

AGENDA

GALLUP CITY COUNCIL REGULAR MEETING TUESDAY, MARCH 28, 2023; 6:00 P.M. CITY COUNCIL CHAMBERS



Louie Bonaguidi, Mayor

Linda Garcia, Councilor, Dist. 1

Michael Schaaf, Councilor, Dist. 2

Sarah Piano, Councilor, Dist. 3

Fran Palochak, Councilor, Dist. 4

Maryann Ustick, City Manager

David Eason, City Attorney

The meeting will be accessible through the City of Gallup's Facebook Page:

[City of Gallup, New Mexico Government - Home | Facebook](https://www.facebook.com/CityofGallup)

Members of the public may submit comment either in person or by telephone. To submit comment by telephone, please call 505-863-1254 to leave your name and a return phone number.

A. Pledge Of Allegiance

The members of the body and the public are invited to recite the Pledge of Allegiance.

B. Roll Call

C. Presentation And Information Item

1. Legislative Update

Rep. Patty Lundstrom will provide an update on the past 60-day session of the New Mexico Legislature.

Fiscal Impact: None.

Recommendation: No action required - presentation item.

Speaker's Name Rep. Patty Lundstrom

D. Consent Agenda

These items are placed on the Consent Agenda so City Council can designate by unanimous consent those routine items they wish to be approved or acknowledged by one motion. If any item does not meet the approval of all Council members or if a citizen so requests, it will be heard as a separate item.

Action Needed:

Motion to approve or acknowledge Items 1-2 on the Consent Agenda by unanimous vote:

1. Approval Of Minutes

March 7, 2023 Joint Work Session with the Planning and Zoning Commission

March 14, 2023 Regular Meeting

Fiscal Impact: None.
Recommendation: Approve the minutes.
Speaker's Name None.

Documents:

[DRAFT MINUTES MAR 7 2023 JOINT WORK SESSION.PDF](#)
[DRAFT MINUTES MAR 14 2023 REG MTG.PDF](#)

2. Transfer Of ARPA Funds From Capital To Operating Account

The Octavia Fellin Public Library (OFPL) has \$3,012.84 remaining in Project #GL2202 currently allocated to the -CAPITAL PURCHASE OF EQUIPMENT AND MACHINERY. OFPL is requesting to move the remaining funds to line item 213-5055-435-46-20 -PRINTING AND PUBLISHING for Project #GL2202.

Fiscal Impact: No fiscal impact the monies are only being reallocated from capital purchase to operating.
Recommendation: Approve the reallocation of funds in GL2202
Speaker's Name Tammi Moe

E. Discussion/Action Topics

1. Request For Street Closures For Gallup High School Girls 4A State Basketball Champions Parade To Be Held On Friday, March 31, 2023

Gallup High School is requesting permission to close Aztec Avenue from 8th Street to Puerco Drive for a parade to be held on Friday, March 31, 2023 at 4:00 p.m. The parade is being held in honor of the Gallup High School Bengal Girls Basketball team for winning the 2023 Girls Class 4A State Basketball Championship on March 10th. The proposed street closure is set in accordance with the standardized parade route established by the City Council.

Fiscal Impact: TBD - City departments to provide support services for the parade.
Recommendation: Approve the street closures.

Speaker's Name Jennifer Arviso

Documents:

[EVENT PERMIT - GHS GIRLS BB CHAMPIONS PARADE.PDF](#)

2. Bid Award For Formal Bid No. 2304 - To United Drilling Inc, Of Albuquerque, New Mexico For G-80 Well POD-8 And POD-13 Drilling And Testing

On October 14, 2022 The City received official notice to proceed with appropriations up to \$8,000,000 in a Funding Agreement between the New Mexico Interstate Stream Commission (ISC) and the City of Gallup for the completion of two (2) groundwater production wells for the City to help bridge its water supply pending the completion of the NGWSP.

Under Formal Bid 2304: The City of Gallup will design and drill two (2) wells under Office of the State Engineer G-80 permits within the City's Yah-Ta-Hey well field near existing water wells. The existing wells are completed in the Gallup Sandstone aquifer and the new wells will be completed in the Dakota/Westwater formation which is much deeper. The impermeable Mancos Shale formation separates the Gallup Sandstone from the Dakota/Westwater. The sites have electrical power and water lines already in place and there is no need for utility extension to the wells. The proposed wells will be drilled to a depth of approximately 3,500 feet.

This project is located within the SW 1/4 of Section 17, T16N, R18W N.M.P.M. and SE 1/4 of Section 19, T16N, R18W N.M.P.M. McKinley County, New Mexico. The scope to be done under this Agreement includes, but may not be limited to: Engineering, design, and bidding assistance; Drilling, casing, and equipping two groundwater wells; Interconnecting the wells to the City's existing water supply system; Construction oversight, surveying, reporting; work to be performed under this project: the furnishing of all labor, material, transportation, tools, supplies, plant, equipment, fuel, maintenance, and appurtenances necessary to complete the specified work. The work consists of drilling, geophysical logging, installation of casing and pressure cementing, installation of blank casing and well screen, alignment surveys, well disinfection, development, and testing of two groundwater supply wells for the City of Gallup.

Formal Bid 2304 resulted in three (3) bid submittals;

Stewart Brothers Drilling Company of Milan, NM was the lowest bidder in the amount of \$6,114,487.03 including New Mexico Gross Receipts Tax. However, after further discussions between Stewart Brothers and DePauli Engineering & Surveying LLC, Project Engineer, it was discovered there were costly omissions and important items left out of the bid proposal that would have left the company at a financial disadvantage. Stewart Brothers Drilling Company has formally requested to withdraw their bid for this project, in which the City has accepted.

United Drilling, Inc of Albuquerque, New Mexico was the next lowest bidder in the amount of \$7,732,775.06 including New Mexico Gross Receipts Tax.

Funding for these two wells is from the Funding Agreement between the New Mexico Interstate Stream Commission (ISC) and the City of Gallup for Water Wells Construction reimbursement in the not to exceed amount of \$8,000,000 and to be expended by the City as of June 30, 2025. Additional funding matches are the Water Smart Grant in the amount of \$2,000,000 and Water Trust Board Fund #5424 in the amount of \$3,576,408 (Grant - \$2,145,845 / Loan - 1,430,563)

Fiscal Impact: None, see above; Revenues and expenditures in Fund 306, reimbursed by the ISC

Recommendation: Approval of bid award

Speaker's Name Marc DePauli P.E. - DePauli Engineering & Surveying, Project Engineer

Documents:

[ACCEPTANCE STEWART BROS WITHDRAWAL 2304.PDF](#)
[BID TABULATIONS G-80 POD-8 AND POD-13.PDF](#)
[ISC PROJECT DETAILS.PDF](#)
[RECOMMENDATION OF AWARD G80 WELL.PDF](#)
[STEWART BROTHERS DRILLING COMPANY BID WITHDRAWAL G-80 WELLS-1 \(1\).PDF](#)

3. **Approval To Execute Two Additional National Opioid Litigation Retail Pharmacy Settlement Participation Agreements**

National opioid settlements have been reached with two pharmaceutical supply chain participants, Allergan and Teva. The Allergan settlement will result in payments totaling \$2.37 Billion, to be paid out over a six-year period from its effective date. The Teva settlement will result in cash payments of \$3.7 Billion, to be paid over a 13-year period, and a distribution of approximately \$1.2 Billion in generic Narcan or an agreed upon cash distribution over a 10-year period from its effective date. As in previous settlements, the State of New Mexico, which has approved both settlements, will receive a percentage of each settlement.

Gallup will then be entitled to share in a portion of the State settlement based upon the previously approved New Mexico Opioid Allocation Agreement.

The Council is requested to approve, and authorize City Manager Maryann Ustick to execute, three documents at this time: a Subdivision and Special District Settlement Participation Form for the Allergan settlement, a Subdivision and Special District Settlement Participation Form for the Teva settlement, and an Addendum to the New Mexico Opioid Allocation Agreement. The Addendum does not change Gallup's allocation amount, but only redefines the term "Settlement" to include the Allergan and Teva settlements.

The required forms must be returned to the national settlement administrator on or before April 18, 2023. The subdivision participation rate will be used to determine whether participation for each deal is sufficient for the settlement to move forward, and whether a state earns its maximum potential payment under the settlement. By executing the Participation Agreements, the City will be releasing all claims it has against both Allergan and Teva and will agree to cease all litigation against the settling parties. If the settlement moves forward, Gallup's

release of its claims will become effective. For New Mexico to receive its maximum potential payment from Allergan and Teva, all eligible subdivisions must sign onto both the Allergan and Teva settlements. As such, the settlements, and the distribution amounts, should be considered tentative at this time. However, there is no reason to believe that the settlements will not be approved by all subdivisions. Nor is there any information at this time regarding what specific amounts the City might expect to receive from either settlement.

The City is not required to participate in the settlement. However, as noted above, should it, or any of the other subdivisions, fail to participate, the maximum potential available to New Mexico may be decreased. As with the previous settlements, the use of the settlement funds is subject to specific remediation purposes and the City will be required to account for all expenditures.

Recommendation:

Approval to authorize the City Manager to execute the Teva and Allergen Retail Pharmacy Settlement Participation Agreements and the Addendum to the Allocation.

Fiscal Impact:	Potential future revenue to be determined.
Recommendation:	See recommendation in the summary.
Speaker's Name	Lynn Isaacson

Documents:

[ADDENDUM TO ALLOCATION AGREEMENT.PDF](#)
[SETTLEMENT PARTICIPATION FORM_ALLERGAN.PDF](#)
[SETTLEMENT PARTICIPATION FORM_TEVA.PDF](#)

F. Comments By Public On Non-Agenda Items

Members of the public are invited to comment on matters not appearing on the meeting agenda.

G. Comments By Mayor And City Councilors

H. Comments By City Manager And City Attorney

I. Motion To Adjourn

Pursuant to the "Open Meetings Act", NMSA 1978, Section 10-15-1 through 10-15-4 of the State of New Mexico, this Agenda was posted at a place freely accessible to the public 72 hours in advance of the scheduled meeting.