

Minutes of the Regular Meeting of the Gallup City Council, City of Gallup, New Mexico held at Gallup City Hall, 110 W. Aztec Avenue, at 6:00 p.m. on Tuesday, July 14, 2020.

The meeting was called to order by Mayor Louie Bonaguidi. He provided instructions to the public viewing the meeting through Facebook Live on how to submit comment on non-agenda items later in the meeting.

Upon roll call, the following were present:

Mayor: Louie Bonaguidi

Councilors: Linda Garcia
Michael Schaaf
Yogash Kumar
Fran Palochak

Also present: Maryann Ustick, City Manager
Curtis Hayes, City Attorney

Mr. Hayes certified for the record that the only matter discussed during the closed session was threatened or pending litigation regarding the Navajo Gallup Water Supply Project Reach 27.9, Kachina Road and County Road 60.

Presented to the Mayor and Councilors for their approval were the Minutes of the Regular Meeting of June 18, 2020 and the Special Meeting of June 23, 2020.

Councilor Schaaf made the motion to approve the minutes of the Regular Meeting of June 18, 2020. Seconded by Councilor Palochak. Roll call: Councilors Schaaf, Palochak, Kumar, Garcia and Mayor Bonaguidi all voted yes.

Councilor Palochak made the motion to approve the minutes of the Special Meeting of June 23, 2020. Seconded by Councilor Garcia. Roll call: Councilors Palochak, Garcia, Kumar, Schaaf and Mayor Bonaguidi all voted yes.

Presented to the Mayor and Councilors for their approval were the following Discussion/Action Topics:

1. Resolution R2020-21; Authorizing and Approving Submission of a Completed Application for Financial Assistance and Project Approval to the New Mexico Finance Authority – Patty Holland, Chief Financial Officer

Ms. Holland presented the proposed Resolution which is a refinance structure of Gross Receipts Tax Revenue Bonds, with the help of Eric Harrigan of RBC Capital Markets, LLC and Daniel Alsup of Modrall Sperling Law Firm, for the purpose of controlling cash flow in response to the COVID crisis. Ms. Holland said the interest rate will drop from 4.2% to about 1.8% with a valued savings of \$771,341 this year. Ms. Holland will bring a

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proposed ordinance for City Council approval at the next regularly scheduled meeting and hopes to have the final cost with a budget adjustment to cover costs associated with application submission.

Councilor Palochak made the motion to approve Resolution R2020-21; authorizing and approving submission of a completed application for financial assistance and project approval to the New Mexico Finance Authority. Seconded by Councilor Schaaf. Roll call: Councilors Palochak, Schaaf, Garcia, Kumar and Mayor Bonaguidi voted yes.

2. Application for Private Security Guard Business License by Desert Wolf Security Inc. – Franklin Boyd, Chief of Police

Chief Boyd said Desert Wolf Security Inc. has submitted the proper application and supporting documentation for the business license. In accordance with Section 3-11-4 of the City Code, Chief Boyd certified his determination that the public convenience and necessity would be served by the issuance of the license. Chief Boyd introduced Mr. Hall, owner of Desert Wolf Security Inc.

There being no further questions, Councilor Schaaf made the motion to approve the application for a Private Security Guard Business License by Desert Wolf Security Inc. Seconded by Councilor Garcia. Roll call: Councilors Schaaf, Garcia, Kumar, Palochak and Mayor Bonaguidi all voted yes.

3. Gallup MainStreet Arts & Cultural District Memorandum of Understanding (MOU) and Professional Services Agreement – Maryann Ustick, City Manager

Ms. Ustick presented the biennial MOU between the State of New Mexico, Gallup MainStreet and the City of Gallup, which is required to maintain a legally compliant MainStreet and provided benefits to the downtown businesses. In addition to the MOU, Ms. Ustick also recommended approval of the annual Professional Services Agreement with Gallup MainStreet in the amount of \$40,000 for Fiscal Year 2021, which was included in the budget. Ms. Ustick also clarified the MOU dates of June 30, 2020 through July 1, 2022 and introduced Kara Smith, Gallup MainStreet Director.

Ms. Smith thanked the Mayor and Councilors for their support and partnership in past achievements including \$800,000 grant toward the Coal Avenue Commons Construction Project, the National Grants for historic façade improvements and small businesses and a free concert series planned for next summer.

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Councilor Garcia made the motion to approve the Gallup MainStreet Arts & Cultural District MOU from June 30, 2020-July 1, 2022 and FY 2021 Professional Services Agreement. Seconded by Councilor Palochak. Roll call: Councilors Garcia, Palochak, Kumar, Schaaf and Mayor Bonaguidi all voted yes.

4. Gallup MainStreet Arts & Cultural District Agreement for Construction Mitigation for Coal Avenue Commons – Maryann Ustick, City Manager

Ms. Ustick said Stan Henderson, former Public Works Director, previously allocated \$50,000 for construction mitigation of the project and announced Clyde (C.B.) Strain as the new project manager. Ms. Ustick highlighted the contracts scope of services including general communication to impacted businesses, promotion and marketing of downtown and training assistance to help ensure continuity of operations during project construction. She recommended approval of the Professional Services Agreement in the amount of \$54,145.25 including New Mexico Gross Receipts Tax (NMGRT) with no financial impact to the City.

Ms. Smith provided information regarding the number of Gallup MainStreet staff and collaborating with Jennifer Lazarz, Tourism and Marketing Manager to provide downtown business owners and the community with consistent information.

Councilors Palochak and Garcia expressed their support of Ms. Smith.

Councilor Palochak made the motion to approve the Gallup MainStreet Arts & Cultural District Agreement for construction mitigation for Coal Avenue Commons. Seconded by Councilor Garcia. Roll call: Councilors Palochak, Garcia, Schaaf, Kumar and Mayor Bonaguidi all voted yes.

5. Approval of Annual Chamber of Commerce Contract for Tourism Related Services – Jennifer Lazarz, Tourism and Marketing Manager

Ms. Lazarz presented the annual contract for FY 2021 in the amount of \$85,000., including \$50,000 for the operation and staffing of the Visitors Center and \$35,000 for general destination marketing services. Ms. Lazarz said a 55% cut to lodger's tax budget reduced the amounts from last year for the provided services.

Bill Lee, Gallup Chamber of Commerce CEO, thanked the Mayor, Councilors and City staff for their continued support and the efforts made to work with businesses, especially restaurants.

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Councilor Garcia made the motion to approve the annual Chamber of Commerce Contract for tourism related services in the amounts of \$50,000 for the Visitor's Center and \$35,000 for destination marketing services. Seconded by Councilor Palochak. Roll call: Councilors Garcia, Palochak, Schaaf, Kumar and Mayor Bonaguidi all voted yes.

6. Ratification of Collective Bargaining Agreement with United Mine Workers of America (UMWA) Local 2005 – Klo Abeita, Human Resources Director

Ms. Abeita presented the agreement, which will take effect July 2020 and expire July 2023. She also explained an economic wage re-opener in March 2021 that would require City Council approval and highlighted economic provisions including clothing allowances, safety incentives, tool allowances, longevity pay and health and dental insurance premium cost sharing which were included in the FY 2021 budget and approved by City Council. Ms. Abeita also noted the total number of union members and three position title changes.

Councilor Kumar made the motion to approve the ratification of Collective Bargaining Agreement with UMWA Local 2005. Seconded by Councilor Palochak. Roll call: Councilors Kumar, Palochak, Schaaf, Garcia and Mayor Bonaguidi all voted yes.

7. Approval of Agreement with NCI for Detox Administration and Operation and Budget Adjustment – Debra Martinez, Behavioral Health Investment Zone (BHIZ) Manager

Ms. Ustick provided an update regarding the Liquor Excise Tax Agreement, the LET Committee meeting scheduled for next week, the Joint Resolution needed to allocate funding and the intention on bringing the LET Agreement back to the Council for approval before August 10, 2020. Ms. Ustick explained that in order to continue operations, a contract is required and therefore recommended approval of the contract and budget adjustment allowing temporary funding from the fund balance. Upon approval of the LET agreement, expenses will be transferred to LET.

Ms. Martinez said the agreement is for \$835,000 and funds basic services including wages for a Detox Manager, Assistant Detox Manager, supplies, maintenance and other general operations.

Councilor Palochak stressed the importance of Liquor Excise Tax, the intended purpose of funding as provided by New Mexico State Statue and the importance of City and County staff being informed of the law.

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Councilor Palochak made the motion to approve the agreement with NCI for Detox Administration and Operation and budget adjustment in the amount of \$835,000 from fund balance pending approval of Liquor Excise Tax allocation. Seconded by Councilor Kumar. Roll call: Councilors Palochak, Kumar, Garcia, Schaaf and Mayor Bonaguidi all voted yes.

8. Budget Adjustment to Provide for Negotiation of a New Power Supply Contract – John Wheeler, Electric Director

Mr. Wheeler presented the contract and budget adjustment in the amount \$100,000 to develop a RFP, proposal analysis, negotiate a Purchase Power Agreement (PPA) and to provide support throughout the process for presentation and implementation. The new PPA will support or replace the current contract with Continental Divide Electric Cooperative, Inc. (CDEC) which expires in 2025. The process will incorporate attaining the additional 5% of renewable energy allowed under the CDEC contract beginning in 2022. Mr. Wheeler also provided a time frame for the process.

Discussion followed regarding renewable energy and the possibility of negotiating more than 5% required in the current contract.

Councilor Palochak made the motion to approve the budget adjustment to provide for negotiation of a new Power Supply Contract in the amount of \$100,000. Seconded by Councilor Schaaf. Roll call: Councilors Palochak, Schaaf, Garcia, Kumar and Mayor Bonaguidi all voted yes.

9. Purchase of Vacuum Reclosers for the Solar Farm Sectionalizing – John Wheeler, Electric Director

Mr. Wheeler said the purpose of the reclosers are to protect downstream circuit loads from any faults emanating from within the Solar Farm. This was a formal bid process in which one bid was received from Western United of Albuquerque, in the amount of \$31,843.88 including NMGRT.

Councilor Kumar made the motion to approve purchase of vacuum reclosers for the Solar Farm sectionalizing. Seconded by Councilor Garcia. Roll call: Councilors Kumar, Garcia, Palochak, Schaaf and Mayor Bonaguidi all voted yes.

10. Contract Approval for a System Modeling and Inventory Program – John Wheeler, Electric Director

Mr. Wheeler emphasized the importance of the project because Electric Department staff will be working with Osrose, the pole testing company while the contract engineer, Transmission and Distribution Services, LLC (T & D) will include information

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gleaned from Osmose and provide site inspections to determine the need for additional capacitor banks, transformer loading, wire loading, voltage drops and sequencing of reclosers and fuses. Mr. Wheeler also stated the project will provide accurate inventory of electric infrastructure and requested a budget adjustment in the amount of \$550,000 for the project with T & D, LLC.

Councilor Palochak made the motion to approve the contract for a System Modeling and Inventory Program by awarding the project to T & D, LLC and approval of a budget adjustment in the amount of \$550,000. Seconded by Councilor Schaaf. Roll call: Councilors Palochak, Schaaf, Garcia, Kumar and Mayor Bonaguidi all voted yes.

11. Joint Use Management Program – John Wheeler, Electric Director

Ms. Ustick recommended the item be postponed to a later date for the purpose of obtaining an agreement, which is required by the City's financial policy.

12. Supervisory Control and Data Acquisition (SCADA) Improvements – John Wheeler, Electric Director

Mr. Wheeler explained issues obtaining accurate information with the current system, explained the use of cell phone technology which is less expensive and more reliable and intentions to switch everything to a sole source provider, Sweitzer Engineering Laboratories, who provide most of the SCADA metering transmission in the state. The cost of the change is \$285,000 which is provided under CIP project JU1510 as FY 2020 is closed and new funding is rolled over for FY 2021.

Councilor Kumar made the motion to approve the purchase of Supervisory Control and Data Acquisition Improvements included under CIP project JU1510. Seconded by Councilor Palochak. Roll call: Councilors Kumar, Palochak, Garcia, Schaaf and Mayor Bonaguidi all voted yes.

13. Resolution R2020-22; Application for US Bureau of Reclamation (USBR) WaterSMART Grant (Announcement BOR-DO-21-F001) – Dennis Romero, Water Director

Mr. Romero said the Federal Government and the USBR offers a number of grants almost every year, including the WaterSMART Grant program. After exploring other options near the San Juan River that would allow for more storage, the decision was made to delay the Navajo Gallup Water Supply Project completion date from December 2024 to November 2027. However, the City's water supply was not taken into account; therefore, well maintenance and drilling was stopped. Mr. Romero provided details on drilling additional wells which cost between \$2 million and \$3 million each and the

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request to the USBR for funding. At the request of USBR, the City will compile an application for the WaterSMART Grant Program in the total amount of \$2.25 million with a 50% match. If approved, Mr. Romero plans to request a portion of the matching funds from the State of New Mexico. Mr. Romero requested approval of the Resolution authorizing staff to apply for funding under the WaterSMART program.

Brief discussion followed regarding an unused well located in Indian Hills and the potential to use it in the future and the prospective site of one well near Yatahey, New Mexico.

Councilor Schaaf made the motion to approve Resolution R2020-22; Application for US Bureau of Reclamation WaterSMART Grant. Seconded by Councilor Palochak. Roll call: Councilors Schaaf, Palochak, Garcia, Kumar and Mayor Bonaguidi all voted yes.

14. Resolution No. R2020-23; High-Efficiency Water Conservation Incentive Rebates – Dennis Romero, Water Director

Mr. Romero provided a list of rebate programs offered to residents, how they are granted and explained the current rebate programs, which expire in July and should the Council choose to extend the program, a resolution is required.

Discussion followed regarding resident notification of the extension of programs and clarification regarding the HE Toilet and Showerhead Rebate.

Councilor Garcia made the motion to approve Resolution No. R2020-23; High Efficiency Water Conservation Incentive Rebates. Seconded by Councilor Schaaf. Roll call: Councilors Garcia, Schaaf, Kumar, Palochak and Mayor Bonaguidi all voted yes.

15. G-80 Water Rights Application; Request for Budget Adjustment – Dennis Romero, Water Director

Mr. Romero provided background information regarding the submission of the G-80 Water Rights Application in 1983 and where it stands today. As a result of the application's current standing, Stein and Brockmann, the City's contract attorneys, made a request to the Office of the State Engineer (OSE) to expedite approval of Permit Application No. G-80/SJ-1491. In response, OSE provided update requirements to the 1983 hydrologic report. In order to cover legal and technical costs and to complete the application process, the Water Department staff requested a budget adjustment of \$80,000, the creation of a G-80 project for tracking costs and the current \$105,547.90 balance be encumbered from Fund 202.

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Councilor Kumar made the motion to approve G-80 Water Rights Application and budget adjustment of up to \$80,000 from Fund 202 for the completion of G-80 water rights application process as presented. Seconded by Councilor Palochak. Roll call: Councilors Kumar, Palochak, Garcia, Schaaf and Mayor Bonaguidi all voted yes.

16. Resolution R2020-20; FY 2021 Clean & Beautiful Grant Award & Budget Adjustment of Revenue/Expenditures of \$30,300 – Elizabeth Barriga, Environmental Program Coordinator

Ms. Barriga announced the award of the FY 2021 New Mexico Tourism Department Grant to the City of Gallup in the amount of \$30,300 for the purpose of beautification. She thanked those who have provided support to the program.

Discussion followed regarding the 25% match covered by in-kind and recycling services, youth services who will participate in the program and when and where the program will start. Ms. Barriga also offered to help Councilors within their perspective districts.

Councilor Palochak made the motion to approve Resolution R2020-20; FY 2021 Clean & Beautiful Grant Award and budget adjustment of revenue and expenditures of \$30,300. Seconded by Councilor Garcia. Roll call: Councilors Palochak, Garcia, Schaaf, Kumar and Mayor Bonaguidi all voted yes.

Comments by Public on Non-Agenda Items

None

Comments by Mayor and City Councilors

Councilor Palochak encouraged the public to follow the current New Mexico Public Health Order, including wearing a mask and social distancing to help keep the pandemic under control and get back to normal. She also thanked City staff and the Chamber of Commerce for providing an outlet to allow restaurants the opportunity to expand their services outside.

Councilor Kumar echoed Councilor Palochak's comments.

Mayor Bonaguidi commended business owners for enforcing masks within their facilities.

Comments by City Manager and City Attorney

Ms. Ustick announced the start of the Coal Avenue Commons Construction Project on Monday and invited Clyde (C.B.) Strain, Community Planner to provide information regarding an alternative for restaurant owners to continue dine-in services outside.

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Mr. Strain said in an effort to help restaurant owners continue to operate they can complete an application to provide service outside their facility, in their parking lot. He also provided details regarding the approval process and said there is no cost for this application.

Councilor Palochak made the motion to adjourn. Seconded by Councilor Kumar. Roll call: Councilors Palochak, Kumar, Garcia, Schaaf and Mayor Bonaguidi all voted yes.



Louie Bonaguidi, Mayor


ATTEST:


Alicia Palacios, Deputy City Clerk

Approved 7/28/2020