Work Session of the City Council, City of Farmington, New Mexico, held Tuesday, July 16, 2019 at 9:00 a.m. in the Council Chamber at City Hall, 800 Municipal Drive, Farmington, New Mexico, in full conformity with the rules, regulations and ordinances of the municipality.

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

**MAYOR**
Nate Duckett

**COUNCILORS**
Linda G. Rodgers
Jeanine Bingham-Kelly
Janis Jakino

**ABSENT**
Sean E. Sharer, Councilor

constituting all the members of the Governing Body.

Also present were:

**ASSISTANT CITY MANAGER**
Julie Baird

**CITY ATTORNEY**
Jennifer Breakell

**CITY CLERK**
Dianne Smylie

**DEPUTY CITY CLERK**
Andrea Jones

**APPOINTMENT OF ACTING MAYOR PRO TEM**

Noting that Mayor Pro Tem Sharer is absent from today's meeting, Mayor Duckett announced that he must leave today's meeting early due to a scheduled conference call and he appointed Councilor Rodgers as Acting Mayor Pro Tem.

**PUBLIC SERVICE PROJECT PRESENTATIONS/COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) 2019 ANNUAL ACTION PLAN**

Contracts Administrator Rosalyn Potter explained that the purpose for today's presentations is to give the Council an opportunity to hear and evaluate the proposals that were received in response to the request for proposals for the Community Development Block Grant ("CDBG") 2019 Annual Action Plan public service projects. She announced that the presentations will be given in alphabetical order.

**Big Brothers Big Sisters in San Juan County**

Utilizing a PowerPoint presentation, Neilson Francisco, Site Manager for Big Brothers Big Sisters in San Juan County ("BBBS"), discussed their national rebranding campaign and he reported that their mission is to create and support one-to-one mentoring relationships that ignite the power and promise of youth. He pointed out that 62% of the children participating in BBBS programs in Farmington are from single parent or no-parent households and he stated that they are requesting $10,000 to increase the number of children served by 15 and increase the match duration lengths.

**Identity, Inc.**

Referring to a PowerPoint presentation, Donald Stage, volunteer and board member of Identity, Inc., reported that the adolescent support group has been ongoing for the past three years and noted that the gay, lesbian, bi-sexual, transsexual and questioning ("LGBTQ") population is often at-risk for depression and suicide due to a lack of social acceptance and discrimination. He stated that they are requesting $5,000 from the CDBG program for the purpose of funding therapy sessions for any participant in a crisis that cannot afford the services otherwise.

**Masada House, Inc.**

Utilizing a PowerPoint presentation, Executive Director Jessica Stopani reported that Masada House provides transitional sober living for up to eight women at a time and she stated that they measure success by the number of participants who remain sober and gain employment or go back to school. She announced that they are seeking funding assistance
in the amount of $20,000 to pay for case management, housing, food handler certifications and administrative fees.

Navajo United Methodist Center

Referring to a PowerPoint presentation, Melissa Tarazon and Laurie Guel reported that Navajo United Methodist Center is requesting $11,990 for the purpose of continuing their New Beginnings Program that provides transitional housing and support to domestic violence and sexual assault survivors and their families. They reported that the funding will help pay for utilities, maintenance, appliances and administrative costs and they noted that the program can support approximately 25 clients at one time, including children. Ms. Guel stated that the organization's overall budget is $305,184 and she discussed their various funding sources.

People Assisting the Homeless (PATH)

Utilizing a PowerPoint presentation, Executive Director Jonna Sharpe reported that for the past 35 years, People Assisting the Homeless ("PATH") has provided shelter, information, guidance, support and approximately 50,000 meals annually. She noted that the program is currently provided by PATH meet the national objective of HUD and the City’s Consolidated Plan since they benefit low-to-moderate income persons. She reviewed the financial pro forma for the shelter and soup kitchen and reported that they are requesting $18,500 which will be used to pay a portion of utilities for both facilities.

San Juan County Partnership

Referring to a PowerPoint presentation, Lynn Love, San Juan County Partnership Housing Assistance Program Manager, reported that San Juan County Partnership is requesting $15,000 for the housing assistance program which provides qualified families with the money necessary for security and utility deposits and the first month's rent which allows them to move immediately out of homelessness. He stated that the CDBG funds help those families who slightly exceed the maximum income and he noted that the program meets the national objective of HUD and the City’s Consolidated Plan since it benefits low-to-moderate income persons.

There being no further presentations, Mayor Duckett announced that $54,207 is available for award and stated that award of the funding is scheduled for the July 23, 2019 regular City Council meeting.

PRESENTATION/CARBON SEQUESTRATION TECHNOLOGY/SAN JUAN GENERATING STATION

Providing opening remarks, Mayor Duckett announced that today's presentation is for information only and City Attorney Jennifer Breakell introduced Jason Selch and Larry Heller of Enchant Energy.

Utilizing a PowerPoint presentation, Mr. Selch reported that retrofitting San Juan Generating Station ("SJGS") with carbon capture, utilization and storage ("CCUS") technology is an extremely feasible project as indicated by the recently released study from Sargent & Lundy ("S&L").

Mayors Duckett emphasized that protecting the City and not increasing its liabilities is a critical component of the current negotiations with Enchant Energy and he announced for the record that the City’s current intent is to retain five percent ownership in SJGS with the possibility of an additional five percent ownership and zero participation in the CCUS component at SJGS.

Mayor Duckett left the meeting at 9:57 a.m.

Continuing with the presentation, Mr. Selch explained that he and Mr. Heller formed Enchant Energy in early 2019 for the purpose of enabling continued operation of SJGS and retrofitting it with CCUS and he stated that in May of 2019 Enchant Energy applied for a U.S. Department of Energy grant to fund a frontend engineering design ("FEED") along with various associated studies. He discussed the schematic of the project, noting that Kinder Morgan's Cortez pipeline is only 20 miles away from SJGS and he pointed out that SJGS has redundant infrastructure and is a low cost power source for CCUS. Mr. Selch reported that S&L's feasibility study indicated that the cost of carbon capture is estimated
at $39.43 per metric ton and that operation and maintenance costs are estimated at $16 per metric ton. Additionally, he stated that CCUS will reduce SJGS’s carbon emissions from 2,200 pounds to 220 pounds per megawatt and that it is estimated that 6 million metric tons of carbon will be captured annually. Mr. Selch announced that the CCUS project will generate approximately $2.5 billion in federal 45Q tax credits over a 12-year period which in turn will support tax equity financing that will fund 100 percent of the capital costs of the project and he stated that the sale of the captured carbon will cover the annual operating costs. He noted that the captured carbon will be sold to buyers in the Permian Basin and he pointed out that the current supply of captured carbon from Kinder Morgan’s McElmo Dome is not able to meet the current demand. Concluding the presentation, Mr. Selch discussed the advantages and challenges associated with CCUS at the SJGS site and he provided an estimated timetable for the CCUS project.

In response to Acting Mayor Pro Tem Rodgera’s various questions, Mr. Selch confirmed that the S&L feasibility study indicates that the CCUS project is economical; emphasized that SJGS will not be burdened by any additional costs due to the CCUS project; pointed out that studies have shown that 99.99 percent of the carbon reintroduced into the ground remains underground; assured the Council that there is a demand for SJGS’s future “low emissions” power although buyers have not been secured at this stage of the project; and Mr. Heller explained how purchasers utilize carbon in the Permian Basin.

Responding to Councilor Jakino’s inquiry, Mr. Selch stated that power produced at SJGS after the CCUS project has been completed will be classified as “low emissions” power which increases its marketability especially in southern California.

BID/LED STREET LIGHTING

Chief Procurement Officer Kristi Benson reported that bids for LED street lighting (Public Works) opened on July 9, 2019 with three bidders participating. She recommended that the bid be awarded to Western United Electric on its low bid meeting specifications after application of five percent in-state preference of $84,245.

Thereupon, a motion was made by Councilor Jakino, seconded by Councilor Bingham-Kelly to award the bid for LED street lighting to Western United Electric, as recommended, and upon voice vote the motion carried unanimously.

PROPOSED ORDINANCE REPEALING AND AMENDING CERTAIN SECTIONS OF CHAPTER 2, ARTICLE 2, DIVISIONS 2 AND 3 OF THE CITY CODE DEALING WITH ELECTIONS AND CAMPAIGN FINANCING

City Clerk Dianne Smylie requested permission to publish notice of intent to consider adoption of a proposed ordinance amending certain sections of the City Code dealing with elections and campaign financing in an effort to comply with the Regular Local Election cycle.

Following brief consideration, a motion was made by Councilor Jakino, seconded by Councilor Bingham-Kelly to direct staff to publish notice of intent to consider adoption of a proposed ordinance in accordance with State Statutes. The roll was called with the following result:

Those voting aye: Linda G. Rodgers
Jeanine Bingham-Kelly
Janis Jakino

Those voting nay: None

Those absent: Sean E. Sharer

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

Cancellation of the August 27, 2019 regular City Council meeting

Assistant City Manager Julie Baird requested that the August 27, 2019 regular City Council meeting be canceled due to the New Mexico Municipal League’s annual conference.

Thereupon, a motion was made by Councilor Bingham-Kelly, seconded by Councilor Jakino to cancel the August 27, 2019 regular City Council meeting, and upon voice vote the motion carried unanimously.

Voting Delegate and Alternate for the 2019 New Mexico Municipal League Annual Business Meeting

A motion was made by Councilor Bingham-Kelly, seconded by Councilor Jakino to designate Mayor Duckett as the voting delegate and Councilor Rodgers as the alternate voting delegate to represent the City of Farmington at the New Mexico Municipal League Annual Business Meeting to be held in Las Cruces, New Mexico on August 29, 2019, and upon voice vote the motion carried unanimously.

Assistant City Manager Julie Baird informed the Council that the City of Farmington will host the New Mexico Municipal League’s annual conference in 2022, noting that the recent renovations to the Civic Center made the space large enough to accommodate the conference.

APPOINTMENTS TO THE NORTHWEST NEW MEXICO COUNCIL OF GOVERNMENTS BOARD OF DIRECTORS

Acting Mayor Pro Tem Rodgers announced that this item will be rescheduled to the July 23, 2019 regular City Council meeting.

CLOSED MEETING

A motion was made by Councilor Jakino, seconded by Councilor Bingham-Kelly to close the meeting to discuss request for proposals for a cost of service study for the water and wastewater utilities, pursuant to Section 10-15-1H(6) NMSA 1978, and to discuss the acquisition of real property for recreational purposes, pursuant to Section 10-15-1H(8) NMSA 1978. The roll was called with the following result:

Those voting aye: Linda G. Rodgers
Jeanine Bingham-Kelly
Janis Jakino

Those voting nay: None

Those absent: Sean E. Sharer

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

The Acting Mayor Pro Tem convened the closed meeting at 10:39 a.m. with Councilors Rodgers, Bingham-Kelly and Jakino being present.

Following the closed meeting, during which meeting the matters discussed were limited only to those specified in the motion for closure, a motion was made by Councilor Jakino, seconded by Councilor Bingham-Kelly to open the meeting for further business, and upon voice vote the motion carried unanimously.

The open meeting was reconvened by the Acting Mayor Pro Tem at 10:44 a.m. with Councilors Rodgers, Bingham-Kelly and Jakino being present.

REQUEST FOR PROPOSALS/COST OF SERVICE STUDY FOR THE WATER AND WASTEWATER UTILITIES

Contracts Administrator Rosalyn Potter announced that proposals for a cost of service study for the water and wastewater utilities (Public Works) opened on June 25, 2019 with six offerors participating. She recommended that negotiations be commenced with NewGen Strategies and Solutions, LLC as the top evaluated firm after application of the in-state and Veterans preferences.
Thereupon, a motion was made by Councilor Jakino, seconded by Councilor Bingham-Kelly to direct staff to commence negotiations with NewGen Strategies and Solutions, LLC, as recommended by the Contracts Administrator, and upon voice vote the motion carried unanimously.

There being no further business to come before the Council, a motion was made by Councilor Jakino, seconded by Councilor Bingham-Kelly to adjourn the meeting at 10:46 a.m., and upon voice vote the motion carried unanimously.

APPROVED this 13th day of August, 2019.

Nate Duckett, Mayor

SEAL

ATTEST:

Dianne Smylie, City Clerk