

Minutes of the Special Meeting of the Gallup City Council, City of Gallup, New Mexico, held at Gallup City Hall, 110 West Aztec Avenue, at 3:30 p.m. on Tuesday, April 26, 2022.

The meeting was called to order by Mayor Louie Bonaguidi. Upon roll call, the following were present:

Mayor:	Louie Bonaguidi
Councilors:	Linda Garcia Michael Schaaf Sarah Piano Fran Palochak
Also present:	Maryann Ustick, City Manager Curtis Hayes, City Attorney

The Mayor and Councilors conducted a work session to study, review and discuss the following item:

1. Water Rate Study – Patty Holland, Chief Financial Officer and Erik Harrigan, RBC Capital Markets

Ms. Holland provided a brief introduction regarding RBC's assistance with the water model, absence of increases during the pandemic, goals to increase the number of days cash-on-hand by phasing increases annually and based on the Mayor and Councilors' directives, the item will be presented for approval via ordinance at a future meeting.

Mr. Harrigan presented a PowerPoint presentation including an overview of cash flow and assumptions, revenue and expenses for FY 2022 cash flow, as well as projected amounts for FY 2023 through 2028, Capital Improvement Plan FY 2023 to FY 2027 and necessary water utility revenue increases. A copy of the presentation is attached hereto and made a part of these official minutes.

Discussion followed regarding Navajo Gallup Water Project fees, plans to provide an update on the project, average increase to customers in dollar amounts and clarification regarding the 2023 recommended increase amount.

Councilor Piano expressed concerns regarding citizens who cannot afford the increases.

Ms. Holland explained possible strategies determining the weight structure over the next few years; inflation excluded from the model; history of implemented water increases; the decision to forgo increases during the COVID-19 public health crises; infrastructure demands and needs; a 10-year plan presentation; write-offs with regard to utility

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increases and lowering dispersal amounts over a longer period hindering funding opportunities and creating project delays.

Councilor Palochak mentioned past flooding in her district that caused major damage and the importance of replacing water lines and trying to avoid flooding in the future despite unpopular opinion.

Ms. Ustick mentioned government funding available to qualifying citizens and explained how reducing the models would decrease capital funding while increasing operating costs.

Councilor Garcia thanked Water Department staff for all their hard work, especially throughout the winter months.

Ms. Holland invited the Mayor and Councilors to discuss the 10-year plan and intentions of restructuring the water utility for sustainability.

Mayor Bonaguidi provided comment regarding the current high inflation rate.

There was no action taken by the Mayor and Councilors at the work session.

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

Louie Bonaguidi, Mayor

ATTEST:

Alicia Palacios, Deputy City Clerk