

Minutes of the Work Session of the Gallup City Council, City of Gallup, New Mexico held in the Council Chambers at Gallup City Hall, 110 West Aztec Avenue at 11:30 a.m. on Wednesday, March 9, 2022.

The meeting was called to order by Mayor Bonaguidi.

Upon roll call, the following were present:

Mayor:	Louie Bonaguidi
Councilors:	Linda Garcia Michael Schaaf Yogash Kumar (arrived late) Fran Palochak
Also present:	Maryann Ustick, City Manager Curtis Hayes, City Attorney

The following item was presented to the Mayor and Councilors for discussion only:

1. Discussion of Various Matters Pertaining to the City of Gallup Electric Department – John Wheeler, Electric Director

Mr. Wheeler provided binders to the Mayor and Councilors which contained material related to topics of discussion pertaining to the Electric Department. The items presented were as follows:

- Well Contract; Electric Service to City Water System Including Contract Narrative, Cost Tabulation and Contract No. 22-SLC-1099
- Continental Divide Electric Cooperative, Inc. vs City of Gallup; Mediation Settlement Agreement, Cost Tabulation and Enhancement Energy Forecasting Services, Total Amount of \$96,250 over 38 Months
- Guzman Energy LLC; Long-Term Power Supply Proposal Including Enchantment Energy Letter of Recommendation and Cost Savings Tabulation
- Annual Power Cost Calculations
- Resolution No. R2003-46; A Request to Eliminate the \$1,500 Rebate for New Customers
- FY2023 Electric Rates and a Request to Terminate the Automatic Rate Increase for Electric Services During FY 2023 Until a Comprehensive Cost of Service Study and Rate Study Can be Accomplished By an Experienced Electric Rate Analyst

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- SCADA/ AMI/ IT Network Including Supervisory Control and Data Acquisition, Automated Meter Information System and IT Network.

Discussion followed throughout the meeting regarding a number of items including the expiration of the Continental Divide Electric Contract, issues pertaining to wells, the average cost of WAPA power, commencement and terms of the Guzman Energy contract, negotiations related to terminating Continental Divide Electric's contract, potential changes with regard to solar energy and the minimum amount Guzman can provide, new housing subdivisions and the effects of eliminating the rebate for new customers, efficiency of the automated system and the continued need for employees to carry out daily tasks.

Ms. Holland provided information regarding the financial process regarding the rebate, the importance of reporting procedures, components of the process that can be modified and the State's anti-donation clause. She also provided her opinion regarding the concept of the Electric Department funding IT Department upgrades and not the General Fund and provided information regarding the City of Farmington and how they manage their similar funds including franchise fees and shared services and transfers. She encouraged everyone to research the request to put a hold on the automatic rate increases.

Ms. Ustick clarified most items will be brought back to the March 22, 2022 meeting with the exception of the ordinance change regarding rate increases.

The items presented were for discussion only and no action was taken by the Mayor and Councilors.

There being no further business, Councilor Schaaf made the motion to adjourn. Seconded by Councilor Palochak. Roll call: Councilors Schaaf, Palochak, Garcia, Kuamr and Mayor Bonaguidi all voted yes.

Louie Bonaguidi, Mayor

ATTEST:

Alicia Palacios, Deputy City Clerk