

Minutes of the Regular Meeting of the Gallup City Council, City of Gallup, New Mexico, held in the Council Chambers at Gallup City Hall, 110 West Aztec Avenue, at 6:00 p.m. on Tuesday, November 22, 2016.

The meeting was called to order by Mayor Jackie McKinney.

Upon roll call, the following were present:

Mayor:	Jackie McKinney
Councilors:	Linda Garcia Allan Landavazo Yogash Kumar Fran Palochak
Also present:	Maryann Ustick, City Manager George Kozeliski, City Attorney

Presented to the Mayor and Councilors was the Minutes of the Regular Meeting of November 9, 2016.

Councilor Palochak made the motion to approve the aforementioned Minutes. Seconded by Councilor Kumar. Roll call: Councilors Palochak, Kumar, Garcia, Landavazo and Mayor McKinney all voted yes.

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

1. Approval of Design/Build/Operate (DBO) Contract with CH2M Hill for the Operation of the Wastewater Treatment Plant – George Kozeliski, City Attorney; Nann Winter, Esquire; and Dennis Romero, Water and Sanitation Director

Mr. Romero provided a power point presentation summarizing the key points of the proposed DBO contract negotiated with CH2M Hill. The contract is for a term of 8 years and provides for the design and construction of capital improvements and operation services for the City's Wastewater Treatment Plant. The costs of the contract are as follows: the pass through costs are \$398,774 per year; the fixed construction costs are \$1,948,636 which may be spread out over a period of the contract; and the annual service fee is \$1,355,162 per year, which will be reduced to \$1,247,610 per year after the capital improvements are completed. On behalf of CH2M Hill, Mr. Romero invited the Mayor and Councilors to visit the Wastewater Treatment Plant for a tour to observe the current state of the facility.

Discussion followed concerning the hotline for reporting sewage odors, the City's proposed investment of close to \$2 million for upgrades at the Wastewater Treatment Plant, the work being done by Evoqua to address foul odors in the City's collection

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system, provisions in the contract for adjusting the Company's Service Fee, the pass through costs for electric service at the facility and the need to discontinue hauling sludge to the regional landfill once the sludge dryer and other improvements have been made to the plant.

Following discussion, Councilor Palochak made the motion to approve the Design/Build/Operate (DBO) Contract with CH2M Hill for the Operation of the Wastewater Treatment Plant. Seconded by Councilor Garcia. Roll call: Councilors Palochak, Garcia, Kumar, Landavazo and Mayor McKinney all voted yes.

Mayor McKinney answered questions posed by an unidentified individual from the audience regarding the City's odor control efforts at the Wastewater Treatment Plant.

2. Request for Approval of Operations, Maintenance and Repair Agreement between the City of Gallup and the Navajo Tribal Utility Authority (NTUA) for Project 4 (Twin Lakes Turn Out) and the Twin Lakes Well Connection (to Navajo Gallup Water Supply Project Reach 12A) – George Kozeliski, City Attorney and Nann Winter, Esquire

Ms. Winter said the proposed agreement is the first in a series of agreements that the City will need to execute with affected entities for the operation of the Navajo-Gallup Water Supply Project.

Marc DePauli, DePauli Engineering and Surveying, said Project 4 was constructed by the City of Gallup with the use of State Water Trust Board Funds. Since the project has been completed, the proposed agreement will transfer the operations, maintenance and repairs of Project 4 to NTUA.

Councilor Landavazo made the motion to approve the Operations, Maintenance and Repair Agreement Between the City of Gallup and the Navajo Tribal Utility Authority for Project 4, Twin Lakes Turn Out and the Twin Lakes Well Connection, to Navajo Gallup Water supply Project Reach 12A. Seconded by Councilor Palochak. Roll call: Councilors Landavazo, Palochak, Garcia, Kumar and Mayor McKinney all voted yes.

3. Approval of Amended and Restated Joint Powers Agreement for the Northwest New Mexico Regional Solid Waste Authority (NWNMRSWA) – Billy Moore, Executive Director, Northwest New Mexico Regional Solid Waste Authority

Mr. Moore presented the proposed amendments to the Joint Power Agreement between the City of Gallup, McKinley County, Cibola County, City of Grants and the Village of

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Milan for the NWNMRSWA. The NWNMRSWA is planning to construct a new cell at the regional landfill and is considering financing options for funding the project. The NWNMRSWA has the option of borrowing up to \$500,000 at 0% interest through the New Mexico Finance Authority; however, it would have to go through the intercept process with each of the five governmental entities. The proposed changes to the Joint powers Agreement would allow the Board of Directors of the NWNMRSWA to borrow money and pledge revenue of the NWNMRSWA without further authorization by the five governmental agencies.

Discussion followed concerning the proposed amendment which limits the Board of Directors' ability to borrow money to the percentage of contributed Environmental Gross Receipts Tax, which is set at 50% by each of the five governmental entities. Further discussion consisted of the NWNMRSWA's refinancing of its loan through the New Mexico Finance Authority in 2012 and the number of permitted cells and land the NWNMRSWA has available for future use.

Following discussion, Councilor Kumar made the motion to approve the Amended and Restated Joint Powers Agreement for the Northwest New Mexico Regional Solid Waste Authority. Seconded by Councilor Garcia. Roll call: Councilors Kumar, Garcia, Landavazo, Palochak and Mayor McKinney all voted yes.

4. Approval of Memorandum of Understanding with the Gallup McKinley County Schools for the Construction of a Waterline near JFK Middle School – Dennis Romero, Water and Sanitation Director

Mr. Romero said the proposed Memorandum of Understanding was removed from the November 21, 2016 School Board Meeting Agenda; therefore, he recommended that the matter be tabled until further notice.

Councilor Kumar made the motion to table the Memorandum of Understanding with the Gallup McKinley County Schools for the Construction of a Waterline near JFK Middle School. Seconded by Councilor Palochak. Roll call: Councilors Kumar, Palochak, Landavazo, Garcia and Mayor McKinney all voted yes.

5. Resolution No. R2016-43; A Resolution Authorizing and Approving Submission of a Completed Application for Financial Assistance and Project Approval to the New Mexico Finance Authority for Issuance of General Obligation Bonds – Paul Cassidy, RBC Capital Markets

Mr. Cassidy presented the proposed Resolution which will allow the City to begin working with the New Mexico Finance Authority for financing roadway improvements by

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granting a loan or by buying the General Obligation Bonds to be issued by the City. The issuance of \$5,365,000 in General Obligation Bonds was authorized by the City's electorate at the Special Election held on August 9, 2016. Mr. Cassidy provided information relative to the issuance of the bonds and answered questions concerning future interest rates.

Councilor Garcia made the motion to approve Resolution No. R2016-43. Seconded by Councilor Kumar. Roll call: Councilors Garcia, Kumar, Landavazo, Palochak and Mayor McKinney all voted yes.

6. Wage Agreement Between the City of Gallup and the United Mine Workers of America (UMWA), Local 1629 – Klo Abeita, Human Resources Director

Ms. Abeita presented the proposed Wage Agreement as negotiated with UMWA. The Agreement provides for a 2% wage increase for employees covered under the union contract. The total cost for the wage increases and associated benefits for the remainder of the fiscal year is \$54,655.

Councilor Kumar made the motion to approve the Wage Agreement Between the City of Gallup and the United Mine Workers of America, Local 1629. Seconded by Councilor Palochak. Councilors Kumar, Palochak, Landavazo, Garcia and Mayor McKinney all voted yes.

7. Wage Agreement Between the City of Gallup and the Gallup Fire Fighters Union, International Association of Fire Fighters (IAFF), Local 4296 – Klo Abeita, Human Resources Director

Ms. Abeita presented the proposed Wage Agreement as negotiated with IAFF. The Agreement provides for a 2% wage increase for employees covered under the union contract. The total cost for the wage increases and associated benefits for the remainder of the fiscal year is \$20,254.

Councilor Garcia made the motion to approve the Wage Agreement Between the City of Gallup and the Gallup Fire Fighters Union, International Association of Fire Fighters, Local 4296. Seconded by Councilor Kumar. Roll call: Councilors Garcia, Kumar, Landavazo, Palochak and Mayor McKinney all voted yes.

Mayor McKinney recommended that the following item be considered as a Presentation and Informational Item only:

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8. Acceptance of the Four Corners Intermodal Transloading Equinox (4CITE) Master Plan – Evan Williams, Deputy Director, Northwest New Mexico Council of Governments (NWNMCOG)

Mr. Williams provided a brief timeline on how the Greater Gallup Economic Development Corporation (GGEDC) has been working with NWNMCOG as the Northwest Regional Transportation Planning Organization on the project.

Denise Weston, Bohannan Huston, provided a power point presentation on the Four Corners Intermodal Transloading Equinox. A copy of the power point presentation is attached hereto, marked at Exhibit A and made a part of these official Minutes.

Discussion followed concerning Mentmore Road and the decision that will need to be made on whether to have truck routes designations or not. Councilor Palochak stated that the residents of Mentmore do not want to have large trucks on Mentmore Road. Mayor McKinney recommended Carbon Coal Road as a designated truck route. Further discussion was about the combination of funding from various sources that was used for the development of the Santa Teresa Inland Port.

9. Budget Adjustment for New Mexico Public Regulation Commission (PRC) Communication Grant – Chief Eric Babcock, Gallup Fire Department

Chief Babcock asked for approval to use PRC funds in the amount of \$21,473 for the purchase of 40 voice amplifiers.

Councilor Palochak made the motion to approve the budget adjustment for the New Mexico Public Regulation Commission Communication Grant. Seconded by Councilor Landavazo. Roll call: Councilors Palochak, Landavazo, Garcia, Kumar and Mayor McKinney all voted yes.

10. Allison Bridge Reconstruction Contract Award – Stan Henderson, Public Works Director

Mr. Henderson said the proposed project will replace the existing bridge over the Puerco River on Allison Road. The engineer of record is Bohannan Huston of Albuquerque and time for completion for the project is 210 calendar days. Unfortunately, there is a budget shortfall of \$1.4 million for the project. Rather than re-advertising bids for the project, staff recommended the following budget transfers to make up the budget shortfall: \$1,088,000 from Gas Tax Revenues, \$200,000 from the 2016-2017 East Nizhoni Boulevard Reconstruction Project and \$115,000 from the 2016-2017 Ridgecrest Avenue Re-pavement Project. By approving the budget transfer, the

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East Nizhoni Boulevard Reconstruction Project and the Ridgecrest Avenue Repavement Project would be deferred to a future budget year. Based on the bids submitted for the project, staff recommended award of the construction contract to FNF Construction in the amount of \$5,016,043.70, including NMGRT. Staff also recommended approval of the previously stated budget transfers and the Community Improvement Plan project deferrals and previously described.

Discussion followed regarding the amount of time it has taken to plan, design, gather funding and to obtain required clearances for the project.

Councilor Palochak made the motion to approve the Allison Bridge Reconstruction Contract Award as presented, including the recommended budget transfers for the project. Seconded by Councilor Landavazo. Roll call: Councilors Palochak, Landavazo, Kumar, Garcia and Mayor McKinney all voted yes.

11. Oliva Park On Basilio Drive Construction Contract Award – Stan Henderson, Public Works Director

Mr. Henderson said the proposed project will construct a new park for the Red Hills Mobile Home Park and the Patton Drive neighborhood. The park will consist of a basketball court, playground equipment and picnic areas. Huitt-Zollars of Albuquerque is the architect of record and will be in charge of construction administration and quality assurance. Time for completion of the project is 120 calendar days. Unfortunately, there is a budget shortfall of \$150,000 for the project. Rather than re-advertising bids for the project, staff recommended the following budget transfer to make up the budget shortfall: \$150,000 from the 2015-2016 Sidewalk Participation Program. Based on the bids submitted for the project, staff recommended award of the construction contract to Longhorn Construction Services in the amount of \$336,418.63, including NMGRT. Staff also recommended approval of the previously stated budget transfer and the Community Improvement Plan project reduction and previously described.

Councilor Landavazo recognized the donation of land by Joe and Christine DiGregorio as well as the allocation of state funding by Senator George Munoz and Representative Wonda Johnson for the project.

Councilor Kumar made the motion to approve the Oliva Park On Basilio Drive Construction Contract Award as presented, including the recommended budget transfer for the project. Seconded by Councilor Garcia. Roll call: Councilors Kumar, Garcia, Landavazo, Palochak and Mayor McKinney all voted yes.

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12. Skate Board Park Construction Contract Award – Stan Henderson, Public Works Director

Mr. Henderson said the proposed project will construct a new skate board park which will replace the existing park that will be demolished for the reconstruction of Lincoln Elementary School by the Gallup McKinley County Schools. MWRM Landscape Architects of Albuquerque is the architect of record and will be in charge of construction administration and quality assurance. Time for completion of the project is 120 calendar days. Unfortunately, there is a budget shortfall of \$183,000 for the project. Rather than re-advertising bids for the project, staff recommended the following budget transfer to make up the budget shortfall: \$100,000 from the 2015-2016 Sidewalk Participation Program, \$50,000 in remaining funds from the Storm Drainage Plan and \$33,896 in remaining funds from the Hospital and College Drive Reconstruction Project. Based on the bids submitted for the project, staff recommended award of the construction contract to H.O. Construction in the amount of \$582,788.37, including NMGRT. Staff also recommended approval of the previously stated budget transfers and the Community Improvement Plan project reductions and previously described.

In addition to the \$285,000 in capital outlay funding that has been accumulated over a span of three years, Mayor McKinney also recognized the private donations provided by Councilor Kumar in the amount of \$5,000, \$100,000 from the Southwest Indian Foundation, \$5,000 from the St. Bonaventure Indian Mission and \$10,000 from the Tony Hawk Foundation for the project.

Councilor Palochak made the motion to approve the Skate Board Park Construction Contract Award as presented, including the recommended budget transfers for the project. Seconded by Councilor Garcia. Councilors Palochak, Garcia, Kumar, Landavazo and Mayor McKinney all voted yes.

13. Marcy Park Sidewalk Improvements Project – Stan Henderson, Public Works Director

Mr. Henderson said Marcy Park is a part of the Debra Drive Public Housing Area and it is maintained by the Gallup Housing Authority (GHA). GHA requested the City's assistance with cost sharing for sidewalk improvements on the Marcy Lane street frontage. Upon review, the park frontage (curb, gutter and sidewalk) has substantially deteriorated on both Debra Drive and Marcy Lane. Americans with Disabilities Act (ADA) handicap ramps at the adjoining street intersections also require upgrading. In keeping with the City's ADA Consent Decree with the United States Department of Justice, staff recommended a joint cost project for reconstructing the street frontage on both Marcy Lane and Debra Drive. Mr. Henderson asked for approval of a project

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budget for the sidewalk improvements as follows: \$20,000 from Councilor Palochak's Discretionary Funds from 2015-2016, \$46,000 from the 2016-2017 Sidewalk Participation Project and \$20,000 from the Gallup Housing Authority. City staff will be the lead entity for construction.

Councilor Landavazo made the motion to approve the Marcy Park Sidewalk Improvement Project as presented, including the recommended budget transfers for the project. Seconded by Councilor Palochak. Roll call: Councilors Landavazo, Palochak, Garcia, Kumar and Mayor McKinney all voted yes.

14. Resolution No. R2016-44; A Resolution Rescinding Resolution No.2826, Establishing a Front Footage Charge for Water & Sewer Connections in Parts of Gallup, New Mexico – George Kozeliski, City Attorney

Mr. Kozeliski presented the proposed Resolution to rescind a 41-year old Resolution establishing front footage charges for water and sewer lines constructed along East Aztec Avenue from Boardman Drive to Patton Drive and for property on or near County Road 1. Since the Resolution from 1975 was passed, the State Supreme Court has ruled that municipal liens are only good for four years. The 1975 Resolution was not part of a Special Assessment District which would have allowed the Resolution to continue for a longer period of time. Due to the length of time that has past, the 41-year old Resolution has created a "cloud on title" of adjoining property owners and should be rescinded. Mr. Kozeliski answered questions regarding the clouds created on property titles and if there were liens still pending based on the 1975 Resolution.

Councilor Garcia made the motion to approve Resolution No. R2016-44. Seconded by Councilor Kumar. Roll call: Councilors Garcia, Kumar, Landavazo, Palochak and Mayor McKinney all voted yes.

15. Acceptance of a Public Utility Easement from High Desert QSRS, LLC – George Kozeliski, City Attorney

Mr. Kozeliski provided an overview of how the sewer lines were constructed many years ago in the area east of McKinley Drive and North of East Aztec Avenue in the vicinity of Taco Bell East. He explained that the existing sewer line that runs under Taco Bell's ordering stand has collapsed which has resulted in the City having to pump sewage for over a month. To resolve the issue, High Desert QSRS, LLC (owner of Taco Bell) will grant the City a 15-foot easement along the west property line in order to construct a new sewer line to the City's main on East Highway 66. The new sewer line will provide service to Taco Bell and three residential properties on East Aztec Avenue. The proposed easement will also allow the City to abandon the present sewer line once the

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new sewer line has been constructed.

Discussion followed concerning the sewer line that runs under the gas station building east of Taco Bell.

Councilor Palochak made the motion to accept the Public Utility Easement from High Desert QSRS, LLC. Seconded by Councilor Landavazo. Roll call: Councilors Palochak, Landavazo, Kumar, Garcia and Mayor McKinney all voted yes.

Comments by Public on Non-Agenda Items

None.

Comments by Mayor and City Councilors

Councilor Palochak congratulated Mary Ellen Pellington, Library Director, who was one of the recipients of the 2016 Governor's New Mexico Distinguished Public Service Awards. Councilor Palochak also recognized Joe and Christine DiGregorio who were the recipients of the Lifetime Achievement Award for Public Service. Councilor Palochak wished everyone a Happy Thanksgiving.

Councilor Landavazo wished everyone a Happy Thanksgiving. He also encouraged everyone to thank our police officers for their service.

Councilor Kumar wished everyone a Happy Thanksgiving.

Councilor Garcia also congratulated Ms. Pellington and Mr. and Mrs. DiGregorio for their achievements. Councilor Garcia said she will not have a Northside Neighborhood Meeting during November and December due to the holidays. She will have a Neighborhood Meeting at Roosevelt Elementary School on December 13, 2016. Councilor Garcia wished everyone a Happy Thanksgiving.

Mayor McKinney wished safe travels to all those traveling during the holidays. He also wished everyone a Happy Thanksgiving and complemented City staff for all the work they do.

Comments by City Manager and City Attorney

Mr. Kozeliski wished everyone a Happy Thanksgiving.

Ms. Ustick said she will follow-up with Mr. Romero and CH2M Hill on scheduling the tours at the Wastewater Treatment Plant. She wished everyone a Happy Thanksgiving and thanked City staff for all the hard work they do.

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There being no further business, Councilor Garcia made the motion to adjourn the meeting. Seconded by Councilor Palochak. Roll call: Councilors Garcia, Palochak, Landavazo, Kumar and Mayor McKinney all voted yes.



ATTEST:



Alfred Abeita II, City Clerk



Jackie McKinney, Mayor

Approved 12/13/2016

4CITE Master Plan

Four Corners Intermodal Transloading

Equinox



EXHIBIT A

November 2016

Thank you – PAC / TWG Members!

- City of Gallup
- McKinley County
- NM Economic Development
- Rock Springs Navajo Chapter
- Manuelito Navajo Chapter
- Tsayatoh Navajo Chapter
- Navajo Economic Development
- Navajo Land Department
- Navajo DOT
- Bureau of Indian Affairs
- Federal Highway Administration
- NMDOT District 6
- State Land Office
- Greater Gallup EDC
- Gallup Land Partners
- Gallup McKinley County Schools

Meetings:

March 15, 2016

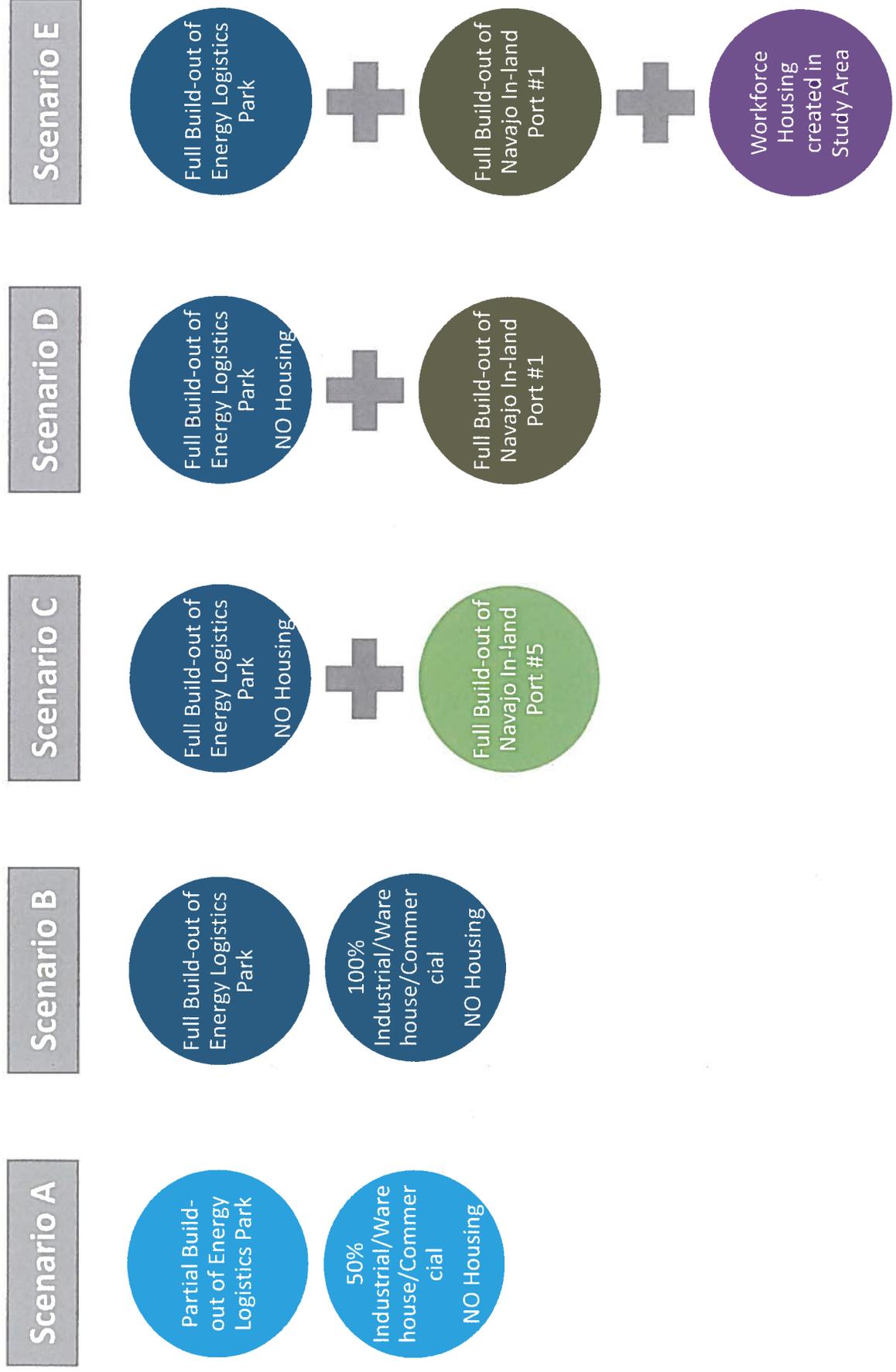
August 8, 2016

September 23, 2016



12/15/2016

Technical Approach- Transportation Scenarios

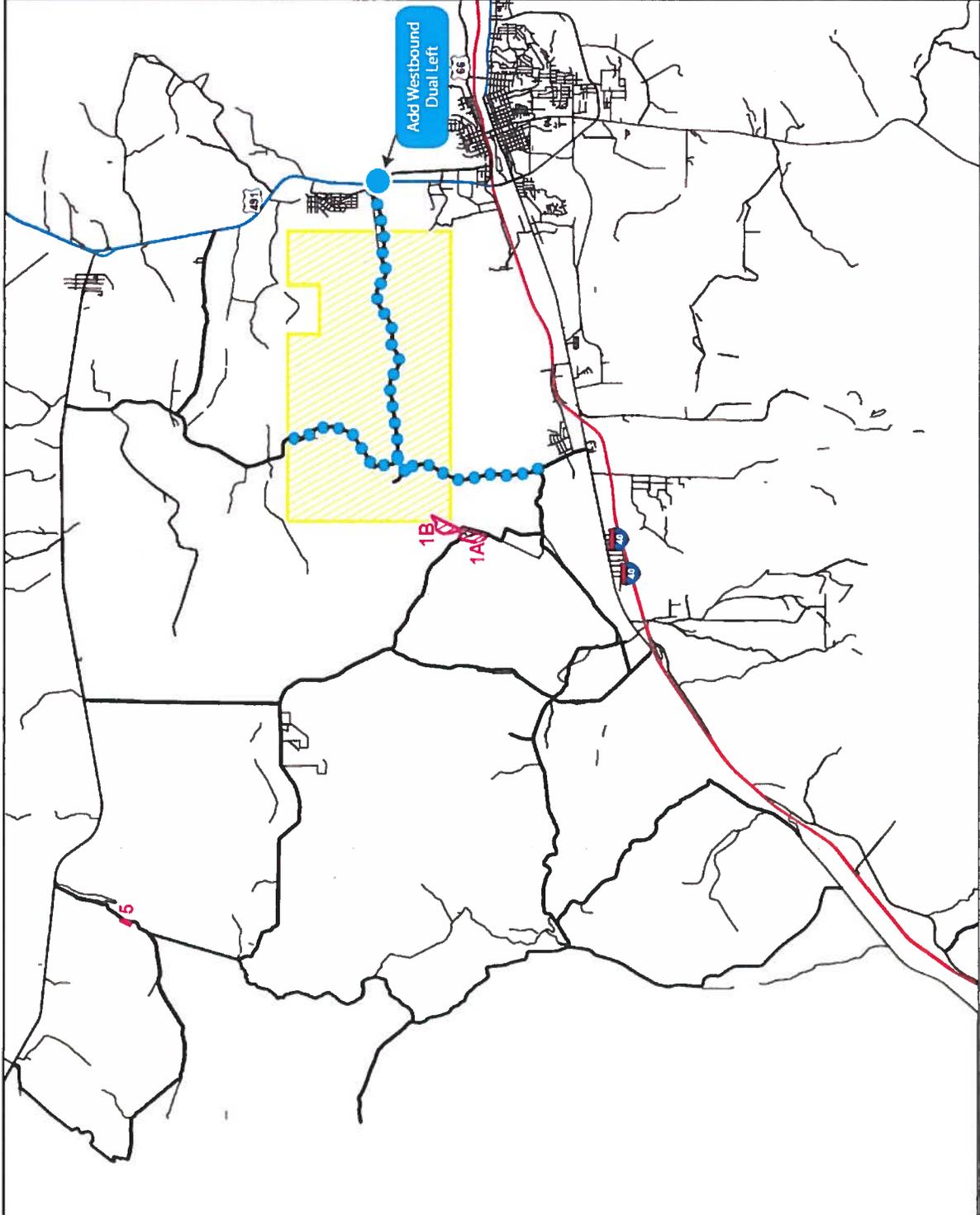


Recommended Roadway Improvements

Recommended Improvements					
Improvement	Scenario A	Scenario B	Scenario C	Scenario D	Scenario E
Pave Carbon Coal Road	X	X	X	X	X
Pave Rock Springs Road	X	X	X	X	X
Pave Unnamed Road (aligned with Rock Springs Road - south)	X	X	X	X	X
Widen US HWY 491 - south of Ninth Street/Chino Street - to six lanes		X	X	X	X
Pave Sunset Valley Road			X		
Pave 3 Buttes Road			X		
Pave Hunters Point Road			X		
Signal Warrant Analysis/Signalize intersection at SR 264 & County Road 9/Rock Springs Road		X	X	X	X
Add a westbound right turn lane at Carbon Coal Road & County Road 9/Rock Springs Road					X
Signal Warrant Analysis/Signalize Intersection at Frontage Road/Historic Highway 66 & Mentmore Road					X
Add a westbound dual left turn at US Highway 491 & Ninth Street/Chino Street	X	X	X	X	X
Add a northbound dual left turn at US Highway 491 & Ninth Street/Chino Street		X	X	X	X



Recommended Roadway Improvements – Scenario A



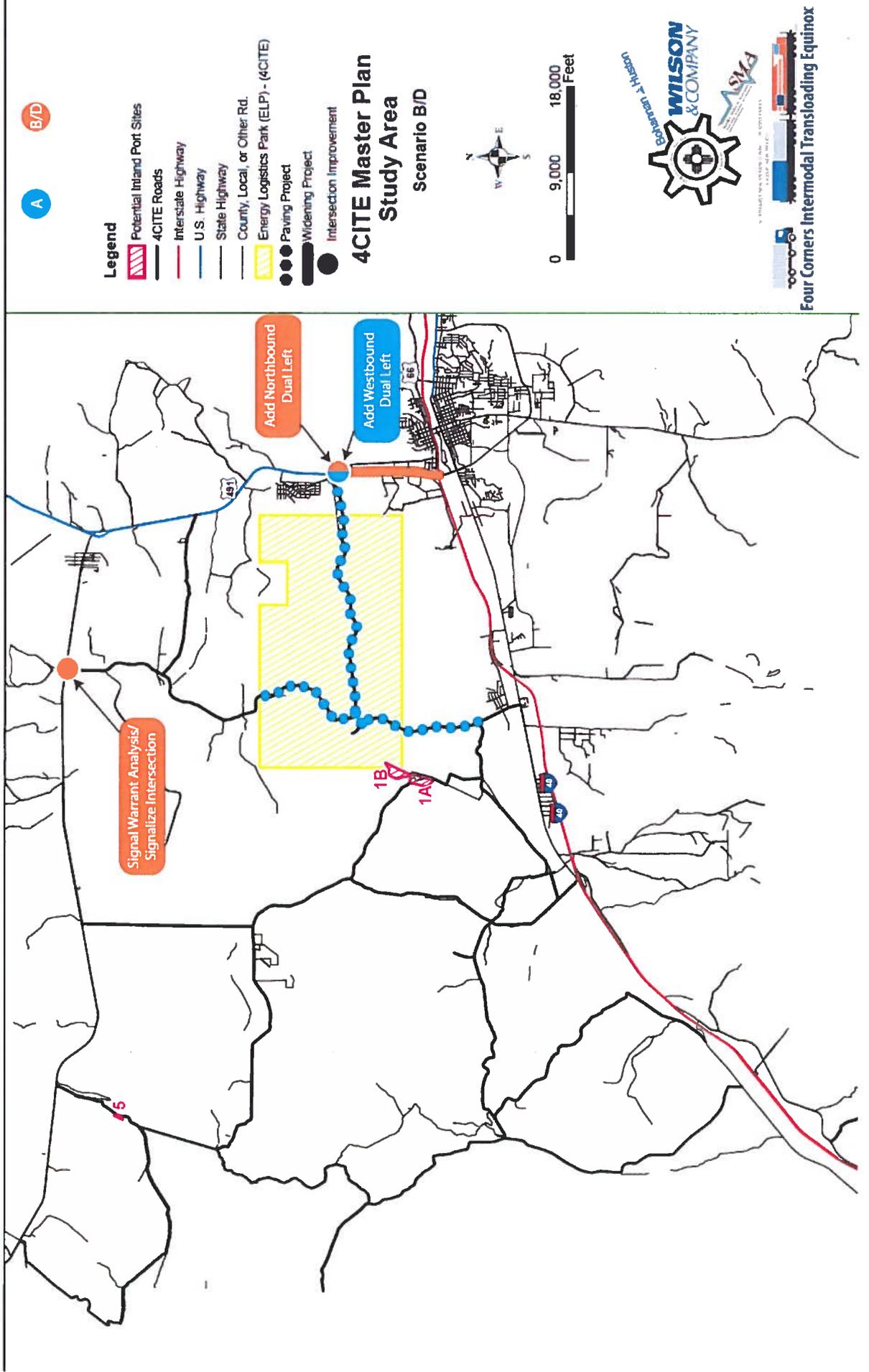
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- Legend**
- Potential Inland Port Sites
 - 4CITE Roads
 - Interstate Highway
 - U.S. Highway
 - State Highway
 - County, Local, or Other Rd.
 - Energy Logistics Park (ELP) - (4CITE)
 - Paving Project
 - Widening Project
 - Intersection Improvement
- 4CITE Master Plan
Study Area**
- Scenario A**

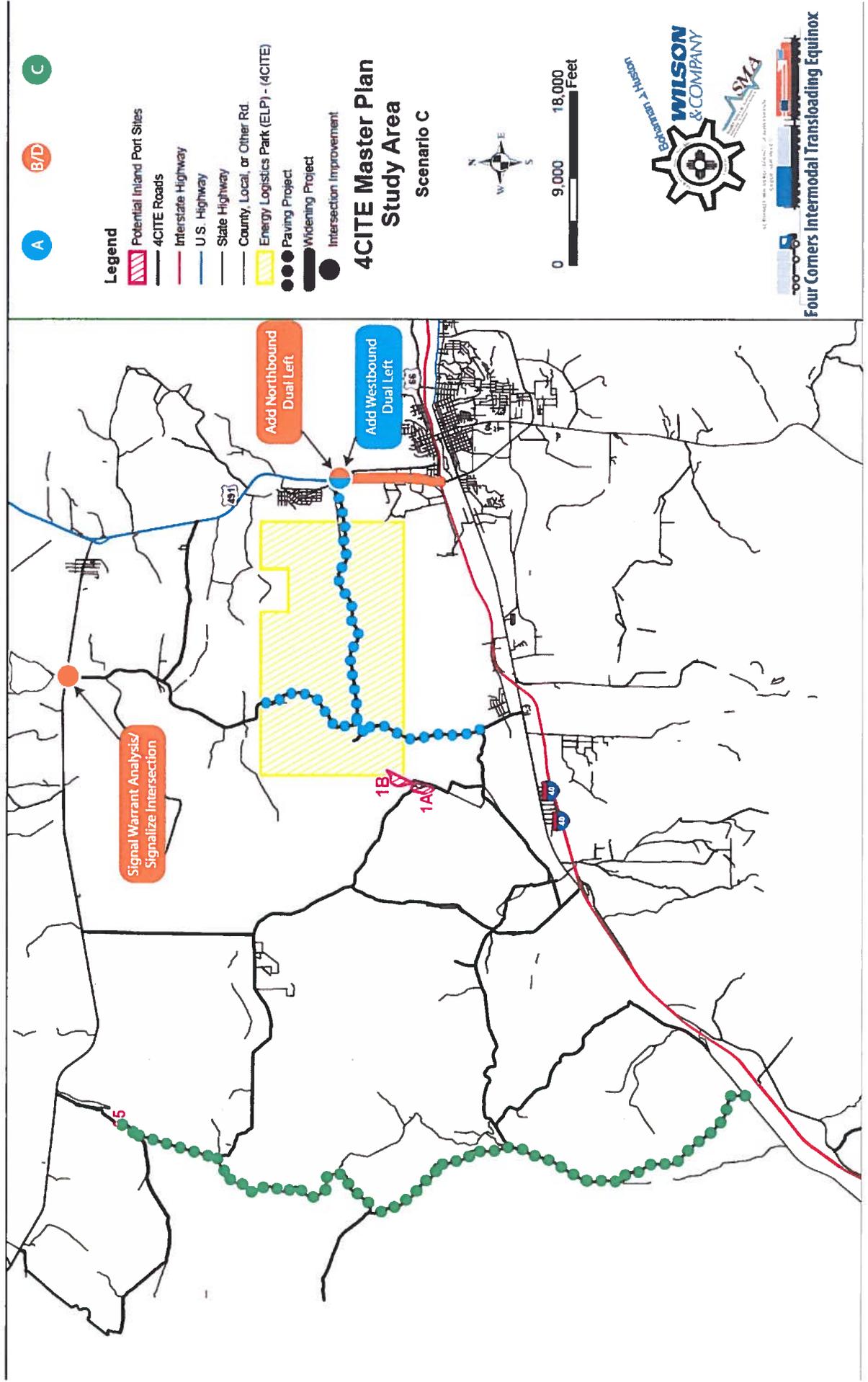


Four Corners Intermodal Transloading Equinox

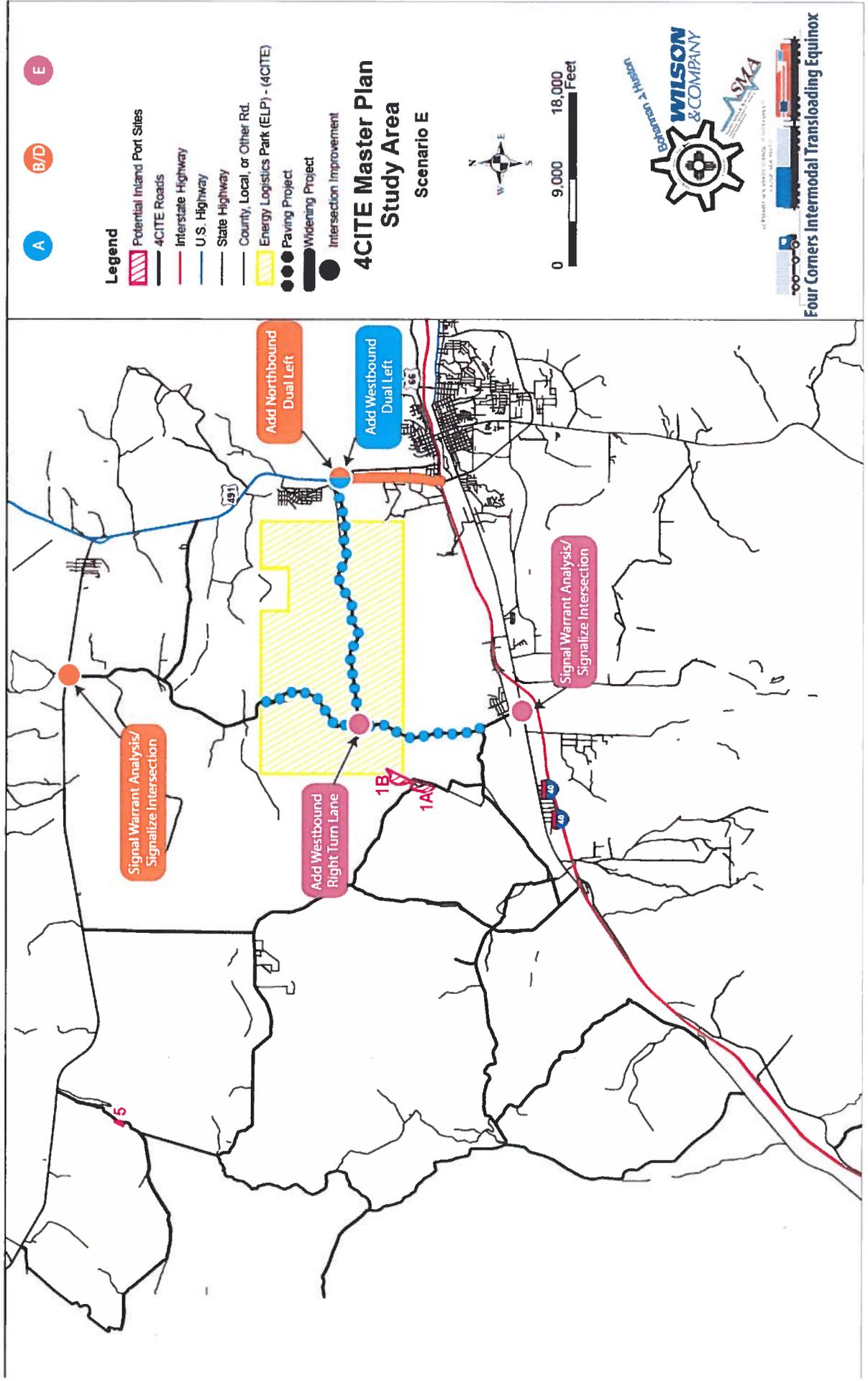
Recommended Roadway Improvements – Scenario B & D



Recommended Roadway Improvements – Scenario C



Recommended Roadway Improvements – Scenario E



Preliminary Cost Estimates

Table 12: Preliminary Cost Estimates

Transportation Recommendation	Scope of Work	Total Cost
Carbon Coal Road Improvement	Concrete Pavement	\$20,289,649.48
Rock Springs Road Improvement	Concrete Pavement	\$6,268,617.79
Unnamed Road (aligned with Rock Springs Road - south)	Concrete Pavement	\$6,525,290.48
Widen US 491 - south of 9th Street/ Chino Road - six lanes	Asphalt Pavement Left-turn lane and Signal Retrofit	\$953,034.67
Sunset Valley Road Improvement	Double Penetration Chip Seal Pavement	\$2,218,679.13
3 Buttes Road Improvement	Double Penetration Chip Seal Pavement	\$587,758.10
Hunters Point Road Improvement	Double Penetration Chip Seal Pavement	\$5,842,260.51
Signal Warrant Analysis/ Signalize (NM 264 and County Road 9/ Rock Springs Road)	Intersection Signalization	\$268,073.44
Add a westbound right turn lane (Carbon Coal Road and County Road 9/ Rock Springs Road)	Concrete Pavement / Right-turn Lane	\$135,900.19
Signal Warrant Analysis/ Signalize (Frontage Road/ Historic Highway 66 and Mentmore Road)	Intersection Signalization	\$268,073.44
Add westbound dual left turn at US 491 and 9th Street/ Chino Road	Asphalt Pavement Left-turn lane and Signal Retrofit	\$166,800.02
Add a northbound dual left turn at US 491 and 9th Street/ Chino Road	Asphalt Pavement Left-turn lane and Signal Retrofit	\$166,800.02

12/15/2016



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