than to direct staff to obtain all of the facts and report them to the Council.

In response to inquiry from Councilor Sandel, Mr. Mayes confirmed that this issue will be presented to the Public Utility Commission for recommendation to the Council and assured him that he also intends to hold a public hearing at a separate, independent site to allow for public comment on the matter.

CITY CLERK BUSINESS

Early Voting for the March 4, 2014 Regular Municipal Election

City Clerk Dianne Smylie announced that early voting for the March 4, 2014 Regular Municipal Election will begin tomorrow in her office between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday through February 28, 2014.

BUSINESS FROM THE FLOOR

Street Inebriates

Bert Sandoval announced that he stopped drinking alcohol on December 18, 1986 and since that time has worked with City and other elected officials to address the problems associated with street inebriates. He stated that he is concerned about the future of the street inebriates if Four Winds Recovery Center ceases to exist because of financial difficulty. He also provided Mayor Roberts with a note that was written by the assistant to the Navajo Nation President and stated that they are interested in holding a meeting to further discuss the issue. He thanked Mayor Roberts and former Mayors Tom Taylor and Bill Standley for their dedication to this issue.

Councilor Fischer pointed out that representatives from Four Winds Recovery Center are present in the audience and suggested that they provide the Council with a status report. She stated that it appears to her that the number of street inebriates is increasing and that they seem to be more aggressive and problematic in some of the City's facilities. She acknowledged that a lot has been done over the past 30 years to improve the situation, but contended that it is not yet to the level that the community expects.

CLOSED MEETING

A motion was made by Councilor Darnell, seconded by Councilor McCulloch to close the meeting to discuss request for proposals for an outage management and interactive voice response system, pursuant to Section 10-15-1H(6) NMSA 1978. The roll was called with the following result:

Those voting aye:

Dan Darnell Mary M. Fischer Gayla McCulloch Jason Sandel

Those voting nay:

None

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

The Mayor convened the closed meeting at 7:42 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 Darnell, seconded by Councilor McCulloch to open the meeting for further business, and upon voice vote the motion carried unanimously.

The open meeting was reconvened by the Mayor at 7:51 p.m. with all members of the Council being present.

AUTHORIZATION TO COMMENCE NEGOTIATIONS ON THE PROPOSAL FOR AN OUTAGE MANAGEMENT AND INTERACTIVE VOICE RESPONSE SYSTEM

Purchasing Supervisor Kristi Benson reported that proposals for an outage management and interactive voice response system (Electric Utility) opened on November 26, 2013 with one offeror participating. She requested authorization to commence negotiations with Milsoft Utility Solutions as the sole proposal is deemed to be advantageous and in the best interest of the City.

Thereupon, a motion was made by Councilor Darnell, seconded by Councilor McCulloch to authorize staff to commence negotiations for a contract for an outage management and interactive voice response system with Milsoft Utility Solutions, as recommended by the Purchasing Supervisor, and upon voice vote the motion carried unanimously.

There being no further business to come before the Council, the meeting was adjourned at  $7.52~\mathrm{p.m.}$ 

The City Clerk certified that notice of the foregoing meeting was given by posting pursuant to Resolution No. 96-844, et seq.

Approved this 25th day of February, 2014.

Entered in the permanent record book this  $26^{\rm th}$  day of February, 2014.

Tommy Roberts, Mayor

SEAL

ATTEST:

Dianne Smylie, City Clerk