

Commission Meeting Agenda



Mayor

Samuel D. Cobb

City Commission

Marshall R. Newman

Jonathan Sena

Crystal G. Mullins

Joseph D. Calderón

Garry A. Buie

John W. Boyd

City Manager

J. J. Murphy

April 6, 2015



**Hobbs City Commission
Regular Meeting
City Hall, City Commission Chamber
200 E. Broadway, 1st Floor Annex, Hobbs, New Mexico**

Monday, April 6, 2015 - 6:00 p.m.

Sam D. Cobb, Mayor

Marshall R. Newman
Commissioner - District 1

Jonathan Sena
Commissioner - District 2

Crystal Mullins
Commissioner - District 3

Joseph D. Calderón
Commissioner - District 4

Garry A. Buie
Commissioner - District 5

John W. Boyd
Commissioner - District 6

A G E N D A

CALL TO ORDER AND ROLL CALL

INVOCATION AND PLEDGE OF ALLEGIANCE

APPROVAL OF MINUTES

1. Minutes of the March 16, 2015, Regular Commission Meeting
2. Minutes of the March 16, 2015, Commission Work Session

PROCLAMATIONS AND AWARDS OF MERIT

3. Proclamation Proclaiming April 6, 2015, as "*Hobbs Eagles Day*"
4. Proclamation Proclaiming the Month of April, 2015, as "*Fair Housing Month*"

PUBLIC COMMENTS *(For non-agenda items.)*

CONSENT AGENDA *(The consent agenda is approved by a single motion. Any member of the Commission may request an item to be transferred to the regular agenda from the consent agenda without discussion or vote.)*

5. Resolution No. 6267 - Adopting a Policy Update for Section 3 Plan 2015 *(Todd Randall)*
6. Resolution No. 6268 - Adopting a Policy Update for Residential Anti-Displacement and Relocation Assistance Plan 2015 *(Todd Randall)*
7. Resolution No. 6269 - Adopting a Policy Update for Citizen Participation Plan 2015 *(Todd Randall)*
8. Resolution No. 6270 - Authorizing Board Appointments to Various City Advisory Boards *(Mayor Sam Cobb)*
9. Resolution No. 6271 - Approving the New Mexico State Fire Protection Fund Application for FY 16 *(Fire Chief Tim Kent)*
10. Resolution No. 6272 - Authorizing the Opening of Three (3) New Special Revenue Funds in Accordance with State Audit Rule 2.2.2.10(L) *(Toby Spears)*
11. Resolution No. 6273 - Approving and Accepting Zia Crossing Subdivision, Unit 2, as Submitted by Property Owner Black Gold Estates, LLC, and Recommended by the City of Hobbs Planning Board *(Kevin Robinson)*
12. Resolution No. 6274 - Determining that Certain Structures are Ruined, Damaged and Dilapidated Requiring Removal from the Municipality (1223 East Skelly) *(Manny Marquez)*

DISCUSSION

13. Review of City's Street Name Change Policy *(Mayor Sam Cobb)*

ACTION ITEMS (Ordinances, Resolutions, Public Hearings)

14. **PUBLIC HEARING:** Resolution No. 6275 - Concerning the Application of Paris Holdings, LLC, d/b/a El Fogon Restaurant Mexican & Seafood for Transfer of Ownership of Liquor License No. 2644 Located at 3414 North Lovington Highway *(Mike Stone)*
15. **FINAL ADOPTION:** Ordinance No. 1082 - Repealing Chapter 15.08 of the Hobbs Municipal Code Relating to Fire Zones *(Kevin Robinson)*
16. Resolution No. 6276 - Approving On-Site Video Security Standards for Multi-Family Developments as Recommended by the Planning Board *(Kevin Robinson)*

17. Resolution No. 6277 - Approving the Preliminary and Final Plan for Davis Acres, with Variances, as Recommended by the Planning Board, Located Northwest of Intersection of Lovelady Road and North Fowler (*Kevin Robinson*)
18. Resolution No. 6278 - Granting Preliminary Approval to the Issuance of Multi-Family Housing Revenue Bonds (Washington Place Apartments) in One or More Tax-Exempt or Taxable Series in an Aggregate Principal Amount Not in Excess of \$6,000,000 (*Kevin Robinson*)
19. Consideration of Approval of a Special Project with the Economic Development Corporation of Lea County (*Mike Stone*)
20. Resolution No. 6279 - Authorizing FY 15-16 Funding Appropriations to Various Social Service Agencies and Authorizing the Mayor to Execute Professional Services Agreements with Each Agency (*Mayor Sam Cobb*)
21. PUBLICATION: Proposed Ordinance Authorizing the Execution and Delivery of a Water Project Fund Loan/Grant Agreement with the New Mexico Finance Authority in the Total Amount of \$3,200,000 (*Mike Stone*)

****Convene in Executive Session****

Pursuant to §10-15-1(H)(7), N.M.S.A., 1978, the City Commission will convene in closed session in the Conference Room for discussion of matters subject to the attorney-client privilege pertaining to pending or threatened litigation in Federal or State Courts in which the City is or may become a participant.

****Reconvene in Regular Session****

22. Consideration of Approval of Settlement with Lipham Construction (*Mike Stone*)

COMMENTS BY CITY COMMISSIONERS, CITY MANAGER

23. Next Meeting Date:
 - ▶ Regular Meeting - **Monday, April 20, 2015**, at 6:00 p.m.

ADJOURNMENT

If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the above meeting, please contact the City Clerk's Office at (575) 397-9207 at least 72 hours prior to the meeting or as soon as possible.



CITY OF HOBBS

COMMISSION STAFF SUMMARY FORM

MEETING DATE: April 6, 2015

SUBJECT: Commission Meeting Minutes

DEPT. OF ORIGIN: City Clerk's Office
DATE SUBMITTED: April 1, 2015
SUBMITTED BY: Jan Fletcher, City Clerk

Summary:

The following minutes are submitted for approval:

- ▶ Regular Meeting of March 16, 2015
- ▶ Work Session of March 16, 2015

Fiscal Impact:

Reviewed By: _____
Finance Department

N/A

Attachments:

Minutes as referenced under "Summary".

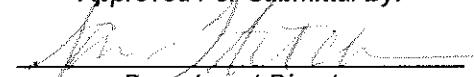
Legal Review:


Approved As To Form: _____
City Attorney

Recommendation:

Motion to approve the minutes as presented.

Approved For Submittal By:



Department Director


City Manager

**CITY CLERK'S USE ONLY
COMMISSION ACTION TAKEN**

Resolution No. _____
Ordinance No. _____
Approved _____
Other _____

Continued To: _____
Referred To: _____
Denied _____
File No. _____

Minutes of the regular meeting of the Hobbs City Commission held on Monday, March 16, 2015, in the City Commission Chamber, 200 East Broadway, 1st Floor Annex, Hobbs, New Mexico.

Call to Order and Roll Call

Mayor Cobb called the meeting to order at 6:00 p.m. and welcomed everyone in attendance to the meeting. The City Clerk called the roll and the following answered present:

Mayor Sam D. Cobb
Commissioner Marshall R. Newman
Commissioner Jonathan Sena
Commissioner Crystal Mullins (arrived 6:05 p.m.)
Commissioner Joseph D. Calderón
Commissioner Garry A. Buie
Commissioner John W. Boyd

Also present:

J. J. Murphy, City Manager
Mike Stone, City Attorney
Chris McCall, Police Chief
Tim Kent, Fire Chief
Eric Enriquez, Director of Community Services
Shawn Williams, Fire Captain
Barry Young, Deputy Fire Chief
Manny Marquez, Building Official
Raymond Bonilla, Plan Examiner Coordinator
Toby Spears, Finance Director
Ronny Choate, General Services Director
Ron Roberts, Information Technology Director
Tim Woomer, Utilities Director
Doug McDaniel, Parks and Recreation Director
Linda Howell, Golf Course General Manager
Matt Hughes, Golf Superintendent
Michal Hughes, Parks and Recreation Superintendent
Nikki Sweet, Human Resources Director
Sandy Farrell, Library Director
Lindsay Chism, Director of Communications
Nicholas Goulet, Benefits & Safety Coordinator
Ann Betzen, Executive Assistant/Risk Manager
Mollie Maldonado, Deputy City Clerk
Jan Fletcher, City Clerk
25 citizens

Mayor Cobb announced that Commissioner Mullins will arrive after her speech at the "My Power" meeting.

Invocation and Pledge of Allegiance

Commissioner Sena delivered the invocation and Commissioner Boyd led the Pledge of Allegiance.

Approval of Minutes

Commissioner Newman moved that the minutes of the regular meeting held on March 2, 2015, be approved as presented. Commissioner Calderón seconded the motion and the vote was recorded as follows: Newman yes, Sena yes, Calderón yes, Buie yes, Boyd yes, Cobb yes. The motion carried.

Commissioner Mullins arrived at 6:05 p.m.

Proclamation Proclamations and Awards of Merit

There were no proclamations or awards of merit presented.

Public Comments

Mr. Jim Harris with the Lea County Museum thanked the Commission for their support and stated next month the Museum will host the Fifth Annual NM/TX Challenge Marathon. He expressed appreciation to City staff for supporting and participating in the NM/TX Challenge Marathon. Mr. Harris also expressed appreciation for Lodgers' Tax funding. He stated Lea County deserves to host an event such as NM/TX Challenge Marathon which is very successful.

Ms. Pat Huntley commended Mr. Eric Enriquez, Director of Community Services, and Ms. Missy Funk, Animal Adoption Center Manager, for their assistance in decreasing the amount of euthanization at the Hobbs Animal Adoption Center (HAAC). She reviewed the 2014 Intake Numbers and stated in 2013 there were 75% more dogs euthanized and 50% more cats were euthanized. Ms. Huntley stated 200 pets are being transported to Northern New Mexico and Colorado on a monthly basis. She recommended the City educate the public on adoptions, spaying and neutering.

Mr. J. J. Murphy, City Manager, thanked Ms. Huntley for her contribution to the reduction of euthanasia in Hobbs. He stated most people complain and do nothing. Mr. Murphy stated Ms. Huntley has worked very hard to lower the amount of euthanization in Hobbs.

Consent Agenda

Mayor Cobb explained the Consent Agenda and the process for removing an item from the Consent Agenda and placing it under Action Items.

Commissioner Boyd moved for approval of the following Consent Agenda Item(s):

Resolution No. 6264 - Authorizing Appointments to the Lea County Water Users Association.

Commissioner Calderón seconded the motion and the vote was recorded as follows: Newman yes, Sena yes, Mullins yes, Calderón yes, Buie yes, Boyd yes, Cobb yes. The motion carried. A copy of the resolution is attached and made a part of these minutes.

Mayor Cobb requested an update on the Lea County Water Users Association. Mr. Tim Woomeer, Utilities Director, will provide a report at the end of this meeting.

Discussion

There were no discussion items presented.

Action Items

Resolution No. 6265 - Commitment to Implement an Asset Management Plan. Mr. Tim Woomeer, Utilities Director, stated a PowerPoint was presented to the Commission by Mr. Graham Knowles of Souder, Miller & Associates at a work session held prior to this meeting. He stated under the New Mexico Sanitary Projects Act, governmental entities are required to implement an Asset Management Plan if they are applying and/or receiving State of New Mexico funding for capital projects.

Commissioner Boyd moved that Resolution No. 6265 be adopted as presented. Commissioner Sena seconded the motion and the vote was recorded as follows: Newman yes, Sena yes, Mullins yes, Calderón yes, Buie yes, Boyd yes, Cobb yes. The motion carried. Copies of the resolution and supporting documentation are attached and made a part of these minutes.

Consideration of Approval to Install Direct Digital Controls in Various City Buildings and Recommendation to Accept Proposal from Energy Control, Inc., in the Amount of \$388,790.78. Mr. Ronny Choate, General Services Director, stated the City desires to install direct digital controls on various City buildings which will include the

District Attorney's Office, Hobbs Public Library, Agnes Head Community Center, Animal Adoption Center and the Hobbs Police Department. He stated the project is primarily for a new direct control system for HVAC systems in each building. Mr. Choate stated this is an addition to the IP based system installed at City Hall in 2013. He stated Mr. Scott Stevens with Energy Controls, Inc., is present at this meeting.

Mr. Stevens presented a PowerPoint to the Commission. He stated the direct digital controls system will include a guaranteed reduction in KWH and new KW meters on all sites. He stated the proposal includes a three-year subscription to Cooper Tree Analytical that will continue to improve performance through a three-step process to acquire, analyze and advise.

There being no further comments, Commissioner Buie moved to accept the installation of direct digital controls in various City buildings to Energy Control, Inc., in the amount \$388,790.78, as presented. Commissioner Calderón seconded the motion and the vote was recorded as follows: Newman yes, Sena yes, Mullins yes, Calderón yes, Buie yes, Boyd yes, Cobb yes. The motion carried. Copies of the supporting documentation are attached and made a part of these minutes.

Consideration of Approval of a Memorandum of Understanding (MOU) and Field Use Agreement with the Hobbs Municipal Schools Regarding Veterans Memorial Complex. Mr. Murphy stated the City Commission approved funding for field turf at various fields at Veteran's Memorial Ball Park. He stated the Hobbs Municipal Schools (HMS) will be providing \$1.5 million dollars towards the project in three \$500,000.00 installments. Mr. Murphy stated he and the Parks and Recreation staff have communicated with HMS staff, USSSA representatives, the HMS Board and Superintendent and parents regarding the usage of the fields and the wording of the MOU. He stated the MOU may not be perfect but it is livable. Mr. Murphy pointed out specific language on Page 2 of the MOU in bold as follows: "**The intent of this agreement is for the High School Varsity Baseball Team to have priority on the Varsity Field and said field should be the last field to be scheduled by outside groups**".

Mr. Hector Baeza, HMS Baseball Booster Club President, thanked the City for listening and working together to agree on the MOU. He stated the Veterans Memorial Ball Park is a top notch facility. Mr. Baeza stated projects in Hobbs are successful because the different organizations have the spirit to work together as a whole.

There being no further comments, Commissioner Calderón moved to accept the MOU and Field Use Agreement for the Veterans Memorial Complex with the HMS in the amount \$1.5 million, which will be paid over a three year span. Commissioner

Sena seconded the motion and the vote was recorded as follows: Newman yes, Sena yes, Mullins yes, Calderón yes, Buie yes, Boyd yes, Cobb yes. The motion carried. Copies of the agreement and supporting documentation are attached and made a part of these minutes.

Consideration of Approval of a Memorandum of Understanding with the Hobbs Municipal Schools Regarding the Use of Rockwind Community Links. Mr. Murphy explained the MOU with the HMS and stated the schools will utilize Rockwind Community Links for their golf program. He stated HMS will pay the City \$150,000.00 for the capital improvements at Rockwind Community Links as compensation for usage of the golf course. Mr. Murphy stated Hobbs has great facilities for its citizens.

Commissioner Boyd stated he is in agreement with the MOU with HMS regarding the usage of Rockwind Community Links.

There being no further comments, Commissioner Buie moved to accept the MOU with HMS for the usage of the Rockwind Community Links in the amount \$150,000.00 which is for capital improvements to Rockwind Community Links, as presented. Commissioner Calderón seconded the motion and the vote was recorded as follows: Newman yes, Sena yes, Mullins yes, Calderón yes, Buie yes, Boyd yes, Cobb yes. The motion carried. Copies of the agreement and supporting documentation are attached and made a part of these minutes.

Commissioner Newman stated MOU with HMS regarding the usage of Rockwind Community Links provides opportunity for kids to have tournaments at the Zia Plex.

Consideration of Approval of a Memorandum of Understanding with the University of the Southwest (USW) for Use, Access and Participation of USW's Men's and Women's Golf Teams at Rockwind Community Links. Mr. Doug McDaniel, Parks and Recreation Director, explained the MOU with the University of the Southwest (USW) and stated the agreement will allow USW to utilize Rockwind Community Links for their Men's and Women's Golf Teams which will begin play during the 2015-16 academic year. He stated USW currently has an agreement with the City for the USW's Women's Softball Team to utilize Baker Field at the Veterans Memorial Complex for practices, games and tournaments

Commissioner Sena thanked Mr. McDaniel and Ms. Linda Howell, Golf Course General Manager, for all the great work they do for the City.

There being no further comments, Commissioner Sena moved to accept the MOU with the USW for the usage of the Rockwind Community Links. Commissioner

Calderón seconded the motion and the vote was recorded as follows: Newman yes, Sena yes, Mullins yes, Calderón yes, Buie yes, Boyd yes, Cobb yes. The motion carried. Copies of the agreement and supporting documentation are attached and made a part of these minutes.

Consideration of Approval of Professional Services Agreement with Life Skills Fore Youth of the Pecos for the First Tee Program at Rockwind Community Links. Mr. McDaniel explained the agreement with Life Skills Fore Youth of the Pecos for The First Tee Program at Rockwind Community Links and stated one of the City's goals is to engage the youth of Hobbs, Lea County, southeast New Mexico and west Texas in the game of golf by offering various golf instructional programs, clinics and camps. He stated Rockwind Community Links will also allow the City to partner with Life Skills Fore Youth of the Pecos; not just for golf skills, but to also teach life skills through the nationally renowned First Tee Program. Mr. McDaniel stated The First Tee's Nine Core Values, Nine Healthy Habits and Code of Conduct will have a positive impact on all that participate in The First Tee Program. He stated the City will provide facilities for both golf and classroom instruction in addition to the City's other contributions described in the agreement. Mr. McDaniel stated the City will fully fund The First Tee Program at an approximate cost of \$109,560.00 and provide a maximum of two fundraising golf events per year to benefit The First Tee Program, the first of which was held on October 31, 2014.

Ms. Howell stated she attended a conference in Dallas, Texas, and former President George W. Bush was a speaker. She stated one of the topics was The First Tee Program, which is a global initiative. She stated the Commission previously approved a 30 day agreement for operation of the First Tee Program at Rockwind Community Links. Mr. McDaniel stated there were 120 participants who took part in the four week session of golf and life skills lessons. She stated participants learn core values in this program.

In reply to Commissioner Newman's inquiry, Ms. Howell stated 120 students participated in The First Tee Program and they were only anticipating 60 students.

Commissioner Buie stated he attended one of the lessons and was very impressed by the respectful way the students of The First Tee Program introduced themselves.

There being no further comments, Commissioner Buie moved to accept the agreement with Life Skills Fore Youth of the Pecos for The First Tee Program at Rockwind Community Links in the amount \$109,560.00, as presented. Commissioner Calderón seconded the motion and the vote was recorded as follows: Newman yes, Sena yes, Mullins yes, Calderón yes, Buie yes, Boyd yes, Cobb yes.

The motion carried. Copies of the agreement and supporting documentation are attached and made a part of these minutes.

Consideration of Approval of Qualification of Pacific Rim, Inc., to Provide Restaurant, Food, Beverage and Catering Services at Rockwind Community Links. Mr. McDaniel stated the RFQ was advertised and two submissions were received to provide restaurant, food, beverage and catering services at Rockwind Community Links. He stated Pacific Rim has been in business for 11 years and the owner has been a resident of Hobbs for 35 years. Mr. McDaniel stated staff is recommending that the Commission qualify Pacific Rim, Inc., as per the RFQ to provide restaurant, food, beverage and catering services at Rockwind Community Links and to also authorize staff to proceed with negotiating a professional services agreement with Pacific Rim, Inc., which will be submitted to the Commission for review and approval at a later date.

Mr. Hyden Andrews with Pacific Rim, Inc., stated they are honored their restaurant has been selected to be the vendor for the Rockwind Community Links restaurant.

In response to Commissioner Boyd's question, Mr. Andrews stated they will be serving foods that are simple but elegant.

Commissioner Sena stated Pacific Rim, Inc., provides great service in Hobbs.

Mr. Murphy stated one of the highlights of Pacific Rim, Inc., is that it has never been in violation in serving alcohol to the public. He stated Pacific Rim, Inc., will be a great partner.

There being no further comments, Commissioner Boyd moved to accept the approval of qualifications to provide restaurant, food, beverage and catering services to Pacific Rim, Inc., and start negotiating professional services agreement to be reviewed by the Commission at a later date. Commissioner Buie seconded the motion and the vote was recorded as follows: Newman yes, Sena yes, Mullins yes, Calderón yes, Buie yes, Boyd yes, Cobb yes. The motion carried. Copies of the agreement and supporting documentation are attached and made a part of these minutes.

Consideration of Approval of a CES Contract with Lasco Construction, Inc., for Reconstruction of the City Hall Employee Parking Lot in the Amount of \$178,337.64. Mr. Choate explained the contract with Lasco Construction, Inc., and stated the project includes reconstruction of the City Hall employee parking with additional concrete work at vehicle driveways and pedestrian walkways. He stated the project will be performed in three phases: Phase I includes lighting, Phase II includes

parking lot paving and Phase III includes decorative iron fencing. Mr. Choate stated fencing will be installed for the safety of City employees. He stated employee vehicles will be entering from the East entrance only. Mr. Choate stated the Hobbs Boys and Girls Club will also be utilizing this parking lot and crosswalks will be marked for pedestrian crossing to its facility. He stated the parking lot, once completed, will be utilized for the Downtown Slam & Jam Gus Macker Tournament.

After a lengthy discussion regarding completion of the project through a CES contract, Mayor Cobb stated if an engineering estimate and plans are put out to bid the cost will be the same at the end of the day.

In response to Commissioner Buie's question, Mr. Choate stated once the CES contract is awarded, the reconstruction of the City Hall employee parking lot will start immediately.

Commissioners Buie and Mullins expressed concerns regarding the completion of the project. Mr. Choate assured the Commission that Lasco Construction, Inc., and Ramirez Construction will complete the project in a timely manner and other projects they are contracted with the City will not be affected. Mr. Murphy concurred with Mr. Choate and stated these two companies have multiple crews to work on different projects.

In reply to Commissioner Boyd's inquiry, Mr. Choate stated the contract with Lasco Construction, Inc., does not include a penalty clause if the project is not completed on time.

Mayor Cobb thanked Mr. Choate for getting the reconstruction of the City Hall employee parking lot project started.

There being no further comments, Commissioner Sena moved to approve the CES contract for reconstruction of the City Hall employee parking lot with Lasco Construction, Inc., in the amount \$178,337.64. Commissioner Mullins seconded the motion and the vote was recorded as follows: Newman yes, Sena yes, Mullins yes, Calderón yes, Buie yes, Boyd yes, Cobb yes. The motion carried. Copies of the agreement and supporting documentation are attached and made a part of these minutes.

Resolution No. 6266 - Authorizing Approval of Moving Expenses for New Hobbs Police and Fire Officers. Mr. Mike Stone, City Attorney, stated over the past several years the City has employed a number of incentives to recruit new police and fire officers. He stated both departments are now adequately staffed and the need for hiring incentive has diminished. Mr. Stone stated Police and Fire Departments have

requested the City continue to provide moving expenses to new officers who move to Hobbs. He stated the City currently provides up to \$1,500.00 to officers for reimbursed moving expenses. He added this proposal would increase the moving expenses up to \$3,500.00.

Commissioner Calderón moved that Resolution No. 6266 be adopted as presented. Commissioner Newman seconded the motion and the vote was recorded as follows: Newman yes, Sena yes, Mullins yes, Calderón yes, Buie yes, Boyd yes, Cobb yes. The motion carried. Copies of the resolution and supporting documentation are attached and made a part of these minutes.

Comments by City Commissioners, City Manager

Mayor Cobb stated the next Commission meeting will be held on Monday, April 6, 2015.

Mr. Murphy presented the first design of the Health Wellness Learning Center to the Commission.

Mr. Murphy stated the City will begin an aggressive campaign before Spring Break on "Slow Your Roll".

Mr. Murphy stated he was honored to watch the Hobbs High School Basketball Team win the State Tournament.

Commissioner Sena expressed appreciation to the Fire Department for the way they handled the recent fire at Taylor Ranch.

Commissioner Mullins stated she is so proud of the Hobbs Eagles Basketball Team for winning the State Championship.

Commissioner Mullins stated she is aware that another "Slow Your Roll" campaign will commence soon but she requested that the Hobbs Police Department place more emphasis on speeding in school zones.

Mayor Cobb stated the City needs to address traffic calming measures near or approaching school zones.

Commissioner Mullins apologized for her tardiness tonight. She stated she was giving a speech at the "My Power" meeting. Commissioner Mullins stated Ms. Elaine Sena and staff with My Power do a great job with the girls, who are an amazing group.

Commissioner Buie requested police presence at Del Norte Park to help control speeding in the area.

Commissioner Newman stated he posted pictures of two motorcycle police officers on Facebook and received several comments thanking the officers for the job they do in the community.

Commissioner Newman expressed appreciation to Mr. McDaniel and his staff for the great presentations and updates on projects presented to the Community Affairs Board.

Upon the request of Commissioner Newman, Mr. Woomer reported that the Lea County Water Users Association has created a Steering Committee and hired the Daniel B. Stephens Firm to update or renew the current Water Plan regarding conservation and other re-use of water and sources.

Mayor Cobb thanked everyone for their attendance at tonight's meeting.

Adjournment

There being no further discussion or business, Commissioner Newman moved that the meeting adjourn. Commissioner Mullins seconded the motion. The vote was recorded as follows: Newman yes, Sena yes, Mullins yes, Calderón yes, Buie yes, Boyd yes, Cobb yes. The motion carried. The meeting adjourned at 7:05 p.m.

SAM D. COBB, Mayor

ATTEST:

JAN FLETCHER, City Clerk

Minutes of the work session of the Hobbs City Commission held on Monday, March 16, 2015, at 5:30 p.m. in the City Commission Chamber at City Hall, 200 East Broadway, Hobbs, New Mexico.

Mayor Cobb called the work session to order and welcomed everyone in attendance. The following were present:

Mayor Sam D. Cobb
Commissioner Marshall Newman
Commissioner Jonathan Sena
Commissioner Joseph D. Calderón
Commissioner Garry A. Buie
Commissioner John W. Boyd

Absent: Commissioner Crystal Mullins

Also present were Mr. J. J. Murphy, City Manager, Mr. Mike Stone, City Attorney, Ms. Jan Fletcher, City Clerk and Ms. Mollie Maldonado, Deputy Clerk. Other staff members and public were also present.

Commitment to Implement an Asset Management Plan. Mr. Tim Woomer, Utilities Director, introduced Mr. Todd Phiney, Mr. Graham Knowles and Mr. Russ Doss of Souder, Miller & Associates who will be presenting the Implementation of an Asset Management Plan. He stated Mr. Knowles will present a PowerPoint.

Mayor Cobb announced that Commissioner Mullins will be absent from this work session as she is giving a speech at the "My Power" meeting.

Mr. Phiney stated he is the Senior Engineer for Souder, Miller & Associates which recently established an office in Hobbs. He also stated he has ten years of experience in asset management. Mr. Phiney stated Souder, Miller & Associates and the City have entered into a contract for an Asset Management Plan in the amount of \$35,576.00 which will consist of three phases.

Mr. Phiney recognized staff of Souder, Miller & Associates, Mr. Paul Kennedy, Project Engineer, Mr. Lupe Salmon, GIS, and Ms. Sonia Gimela, GIS Data Base Analyst.

Mr. Doss stated he is excited to work with the City on the Asset Management Plan Project.

Mr. Knowles presented a PowerPoint on Asset Management Overview. He stated under the New Mexico Sanitary Projects Act, governmental entities are required to implement an Asset Management Plan if they are applying and/or receiving State of New Mexico funding for capital projects. Mr. Knowles stated he met with the City Asset Management Plan team earlier in the day. He stated the Asset Management

Plan is a management system to manage assets to insure integrity and sustainability. Mr. Knowles stated the three phases of the plan are 1) Policy: Principles, requirements and responsibilities for asset management 2) Strategy: Objectives, Practices, Action Plans for asset management improvement, audit and review procedures, and 3) Plan: Asset/service description, levels of service, demand forecasts, life cycle activities, cash-flow forecasts.

Mr. Knowles stated the Asset Management Plan requires a commitment of City leaders which will be the driving force of action. Mr. Knowles stated it starts from the top of the ladder to the bottom for the plan to be successful. He defined "asset" as an article, building, device, entity, item, machinery or plant that has potential or actual value or worth to the City. Mr. Knowles stated this is a systematic and coordinated process by the entity to sustainably deliver its desired level of services. He reviewed the Roadmap to Asset Management and stated this would optimize the return-on-investment and invest in the City's future.

Mayor Cobb stated it is very important for the City to invest in an Asset Management Plan which will be required at the Federal and State level to receive grants and loans.

Mr. Knowles stated the City will be in a better position by having an Asset Management Plan in place when it comes time to fulfill Federal and State requirements.

Commissioner Boyd stated the key to success is by having an Asset Management Plan in place.

Commissioner Sena thanked Mr. Knowles for his presentation.

Commissioner Calderón stated it was a great presentation and he, too, is in favor of the plan.

Commissioner Buie expressed his appreciation for the presentation and stated the City has been in need of this plan for a long time.

In reply to Commissioner Newman's question, Mr. J. J. Murphy, City Manager, stated the Asset Management Team is comprised of Department Heads, and he fully supports the Asset Management Plan to hold the City accountable for its assets.

In response to Mayor Cobb's inquiry, Mr. Toby Spears, Finance Director, replied that the City has \$3 million of net unappreciated assets.

Commissioner Buie stated the Asset Management Plan will assist management in providing basic day-to-day services.

Mr. Knowles commended City staff for their high quality of service.

There being no further discussion by the Commission, the meeting adjourned at 5:55 p.m.

SAM D. COBB, Mayor

ATTEST:

JAN FLETCHER, City Clerk

Office of the Mayor
Hobbs, New Mexico

PROCLAMATION

WHEREAS, the Hobbs Eagles Boy's Basketball Team have completed another outstanding and successful year representing our City in basketball competition; and

WHEREAS, Coaches Mike Smith, Shelby Reeves and their staff continue to lead the Eagles to a reputation of excellence and prestige throughout the State of New Mexico and the surrounding area; and

WHEREAS, the Eagles have been successful in earning the respect of their peers and others in the State for good sportsmanship and are well known for their overwhelming support; and

WHEREAS, the Eagles have again proven their ability by winning their seventeenth State Championship with a season record of 30-2 and soaring to the all-time state record of 17 overall State Championship titles.

NOW, THEREFORE, I, Sam D. Cobb, Mayor of the City of Hobbs, New Mexico, do hereby proclaim April 6th, 2015, as

"HOBBS EAGLES DAY"

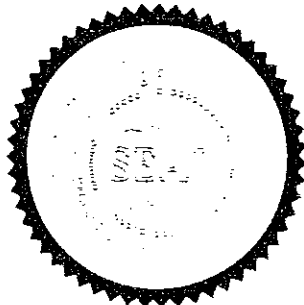
in recognition of the outstanding accomplishments of the 2014-2015 Hobbs Eagles Boy's Basketball Team with congratulations for a job well done!

IN WITNESS WHEREOF, I have hereunto set my hand this 6th day of April, 2015, and cause the seal of the City of Hobbs to be affixed hereto.

SAM D. COBB, Mayor

ATTEST:


JAN FLETCHER, City Clerk



Office of the Mayor
Hobbs, New Mexico

PROCLAMATION

WHEREAS, fair and equal housing is a right guaranteed to all Americans; and

WHEREAS, the principle of fair and equal housing is a fundamental human entitlement; and

WHEREAS, all citizens have the right to live where they choose within their financial means; and

WHEREAS, people must not be denied housing because of race, color, religion, sex, national origin, handicap or family status; and

WHEREAS, we must, as individuals, assure equal access to housing for all in our communities; and

WHEREAS, the City of Hobbs acknowledges the importance of assuring fair and equal treatment to all citizens;

NOW, THEREFORE, I, Sam D. Cobb, Mayor of the City of Hobbs, New Mexico, do hereby proclaim April, 2015 as,

"FAIR HOUSING MONTH"

in the City of Hobbs.

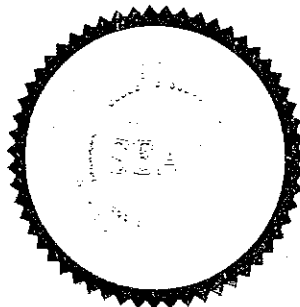
IN WITNESS WHEREOF, I have hereunto set my hand this 6th day of April, 2015, and cause the seal of the City of Hobbs to be affixed hereto.

SAM D. COBB, Mayor

ATTEST:



JAN FLETCHER, City Clerk





CONSENT AGENDA



CITY OF HOBBS
COMMISSION STAFF SUMMARY FORM

MEETING DATE: April 6, 2015

SUBJECT: ADOPTION OF POLICY UPDATE FOR SECTION 3 PLAN
DEPT. OF ORIGIN: Engineering Department
DATE SUBMITTED: March 24, 2015
SUBMITTED BY: Todd Randall, City Engineer

Summary:

A City Section 3 Plan is recommended to be updated in conjunction with the requirements for the City's Community Development Block Grant. The Resolution specifies that City policy concerning the same issue is hereby updated and re-adopted by the new policy. The recommendation is that each time the City embarks on a CDBG project, the HUD policies need to be re-adopted.

This policy states that the City will encourage the use of small local businesses located within the City of Hobbs and the hiring of low income residents.

Fiscal Impact:

Reviewed By: [Signature]
Finance Department

Community Development Block Grant projects are an important source of revenues to upgrade low and moderate income areas in the City. The public investment will improve the tax base and lend to private development in Hobbs.

Attachments:

Resolution, Section 3 Plan

Legal Review:

Approved As To Form: [Signature]
City Attorney

Recommendation:

To make a motion to approve the Resolution for the Mayor to adopt the City of Hobbs Section 3 Plan.

Approved For Submittal By:

[Signature]
Department Director
[Signature]
City Manager

CITY CLERK'S USE ONLY
COMMISSION ACTION TAKEN

Resolution No. _____ Continued To: _____
Ordinance No. _____ Referred To: _____
Approved _____ Denied _____
Other _____ File No. _____

CITY OF HOBBS

RESOLUTION NO. 6267

A CONCEPT RESOLUTION OF SUPPORT FOR ADOPTING A POLICY
UPDATE FOR SECTION 3 PLAN (2015)

WHEREAS, the need exists within Hobbs for continued neighborhood improvement projects in several low and moderate income neighborhoods and the City therefore desires to apply to the HUD CDBG Grant Program to obtain funding for neighborhood infrastructure projects; and

WHEREAS, there is a need to adopt a policy update of existing City of Hobbs policy for the "Section 3 Plan" to encourage the use of small local businesses located within the City of Hobbs and the hiring of low income residents

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HOBBS, NEW MEXICO, that the Mayor be, and hereby is, authorized to adopt the policy update for the "Section 3 Plan", which is attached hereto and made a part of this resolution and the City officials and staff are directed to do any and all acts necessary to carry out the intent of this Resolution.

PASSED, ADOPTED AND APPROVED this 6th day of April, 2015.

SAM D. COBB, Mayor

ATTEST:

JAN FLETCHER, City Clerk

CITY OF HOBBS SECTION 3 PLAN

The City of Hobbs is committed to comply with Section 3 of the Housing and Urban Development Act of 1968. This Act encourages the use of small local businesses and the hiring of low income residents of the community.

The City of Hobbs has appointed the HR Director as the Section 3 Coordinator, to advise and assist key personnel and staff on Section 3, to officially serve as focal point for Section 3 complaints, and the Finance Department as the on-site monitor of prime contractors and sub-contractors to insure the implementation and enforcement of their Section 3 plans. The approval or disapproval of the Section 3 plan is the ultimate responsibility of the City of Hobbs. Documentation of efforts will be retained on file for monitoring by the state.

Therefore, the City of Hobbs shall:

1. Hiring
 - a. Advertise for all City positions in local newspapers
 - b. List all City job opportunities with the State Employment Service
 - c. Give preference in hiring to lower income persons residing in the City. This means that if two equally qualified persons apply and one is a resident of the City and one is not, the resident will be hired
 - d. Maintain records of City hiring as specified on this form

ANTICIPATED <i>City of Hobbs</i> HIRING - 2015 Calendar Year				
PLANNED			ACTUAL	
Job Classification	# of Positions to be Filled	# of Positions to be Filled by Lower Income City Residents	# of Positions Filled	Positions Filled by Lower Income City Residents
Public Safety	13	3		
All Other	58	17		
EXE	1	0		

- Chart for Section 3 Plan **MUST** be filled out in its entirety.

2. Contracting

- a. The City will compile a list of businesses, suppliers and contractors located in the City.
- b. These vendors will be contacted for bid or quotes whenever the City requires supplies, services or construction.
- c. Preference will be given to small local businesses. This means if identical bids/quotes are received from a small business located within the City and one from outside the City, the contract will be awarded to the business located within the community.

3. Training

- a. The City shall maintain a list of all training programs operated by the City and its agencies and will direct them to give preference to City residents. The City will also direct all CDBG sponsored training to provide preference to City residents.

4. CDBG Contracts

All CDBG bid proposals and contracts shall include the following Section 3 language.

- a. The work to be performed under this contract is on a project assisted under a program providing direct federal financial assistance from the Department of Housing and Urban Development and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that the greatest extent feasible, opportunities for training and employment be given lower income residents of the project areas, and contracts for work in connection with the project be awarded to business concerns residing in the project area.
- b. The parties to this contract will comply with the provision of said Section 3 and the regulations issued pursuant thereto by the Secretary of Housing and Urban Development set forth in 24 CFR and all applicable rules and orders of the Department issued there-under prior to the execution of this contract. The parties to this contract certify and agree that they are under no contractual or other disability which would prevent them from complying with these requirements.
- c. The contractor will send to each labor organization or representative of workers with which he has a collective bargaining agreement or other contract or understanding, if any, a notice advising the said labor organization or workers' representative of his commitments under the Section 3 clause, and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.
- d. The contractor will include this Section 3 clause in every subcontract for work in connection with the project and will, at the direction of the applicant for, or recipient of federal financial assistance, take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the Secretary of Housing and Urban Development, 24 CFR 135. The contractor will not subcontract with any subcontractor where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR 135, and will not let any subcontract unless the subcontractor has first provided it with the requirements of these regulations.
- e. Compliance with the provisions of Section 3, the regulations set forth in 24 CFR 135, and all applicable rules and orders of the Department, issued thereunder prior to the execution of the contract, shall be a condition of the federal financial assistance provided to the project, binding upon the applicant or recipient for such assistance, its successors and assigns. Failure to fulfill these requirements shall subject the applicant or recipient, its contractors and subcontractors, its

successors and assigns to those sanctions specified by the grant or loan agreement or contract through which federal assistance is provided, and to such sanctions as are specified by 24 CFR 135.

The City shall require each contractor to prepare a written Section 3 plan as a part of their bids on all jobs exceeding \$100,000. All Section 3 plans shall be reviewed and approved by the City's Equal Opportunity Section 3 Compliance Officer and retained for monitoring by the state.

The City will maintain all necessary reports and will insure that all contractors and subcontractors submit required reports.

LOWER INCOME CLARIFICATION

A family who resides in the City of Hobbs and whose income does not exceed the income limit for the size of family as per the attached Section 8 Income Limit for *Lea County*. Information contained in our Section 3 Plan reflects the status of the City employees regarding lower income considerations based on their salary paid by the City.

Chief Executive Officer

Date

STATE: NEW MEXICO

-----I N C O M E L I M I T S-----

PROGRAM	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
Albuquerque, NM MSA FY 2014 MFI: 57800	EXTR LOW INCOME 12600	15730	19790	23850	27910	31970	36030	39500
	VERY LOW INCOME 20950	23950	26950	29900	32300	34700	37100	39500
	LOW-INCOME 33500	38300	43100	47850	51700	55550	59350	63200
Farmington, NM MSA FY 2014 MFI: 65700	EXTR LOW INCOME 12200	15730	19790	23850	27910	31970	36000	38300
	VERY LOW INCOME 20300	23200	26100	29000	31350	33650	36000	38300
	LOW-INCOME 32500	37150	41800	46400	50150	53850	57550	61250
Las Cruces, NM MSA FY 2014 MFI: 44000	EXTR LOW INCOME 11670	15730	19790	23600	25500	27400	29300	31200
	VERY LOW INCOME 16550	18900	21250	23600	25500	27400	29300	31200
	LOW-INCOME 26450	30200	34000	37750	40800	43800	46850	49850
Santa Fe, NM MSA FY 2014 MFI: 65300	EXTR LOW INCOME 13750	15730	19790	23850	27910	31970	36030	40090
	VERY LOW INCOME 22900	26150	29400	32650	35300	37900	40500	43100
	LOW-INCOME 36600	41800	47050	52250	56450	60650	64800	69000
Catron County, NM FY 2014 MFI: 48400	EXTR LOW INCOME 11670	15730	19790	23850	26150	28100	30050	31950
	VERY LOW INCOME 16950	19400	21800	24200	26150	28100	30050	31950
	LOW-INCOME 27100	31000	34850	38700	41800	44900	48000	51100
Chaves County, NM FY 2014 MFI: 47000	EXTR LOW INCOME 11670	15730	19790	23600	25500	27400	29300	31200
	VERY LOW INCOME 16550	18900	21250	23600	25500	27400	29300	31200
	LOW-INCOME 26450	30200	34000	37750	40800	43800	46850	49850
Cibola County, NM FY 2014 MFI: 41500	EXTR LOW INCOME 11670	15730	19790	23600	25500	27400	29300	31200
	VERY LOW INCOME 16550	18900	21250	23600	25500	27400	29300	31200
	LOW-INCOME 26450	30200	34000	37750	40800	43800	46850	49850
Colfax County, NM FY 2014 MFI: 48600	EXTR LOW INCOME 11670	15730	19790	23850	26500	28450	30400	32350
	VERY LOW INCOME 17150	19600	22050	24500	26500	28450	30400	32350
	LOW-INCOME 27450	31400	35300	39200	42350	45500	48650	51750
Curry County, NM FY 2014 MFI: 54100	EXTR LOW INCOME 11670	15730	19790	23850	27910	30450	32550	34650
	VERY LOW INCOME 18400	21000	23650	26250	28350	30450	32550	34650
	LOW-INCOME 29400	33600	37800	42000	45400	48750	52100	55450
De Baca County, NM FY 2014 MFI: 42200	EXTR LOW INCOME 11670	15730	19790	23600	25500	27400	29300	31200
	VERY LOW INCOME 16550	18900	21250	23600	25500	27400	29300	31200
	LOW-INCOME 26450	30200	34000	37750	40800	43800	46850	49850
Eddy County, NM FY 2014 MFI: 60500	EXTR LOW INCOME 12750	15730	19790	23850	27910	31970	36030	39950
	VERY LOW INCOME 21200	24200	27250	30250	32700	35100	37550	39950
	LOW-INCOME 33900	38750	43600	48400	52300	56150	60050	63900
Grant County, NM FY 2014 MFI: 46900	EXTR LOW INCOME 11670	15730	19790	23600	25500	27400	29300	31200
	VERY LOW INCOME 16550	18900	21250	23600	25500	27400	29300	31200
	LOW-INCOME 26450	30200	34000	37750	40800	43800	46850	49850

STATE:NEW MEXICO

-----I N C O M E L I M I T S-----

PROGRAM	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON	
Guadalupe County, NM FY 2014 MFI: 36800	EXTR LOW INCOME VERY LOW INCOME LOW-INCOME	11670 16550 26450	15730 18900 30200	19790 21250 34000	23600 23600 37750	25500 25500 40800	27400 27400 43800	29300 29300 46850	31200 31200 49850
Harding County, NM FY 2014 MFI: 45200	EXTR LOW INCOME VERY LOW INCOME LOW-INCOME	11670 17100 27350	15730 19550 31250	19790 22000 35150	23850 24400 39050	26400 26400 42200	28350 28350 45300	30300 30300 48450	32250 32250 51550
Hidalgo County, NM FY 2014 MFI: 43700	EXTR LOW INCOME VERY LOW INCOME LOW-INCOME	11670 16550 26450	15730 18900 30200	19790 21250 34000	23600 23600 37750	25500 25500 40800	27400 27400 43800	29300 29300 46850	31200 31200 49850
Lea County, NM FY 2014 MFI: 60700	EXTR LOW INCOME VERY LOW INCOME LOW-INCOME	11670 18950 30350	15730 21650 34650	19790 24350 39000	23850 27050 43300	27910 29250 46800	31400 31400 50250	33550 33550 53700	35750 35750 57200
Lincoln County, NM FY 2014 MFI: 54600	EXTR LOW INCOME VERY LOW INCOME LOW-INCOME	11670 19150 30600	15730 21850 35000	19790 24600 39350	23850 27300 43700	27910 29500 47200	31700 31700 50700	33900 33900 54200	36050 36050 57700
Los Alamos County, NM FY 2014 MFI: 126300	EXTR LOW INCOME VERY LOW INCOME LOW-INCOME	21500 35800 44750	24550 40900 51150	27600 46000 57550	30650 51100 63900	33150 55200 69050	35600 59300 74150	38050 63400 79250	40500 67500 84350
Luna County, NM FY 2014 MFI: 37700	EXTR LOW INCOME VERY LOW INCOME LOW-INCOME	11670 16550 26450	15730 18900 30200	19790 21250 34000	23600 23600 37750	25500 25500 40800	27400 27400 43800	29300 29300 46850	31200 31200 49850
McKinley County, NM FY 2014 MFI: 36900	EXTR LOW INCOME VERY LOW INCOME LOW-INCOME	11670 16550 26450	15730 18900 30200	19790 21250 34000	23600 23600 37750	25500 25500 40800	27400 27400 43800	29300 29300 46850	31200 31200 49850
Mora County, NM FY 2014 MFI: 45700	EXTR LOW INCOME VERY LOW INCOME LOW-INCOME	11670 16550 26450	15730 18900 30200	19790 21250 34000	23600 23600 37750	25500 25500 40800	27400 27400 43800	29300 29300 46850	31200 31200 49850
Otero County, NM FY 2014 MFI: 44600	EXTR LOW INCOME VERY LOW INCOME LOW-INCOME	11670 16550 26450	15730 18900 30200	19790 21250 34000	23600 23600 37750	25500 25500 40800	27400 27400 43800	29300 29300 46850	31200 31200 49850
Quay County, NM FY 2014 MFI: 41700	EXTR LOW INCOME VERY LOW INCOME LOW-INCOME	11670 16550 26450	15730 18900 30200	19790 21250 34000	23600 23600 37750	25500 25500 40800	27400 27400 43800	29300 29300 46850	31200 31200 49850
Rio Arriba County, NM FY 2014 MFI: 48300	EXTR LOW INCOME VERY LOW INCOME LOW-INCOME	11670 16950 27100	15730 19350 30950	19790 21750 34800	23850 24150 38650	26100 26100 41750	28050 28050 44850	29950 29950 47950	31900 31900 51050



CITY OF HOBBS
COMMISSION STAFF SUMMARY FORM

MEETING DATE: April 6, 2015

SUBJECT: ADOPTION OF POLICY UPDATE FOR RESIDENTIAL ANTI-DISPLACEMENT AND RELOCATION ASSISTANCE PLAN

DEPT. OF ORIGIN: Engineering Department
DATE SUBMITTED: March 24, 2015
SUBMITTED BY: Todd Randall, City Engineer

Summary:

A City Residential Anti-Displacement and Relocation Assistance Plan is recommended to be updated in conjunction with the requirements for the City's Community Development Block Grant. The Resolution specifies that City policy concerning the same issue is hereby updated and re-adopted by the new policy. The recommendation is that each time the City embarks on a CDBG project, the HUD policies need to be re-adopted.

The plan consists of three components: 1) one-for-one replacement requirements for lower-income housing units, 2) relocation assistance and 3) a description of the steps the City of Hobbs will take to minimize displacement.

Fiscal Impact:

Reviewed By: [Signature]
Finance Department

Community Development Block Grant projects are an important source of revenues to upgrade low and moderate income areas in the City. The public investment will improve the tax base and lend to private development in Hobbs.

Attachments:

Resolution, Residential Anti-Displacement and Relocation Assistance Plan

Legal Review:

Approved As To Form: [Signature]
City Attorney

Recommendation:

To make a motion to approve the Resolution for the Mayor to adopt the City of Hobbs Residential Anti-Displacement and Relocation Assistance Plan.

Approved For Submittal By:

[Signature]

Department Director

[Signature]
City Manager

**CITY CLERK'S USE ONLY
COMMISSION ACTION TAKEN**

Resolution No. _____ Continued To: _____
Ordinance No. _____ Referred To: _____
Approved _____ Denied _____
Other _____ File No. _____

CITY OF HOBBS

RESOLUTION NO. 6268

A CONCEPT RESOLUTION OF SUPPORT FOR ADOPTING A POLICY UPDATE FOR RESIDENTIAL ANTI-DISPLACEMENT AND RELOCATION ASSISTANCE PLAN (2015)

WHEREAS, the need exists within Hobbs for continued neighborhood improvement projects in several low and moderate income neighborhoods and the City therefore desires to apply to the HUD CDBG Grant Program to obtain funding for neighborhood infrastructure projects; and

WHEREAS, there is a need to adopt a policy update of existing City of Hobbs policy for the "Residential Anti-Displacement and Relocation Assistance Plan" to help with improving affordable housing in Hobbs, as shown on the attached policy.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HOBBS, NEW MEXICO, that the Mayor be, and hereby is, authorized to adopt the policy update for the "Residential Anti-Displacement and Relocation Assistance Plan", which is attached hereto and made a part of this resolution and the City officials and staff are directed to do any and all acts necessary to carry out the intent of this Resolution.

PASSED, ADOPTED AND APPROVED this 6th day of April, 2015.

SAM D. COBB, Mayor

ATTEST:

JAN FLETCHER, City Clerk

City of Hobbs

Residential Anti-Displacement and Relocation Assistance Plan

I. Background/Introduction

Section 104(d) of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5304(d)(4)), Section 105(b)(16) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12705(b)(16)), and implementing regulations at 24 CFR Part 42, specify that a grantee under the Community Development Block Grant (CDBG) must certify that it has in effect and is following a “residential Anti-displacement and relocation assistance plan” (Plan). As a CDBG grantee, the City of Hobbs must certify to State of New Mexico Department of Finance and Administration Local Government Division that it has and is following such a Plan.

The Plan must include three components: 1) one-for-one replacement requirements for lower-income housing units, 2) relocation assistance, and 3) a description of the steps the City of Hobbs will take to minimize displacement.

II. Activities Covered by the Plan

All activities involving the use of CDBG funds that cause displacement as a direct result of demolition or conversion of a lower-income dwelling are subject to the requirements specified in the Plan. Activities for which funds are first obligated on or after September 30, 1988 are subject to the requirements specified in the Plan, without regard to the source year of the funds.

III. Uniform Relocation Act

The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA) govern displacement that directly results from acquisition, rehabilitation, or demolition of real property when federal funds are used. The City of Hobbs Residential Anti-displacement and Relocation Assistance Plan is in no way intended to supersede the URA. CDBG assisted activities may still be subject to the requirements of the URA.

IV. One-for-One Replacement Units

All occupied and vacant occupiable lower-income dwelling units that are demolished or converted to a use other than as lower-income dwelling units in connection with an assisted activity must be replaced with comparable lower-income units. Replacement lower-income dwelling units may be provided by any governmental agency or private developer and must meet the following requirements:

- A. The units must be located within the City of Hobbs to the extent feasible, the units shall be located within the same neighborhood as the units replaced

- B. The units must be sufficient in number and size to house no fewer than the number of occupants who could have been housed in the units that are demolished or converted. The number of occupants who could have been housed in the units shall be in accordance with applicable local housing occupancy codes. The units may not be replaced with smaller units (e.g., a 2-bedroom unit with two 1-bedroom units), unless the the City of Hobbs has provided information demonstrating that such a proposed replacement is consistent with the needs

assessment contained State of New Mexico Department of Finance and Administration Local Government Division HUD-approved Consolidated Plan.

- C. The units must be in standard condition and must at a minimum meet Section 8 Program Housing Quality Standards. Replacement lower-income units may include units brought from a substandard condition to standard condition if: 1) no person was displaced from the unit; and 2) the unit was vacant for at least 3 months before execution of the agreement between the City of Hobbs and the property owner.
- D. The units must initially be made available for occupancy at any time during the period beginning 1 year before the recipient makes public the information required under Section F below and ending 3 years after the commencement of the demolition or rehabilitation related to the conversion.
- E. The units must be designed to remain lower-income dwelling units for at least 10 years from the date of initial occupancy. Replacement lower-income dwelling units may include, but are not limited to, public housing or existing housing receiving Section 8 project-based assistance
- F. Before the City of Hobbs enters into a contract committing it to provide CDBG funds for any activity that will directly result in the demolition of lower-income dwelling units or the conversion of lower-income dwelling units to another use, the City of Hobbs must make public and submit in writing to LGD:
 - 1 A description of the proposed assisted activity;
 - 2 The location on a map and number of dwelling units by size (number of bedrooms) that will be demolished or converted to a use other than for lower-income dwelling units as a direct result of the assisted activity;
 - 3 A time schedule for the commencement and completion of the demolition or conversion;
 - 4 The location on a map and the number of dwelling units by size (number of bedrooms) that will be provided as replacement dwelling units. If such data is not available at the time of the submission to State of New Mexico Department of Finance and Administration Local Government Division, the submission shall identify the general location on an area map and the approximate number of dwelling units by size, and information identifying the specific location and number of dwellings units by size shall be submitted and disclosed to the public as soon as it is available;
 - 5 The source of funding and time schedule for the provision of replacement dwelling units;
 - 6 The basis for concluding that each replacement unit will remain a lower-income dwelling unit for at least 10 years from the date of initial occupancy; and
 - 7 Information demonstrating that any proposed replacement of dwelling units with smaller dwelling units is consistent with the needs assessment contained in the State of New Mexico Department of Finance and Administration Local Government Division Consolidated Plan.

- G. The one-for-one replacement requirements may not apply if HUD determines, based on objective data, that there is an adequate supply of vacant lower-income dwelling units in standard condition available on a non-discriminatory basis within the City of Hobbs. In making such a determination, State of New Mexico Department of Finance and Administration Local Government Division will consider such factors as vacancy rates, numbers of lower-income units in the City of Hobbs and the number of eligible families on the Section 8 waiting list

V. Relocation Assistance

Each lower-income person who is displaced as a direct result of CDBG assisted demolition or conversion of a lower-income dwelling shall be provided with relocation assistance.

Relocation assistance includes advisory services and reimbursement for moving expenses, security deposits, credit checks, other moving expenses, including certain interim living costs, and certain replacement housing assistance.

Displaced persons have the right to elect, as an alternative to the benefits described in this Plan, to receive benefits under the URA, if they determine that it is in their best interest to do so. The following relocation assistance shall be available to lower-income displacement persons:

- A. Displaced lower-income persons will receive the relocation assistance required under 49 CFR 24, Subpart C (General Relocation Requirements) and Subpart D (Payment for Moving and Related Expenses) whether the person elects to receive assistance under the URA or the assistance required by CDBG regulations. Relocation notices must be distributed to the affected persons in accordance with 49 CFR 24.203 of the URA;
- B. The reasonable and necessary cost of any security deposit required to rent the replacement dwelling unit and for credit checks required to rent or purchase the replacement dwelling unit;
- C. Actual reasonable out-of-pocket costs incurred in connection with temporary relocation, including moving expenses and increased housing costs, if:
 - 1. The person must relocate temporarily because continued occupancy of the dwelling unit constitutes a substantial danger to the health or safety of the person or the public; or
 - 2. The person is displaced from a lower-income dwelling unit, none of the comparable replacement units to which the person has been referred qualifies as a lower-income dwelling unit, and a suitable lower-income dwelling unit is scheduled to become available through one-for-one replacement requirements
- D. Replacement Housing Assistance. Displaced persons are eligible to receive one of the following two forms of replacement housing assistance:
 - 1. Each person shall be offered rental assistance equal to 60 times the amount necessary to reduce the monthly rent and estimated average monthly cost of

utilities for a replacement dwelling to the "Total Tenant Payment", as determined under 24 CFR 813.107. All or a portion of this assistance may be offered through a certificate or housing voucher for rental assistance under the Section 8 program. Where Section 8 assistance is provided to the displaced person, the City of Hobbs must provide the person with referrals to comparable units whose owners are willing to participate in Section 8 program to the extent that cash assistance is provided, it will be provided in installments.

2. In lieu of the housing voucher, certificate or cash assistance described above, the person may elect to receive a lump sum payment allowing them to secure participation in a housing cooperative or mutual housing association. This lump sum payment shall be equal to the capitalized value of 60 monthly installments of the amount that is obtained by subtracting the "Total Tenant Payment", as determined under 24 CFR 813.107, from the monthly cost of rent and average monthly cost of utilities at a comparable replacement dwelling unit. To compute the capitalized value, the installments shall be discounted at the rate of interest paid on passbook savings in a federally insured financial institution conducting business within City of Hobbs.

Displaced lower-income tenants shall be advised of their right to elect relocation assistance pursuant to the URA and the regulations at 49 CFR 24 as an alternative to the relocation assistance available under CDBG regulations.

VI. Eligibility for Relocation Assistance

A lower-income person is eligible for relocation assistance if they are considered to be a "displaced person" as defined in 24 CFR 42.305. A displaced person means a lower-income person who, in connection with an activity assisted under the CDBG program, permanently moves from real property or permanently moves personal property from real property as a direct result of demolition or conversion of a lower-income dwelling.

For purposes of this definition, a permanent move includes a move made permanently and:

- A. After notice by the owner to move from the property, if the move occurs on or after the date of the submission of a request to the City of Hobbs for CDBG assistance that is later approved for the requested activity; or
- B. After notice by the owner to move from the property, if the move occurs on or after the date of the initial official submission to HUD of the consolidated plan under 24 CFR Part 91 describing the assisted activity; or
- C. Before the dates described in A & B above, if the City of Hobbs or State of New Mexico Department of Finance and Administration Local Government Division determines that the displacement was a direct result of conversion or demolition in connection with a CDBG assisted activity; or
- D. By a tenant-occupant of a dwelling unit, if any one of the following three situations occurs:

1. The tenant moves after execution of the CDBG agreement covering the acquisition, rehabilitation or demolition and the move occurs before the tenant is provided written notice offering the tenant the opportunity to lease and occupy a suitable, decent, safe and sanitary dwelling in the same building/complex upon completion of the project under reasonable terms and conditions, including a monthly rent and estimated average monthly utility costs that do not exceed the greater of the tenant's monthly rent before such agreement, or the total tenant payment as determined under 24 CFR 813.107 if the tenant is lower-income, or 30 percent of gross household income if the tenant is not lower-income.
2. The tenant is required to relocate temporarily, does not return to the building/complex, and either is not offered payment for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation, or other conditions of the temporary relocation are not reasonable.
3. The tenant is required to move to another dwelling unit in the same building/complex but is not offered reimbursement for all reasonable out-of-pocket expenses incurred in connection with the move, or other conditions of the move are not reasonable.

If the displacement occurs on or after the appropriate date described in A & B above, the lower-income person is not eligible for relocation assistance if:

- A. The person is evicted for cause based upon a serious or repeated violation of the terms and conditions of the lease or occupancy agreement, violation of applicable federal, State or local law, or other good cause, and the City of Hobbs determines that the eviction was not undertaken for the purpose of evading the obligation to provide relocation assistance;
- B. The person moved into the property on or after the date described in A & B above after receiving written notice of the expected displacement; or
- C. The City of Hobbs determines that the displacement was not a direct result of the CDBG assisted activity and the State of New Mexico Department of Finance and Administration Local Government Division concurs with this determination.

VII. Minimizing Displacement

The CDBG regulations regarding the demolition or conversion of lower-income dwelling units are designed to ensure that lower-income persons are provided with adequate, affordable replacement housing. Naturally, involuntary displacement should be discouraged whenever a reasonable alternative exists. Involuntary displacement is extremely disruptive and disturbing, especially to lower-income persons who do not have the means to locate alternative housing.

There are various ways that displacement can be minimized. The following are steps that will be taken to minimize the involuntary displacement of lower-income persons when CDBG funds are involved:

- A. Screening of Applications All CDBG applications will be reviewed to determine whether involuntary displacement is likely to occur. Those applications involving displacement will receive a lower priority recommendation for funding unless it can be shown that alternatives are not available.
- B. Acquisition of Property Applicants who apply for CDBG funds to acquire property for the development of lower-income housing will be encouraged to purchase vacant land. In the case of in-fill and other projects where this is not feasible and the project involves potential displacement, the applicant shall agree to allow the displaced lower-income person(s) to occupy the new housing at an affordable rent.

Applicants who utilize CDBG funds to rehabilitate or convert a lower-income unit to a non-residential use will be required to supply replacement housing consistent with paragraph IV, as well as relocation assistance.

- C. Cost of Relocation Assistance The cost of any required relocation assistance and the provision of replacement housing will be borne by the applicant and may be paid for out of CDBG funds awarded to the project.

VIII. Definitions

- A. "Comparable replacement dwelling unit" means a dwelling unit that:
 - 1 Meets the criteria of 49 CFR 24.2(d)(1) through (6); and
 - 2 Is available at a monthly cost for rent plus estimated average monthly utility costs that does not exceed the "Total Tenant Payment" determined under 24 CFR 813.107 after taking into account any rental assistance the household would receive.
- B. "Lower-income dwelling unit" means a dwelling unit with a market rental (including utility costs) that does not exceed the applicable Fair Market Rent (FMR) for existing housing and moderate rehabilitation established under 24 CFR Part 888.
- C. "Standard condition" means units that at a minimum meet the Existing Housing Quality Standards of the Section 8 rental subsidy program.
- D. "Substandard condition suitable for rehabilitation" means units with code violations that can be brought to Section 8 Housing Quality Standards within reasonable monetary amounts.
- E. "Vacant occupiable dwelling unit" means a dwelling unit that is in a standard condition; a vacant dwelling unit that is in substandard condition, but is suitable for rehabilitation; or a dwelling unit in any condition that has been occupied (except by a squatter) at any time within the period beginning 3 months before the date of execution of the agreement by the City of Hobbs covering the rehabilitation or demolition.

IX. Grievances

The City of Hobbs will provide timely written answers to written complaints and grievances within 15 working days where practical. Action items:

- A. Adopt complaint handling procedures or policies to insure that complaints or grievances are responded to within 15 days, if possible.
- B. Allow for appeal of a decision to a neutral authority.
- C. File a detailed record of all complaints or grievances and responses in one central location with easy public access.

IX. Certification

The City of Hobbs herewith certifies to follow the Anti-displacement relocation plan described above and adopt the plan by resolution annually.

Plan Adoption Date: April 6, 2015

Certified By:

 Sam D. Cobb, Mayor

 Date

Copy to Local Government Division with attachments



CITY OF HOBBS
COMMISSION STAFF SUMMARY FORM

MEETING DATE: April 6, 2015

SUBJECT: ADOPTION OF POLICY UPDATE FOR CITIZEN PARTICIPATION PLAN

DEPT. OF ORIGIN: Engineering Department
DATE SUBMITTED: March 24, 2015
SUBMITTED BY: Todd Randall, City Engineer

Summary:

A City Citizen Participation Plan is recommended to be updated in conjunction with the requirements for the City's Community Development Block Grant. The Resolution specifies that City policy concerning the same issue is hereby updated and re-adopted by the new policy. The recommendation is that each time the City embarks on a CDBG project, the HUD policies need to be re-adopted.

This policy states that the City will, in accordance with the 1987 revisions to the Housing and Community Development Act and in an effort to further encourage citizen participation, prepare and adopt this Citizen Participation Plan. The City of Hobbs will provide for and encourage citizen participation within its area of jurisdiction, with particular emphasis on participation by persons of low and moderate income.

Fiscal Impact:

Reviewed By: [Signature]
Finance Department

Community Development Block Grant projects are an important source of revenues to upgrade low to moderate income areas in the City. The public investment will improve the tax base and lend to private development in Hobbs.

Attachments:

Resolution, Citizen Participation Plan

Legal Review:

Approved As To Form: [Signature]
City Attorney

Recommendation:

To make a motion to approve the Resolution for the Mayor to adopt the City of Hobbs Citizen Participation Plan.

Approved For Submittal By:

[Signature]
Department Director

[Signature]
City Manager

**CITY CLERK'S USE ONLY
COMMISSION ACTION TAKEN**

Resolution No. _____ Continued To: _____
Ordinance No. _____ Referred To: _____
Approved _____ Denied _____
Other _____ File No. _____

CITY OF HOBBS

RESOLUTION NO. 6269

A CONCEPT RESOLUTION OF SUPPORT FOR ADOPTING A POLICY
UPDATE FOR CITIZEN PARTICIPATION PLAN (2015)

WHEREAS, the need exists within Hobbs for continued neighborhood improvement projects in several low and moderate income neighborhoods and the City therefore desires to apply to the HUD CDBG Grant Program to obtain funding for neighborhood infrastructure projects; and

WHEREAS, there is a need to adopt a policy update of existing City of Hobbs policy for the "Citizen Participation Plan" to encourage citizen participation in the City of Hobbs CDBG Programs and Projects, particularly from the low and moderate income persons.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HOBBS, NEW MEXICO, that the Mayor be, and hereby is, authorized to adopt the policy update for the "Citizen Participation Plan", which is attached hereto and made a part of this resolution and the City officials and staff are directed to do any and all acts necessary to carry out the intent of this Resolution.

PASSED, ADOPTED AND APPROVED this 6th day of April, 2015.

SAM D. COBB, Mayor

ATTEST:

JAN FLETCHER, City Clerk

City of Hobbs
CITIZEN PARTICIPATION PLAN

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
CITIZEN PARTICIPATION PLAN

Introduction

In accordance with the 1987 revisions to the Housing and Community Development Act and in an effort to further encourage citizen participation, the City of Hobbs has prepared and adopted this Citizen Participation Plan.

Objective A

The City of Hobbs will provide for and encourage citizen participation within its area of jurisdiction, with particular emphasis on participation by persons of low and moderate income.

Action items:

1. *Adopt and circulate an Open Meetings Resolution which provides citizens with reasonable notice of City upcoming meetings, actions and functions.*
2. *Develop press releases on City meetings, actions and hearings and circulate to newspapers, radio and television media.*
3. *Develop and maintain listing of groups and representative of low and moderate income persons, and include on mailing lists of announcements, notices, press releases, etc.*

Objective B

The City of Hobbs will provide citizens with reasonable and timely access to local meetings, information and records relating to the proposed and actual use of CDBG funds.

Action items:

1. *Public notices, press releases, etc., should allow for a maximum length of notice to citizens.*
2. *Appropriate information and records relating to the proposed and actual use of CDBG funds must be available upon request to all citizens. Personnel and income records may be exempted from these requirements.*
3. *Meetings, hearing, etc., should be conducted at times and locations conducive to public attendance, e.g., evenings, Saturdays.*

Objective C

The City of Hobbs will provide technical assistance to groups and representatives of low and moderate income persons that request assistance in developing proposals. *Note: the level and type of assistance is to be determined by the City.*

Action items:

1. *Low and moderate income groups should be advised that technical assistance, particularly in the area of community development, is available from the City upon request.*
2. *Document technical assistance provided to such groups and has documentation available for review.*

Objective D

The City of Hobbs will provide a minimum of two public hearings to obtain citizen participation and respond to proposals and questions at all stages of the Community Development Block Grant Program.

Action items:

1. *Advise citizens of the CDBG program objectives, range of activities that can be applied for and other pertinent information.*
2. *Conduct a minimum of two public hearings:*
 - a. *One public hearing will be held to advise citizens of the program objectives and range of activities that can be applied for, and to obtain the citizen's views on community development and housing needs, to include the needs of low and moderate income people. This hearing will take place prior to the selection of the project to be submitted to the state for CDBG funding assistance.*
 - b. *A second public hearing will be held to review program performances, past use of funds and make available to the public its community development and housing needs, including the needs of low and moderate income families, and the activities to be undertaken to meet such needs.*
3. *Publish public hearing notices in the non-legal section of newspapers or in other local media. Evidence of compliance with these regulations will be provided with each CDBG application, i.e., hearing notice minutes of public meetings, list of needs and activities to be undertaken, etc. Amendments to goals, objectives and applications are also subject to public participation.*

Objective E

The City of Hobbs will provide timely written answers to written complaints and grievances within 15 working days where practical.

Action items:

1. *Adopt complaint handling procedures or policies to insure that complaints or grievances are responded to within 15 days, if possible.*
2. *Allow for appeal of a decision to a neutral authority.*
3. *File a detailed record of all complaints or grievances and responses in one central location with easy public access.*

Objective F

The City of Hobbs will identify how the needs of non-English speaking residents will be met in the case of public hearings where a significant number of residents can be reasonably expected to participate.

Action items:

- 1. Identify areas where large majorities of non-English speaking persons reside and make appropriate provisions when issues affecting these areas are to be discussed at public meetings, hearings, etc. Appropriate provisions will include having interpreters available at the meeting and having briefing material available in the appropriate language.*
- 2. Maintain records of public hearing attendees and proceedings to verify compliance with this objective.*



CITY OF HOBBS
COMMISSION STAFF SUMMARY FORM

MEETING DATE: 4-6-15

SUBJECT: Resolution Authorizing the Mayor to Make Appointments to City Advisory Boards.

DEPT. OF ORIGIN: Mayor's Office
DATE SUBMITTED: 3-24-15
SUBMITTED BY: Sam D. Cobb, Mayor

Summary:

The Mayor would like to re-appoint the following members whose terms expired March 31, 2015:

Cemetery Board, Joe Walker, Joanne Zespy, and Benny J. Greenlee; **Community Affairs Board**, Cathy Marshall, Cynthia Calderon, Kevin Naegele, and Pat Duran; **Library Board**, Sarah Reid and Melissa Clark; **Planning Board**, Larry Sanderson, Dwayne Penick and Guy Kesner; **Utilities Board**, Kerry Romine and James Francis.

All appointees to serve a two-year term commencing March 31, 2015.

Fiscal Impact:

There is no effect on the current year budget.

Reviewed By: _____

Department

Attachments:

Resolution

Legal Review:

Approved As To Form: _____

City Attorney

Recommendation:

Motion to approve Resolution.

Approved For Submittal By:

Department Director

City Manager

CITY CLERK'S USE ONLY
COMMISSION ACTION TAKEN

Resolution No. _____
Ordinance No. _____
Approved _____
Other _____

Continued To: _____
Referred To: _____
Denied _____
File No. _____

CITY OF HOBBS

RESOLUTION NO. 6270

A RESOLUTION AUTHORIZING THE MAYOR TO MAKE APPOINTMENTS TO THE CITY OF HOBBS ADVISORY BOARDS

BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HOBBS, NEW MEXICO, that the Mayor be and hereby is authorized to make appointments to the following advisory boards, each to serve a two year term commencing March 31, 2015:

Cemetery Board re-appoint – Joe Walker
Cemetery Board re-appoint – Joanne Zespy
Cemetery Board re-appoint – Benny J. Greenlee, Sr.

Community Affairs Board re-appoint – Cathy Marshall
Community Affairs Board re-appoint – Cynthia Calderon
Community Affairs Board re-appoint – Kevin Naegele
Community Affairs Board re-appoint – Pat Duran

Library Board re-appoint – Sarah Reid
Library Board re-appoint – Melissa Clark

Planning Board re-appoint – Larry Sanderson
Planning Board re-appoint – Dwayne Penick
Planning Board re-appoint – Guy Kesner

Utilities Board re-appoint – Kerry Romine
Utilities Board re-appoint – James Francis

PASSED, ADOPTED AND APPROVED this 6th day of April, 2015.

SAM D. COBB
Mayor

ATTEST:

JAN FLETCHER
City Clerk



CITY OF HOBBS
COMMISSION STAFF SUMMARY FORM

MEETING DATE: 4/6/2015

SUBJECT: FY16 NM State Fire Protection Fund Application
DEPT. OF ORIGIN: Fire Department
DATE SUBMITTED: March 26, 2015
SUBMITTED BY: Tim Kent, Fire Chief

Summary:

This request is for an application that is in compliance with state established fire department funding. The funding process was statutorily established in 1978 (Chapter 59A Article 53 NMSA 1978). The Hobbs Fire Department will submit an application for state funding for the FY16 in the amount of \$385,430.00 based on the department's ISO 2 rating and the State Fire Protection Fund Distribution Formula. The deadline to submit the application is April 30, 2015.

Fiscal Impact:

Reviewed By: _____

[Signature]
Finance Department

This funding is not dependent on, or tied to matching funds.

Attachments:

1. Resolution
2. NM State Fire Marshal's Office FY16 Municipal Fire Protection Fund Distribution

Legal Review:

Approved As To Form: _____

[Signature]
City Attorney

Recommendation:

The City Commission approves the resolution and permission to proceed with the state funding application process

Approved For Submittal By:

[Signature]
Department Director
[Signature]
City Manager

CITY CLERK'S USE ONLY
COMMISSION ACTION TAKEN

Resolution No. _____ Continued To: _____
Ordinance No. _____ Referred To: _____
Approved _____ Denied _____
Other _____ File No. _____

CITY OF HOBBS

RESOLUTION NO. 6271

A RESOLUTION APPROVING THE NEW MEXICO
STATE FIRE PROTECTION FUND APPLICATION FOR FY16

WHEREAS, the City of Hobbs Fire Department is eligible for funding from the State of New Mexico under the FY 16 State Fire Protection Fund; and

WHEREAS, the Hobbs Fire Department requests to submit an application for state funding in the amount of \$385,430.00 based on the department's ISO 2 rating and the State Fire Protection Fund Distribution formula; and

WHEREAS, funding is not dependent on or tied to matching funds; and

WHEREAS, the deadline to submit an application is April 30, 2015;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HOBBS, NEW MEXICO, that the Mayor be and hereby is, authorized and directed to execute on behalf of the City of Hobbs this resolution approving the submission of FY 16 New Mexico State Fire Protection Fund Application.

PASSED, ADOPTED AND APPROVED this 6th day of April, 2015.

SAM D. COBB, Mayor

ATTEST:

JAN FLETCHER, City Clerk

NEW MEXICO PUBLIC REGULATION COMMISSION

COMMISSIONERS

DISTRICT 1 KAREN L. MONTOYA, CHAIRWOMAN
DISTRICT 2 PATRICK H. LYONS
DISTRICT 3 VALERIE ESPINOZA
DISTRICT 4 LYNDA LOVEJOY, VICE CHAIR
DISTRICT 5 SANDY JONES
CHIEF OF STAFF
S. Vincent Martinez



P.O. Box 1269
1120 Paseo de Peralta
Santa Fe, NM 87504-1269

STATE FIRE MARSHAL DIVISION

Room 413
800-244-6702 (In-state only)
(505) 476-0174
Fax : (505) 476-0100

NEW MEXICO STATE FIRE MARSHAL DIVISION

FISCAL YEAR 2016 MUNICIPAL FIRE PROTECTION FUND DISTRIBUTION

This application is required to participate in the distribution of the Fire Protection Fund for the 2016 fiscal year. The application is due in the State Fire Marshal Division on or before April 30, 2015.

FIRE DEPARTMENT Hobbs

FIRE DEPARTMENT ADDRESS: 301 East White St., Hobbs, NM 88240

ISO CLASSIFICATION: 2

Approved number of Sub Stations is /of 1
LRA 1 /Sub Station 6601 W Carlsbad Hobbs NM 88240

Approved number of Main Stations is 4
Station #4 3710 College Lane Hobbs NM 88240
Station #3 1717 W. Joe Harvey Blvd Hobbs NM 88240
Station #2 2300 N. Jefferson Hobbs NM 88240
Central Station 301 E. White St. Hobbs NM 88240

Approved number of Admin Buildings is 1
Admin. Bldg. 200 E Broadway Hobbs NM 88240

If you contend the above ISO Class or station information is incorrect, please attach a list of your claim of main and substations and sign here: Lea Regional Airport 6601 W. Carlsbad Hwy, Hobbs, NM 88240

The projected minimum amount for fire fund distribution, based on the above information, is \$385,430. This does not include any additional amounts that may be calculated from growth in the fund.

An official written request for authorization to rollover and accumulate Fire Protection Fund monies shall be submitted to this Office no later than August 31, 2015. The request shall identify the intended purpose and exact amount of money to be carried over into the FY 2016 balance.

For the purpose of this Application, list the anticipated amount and intended purpose your department will rollover from FY'15 to FY'16. \$ 187,524 for the purchase of either a Engine or Ladder Truck

*Provide current balance of the fire department's total Fire Protection Fund account to date: \$ 725,600.73

The Fire Service Support Bureau of the State Fire Marshal Division continues to strive toward achieving 100% compliance with the monthly reporting requirements as established in Article 59A-52 the "Fire Marshal Act," Article 59A-53 "The Fire Protection Fund" and NMSA 10-25-10 "The Fire Protection Fund."

State Law, NMSA 10-25-10, requires all fire departments participating in the distribution of the Fire Protection Fund submit a detailed fire report of the departments activity on or before the 10th of each month for the previous months activity.

The Fire Service Support Bureau reviews all reporting activity on a monthly basis to determine compliance with the reporting requirement. When this Office determines that your fire department is out of compliance, the Fire Chief will be notified of the department's status, if your fire department fails to achieve compliance a letter identifying restrictions on the use of the Fire Protection Funds will be forwarded to the head of local government.

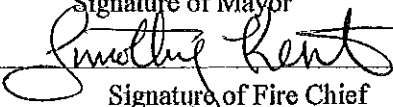
This Office will continue to offer technical support and training on the proper uses of the NFIRS program. If you are having issues with the system or require training you may submit your request via e-mail at vernon.muller@state.nm.us

Please provide updated contact information for a minimum of two primary users of the NFIRS program for your department. (Please print legible)

<u>Name:</u>	<u>Email:</u>	<u>Phone:</u>
1. Tim Kent	tkent@hobbsnm.org	575-397-9308
2. Mark Ray	mray@hobbsnm.org	575-397-9308

The information contained in this application is true and correct to the best of our knowledge. It may be used to verify legal requirements and is subject to audit.

Signed and submitted on this _____ day of _____ 2015.

Sam Cobb		
Printed Name	and /S	Signature of Mayor
Timothy Kent	/S	
Printed Name		Signature of Fire Chief



CITY OF HOBBS

COMMISSION STAFF SUMMARY FORM

MEETING DATE: April 6, 2015

SUBJECT: Opening 3 new special revenue funds in accordance with State Audit Rule 2.2.2.10 L
DEPT. OF ORIGIN: Finance Department
DATE SUBMITTED: March 30, 2015
SUBMITTED BY: Deborah Corral, Assistant Finance Director

Summary:

Three new special revenue funds need to be opened for FY2016. They are as follows:

- Fund 16 – Health Wellness Learning Center Fund
- Fund 17 – Older American Fund
- Fund 18 – Golf Fund

State Audit Rule 2.2.2.10(L) mandates that authority must be granted for the creation of a special revenue funds. The creation of these funds will allow for good accounting practices for audit and reporting purposes.

Fiscal Impact:

No fiscal impact – FY16 preliminary budgets will include budget requests for these funds.

Reviewed By: [Signature]
Finance Department

Attachments: Resolution

Legal Review:

Approved As To Form: [Signature]
City Attorney

Recommendation:

Approve the resolution to close the funds listed above in accordance with GASB No. 54.

Approved For Submittal By:

[Signature]
Department Director
[Signature]
City Manager

CITY CLERK=S USE ONLY
COMMISSION ACTION TAKEN

Resolution No. _____	Continued To: _____
Ordinance No. _____	Referred To: _____
Approved _____	Denied _____
Other _____	File No. _____

CITY OF HOBBS

RESOLUTION NO. 6272

A RESOLUTION AUTHORIZING THE OPENING OF
3 NEW SPECIAL REVENUE FUNDS IN ACCORDANCE WITH
STATE AUDIT RULE 2.2.2.10 L

WHEREAS, in order to maintain good accounting practices for audit and reporting purposes, three new special revenue funds would be beneficial.

NOW, THEREFORE, BE IT RESOLVED, that the Mayor be and hereby is authorized and directed to effectuate this resolution authorizing the opening of Fund 16 – Health Wellness Learning Fund, Fund 17 – Older American Fund, and Fund 18 Golf Fund in accordance with State Audit Rule 2.2.2.10 L.

PASSED, ADOPTED AND APPROVED THIS 6th day of April, 2015.

SAM D. COBB, Mayor

ATTEST:

JAN FLETCHER, City Clerk



CITY OF HOBBS
COMMISSION STAFF SUMMARY FORM

MEETING DATE: April 6, 2015

SUBJECT: RESOLUTION APPROVING AND ACCEPTING ZIA CROSSING SUBDIVISION, UNIT 2 AS SUBMITTED BY PROPERTY OWNER BLACK GOLD ESTATES, LLC AND RECOMMENDED BY THE CITY OF HOBBS PLANNING BOARD.

DEPT. OF ORIGIN: Planning Division
DATE SUBMITTED: March 30, 2015
SUBMITTED BY: Kevin Robinson – Planning Department

Summary: The Final Plan of Zia Crossing Subdivision, Unit 2 has been submitted for acceptance by property owner Black Gold Estates, LLC. The City Engineer has accepted a certification letter from the Engineer of Record certifying that all municipal infrastructures to be dedicated is in place and in compliance with the plan set and municipal standards. Zia Crossing Subdivision, Unit 2, is an 11.65 acre subdivision located southeast of Millen Drive and Zia Crossing Parkway creating 66 single family lots. The Planning Board reviewed this issue on March 17, 2015 and voted 6 to 0 to recommend approval providing an Engineers Certification was received for completed infrastructure.

Fiscal Impact: _____
Reviewed By: _____
Finance Department

The City will have maintenance responsibility for the dedicated street, water and sewer lines.

Attachments: Resolution, Final Plat Plan, Planning Board Minutes March 17, 2015.

Legal Review: _____
Approved As To Form: _____
City Attorney

Recommendation:
Staff recommends consideration to approve the Letter of Credit and Accept Zia Crossing Subdivision, Unit 1.

Approved For Submittal By:

Department Director

City Manager

CITY CLERK'S USE ONLY
COMMISSION ACTION TAKEN
Resolution No. _____ Continued To: _____
Ordinance No. _____ Referred To: _____
Approved _____ Denied _____
Other _____ File No. _____

CITY OF HOBBS

RESOLUTION NO. 6273

A RESOLUTION APPROVING AND ACCEPTING ZIA CROSSING SUBDIVISION, UNIT 2 AS SUBMITTED BY PROPERTY OWNER BLACK GOLD ESTATES, LLC AND RECOMMENDED BY THE CITY OF HOBBS PLANNING BOARD.

WHEREAS, Black Gold Estates, LLC has submitted a Final Plan for Zia Crossing Subdivision, Unit 2, for review by the City Planning Board; and

WHEREAS, the subdivision Preliminary Plan was reviewed and approved by the Hobbs Planning Board at the March 17, 2015 meeting; and

NOW, THEREFORE BE IT RESOLVED BY THE GOVERNING BOARD OF THE CITY OF HOBBS, NEW MEXICO, that

1. The City of Hobbs hereby grants Final Plan Approval to Zia Crossing Subdivision, Unit 2, as recommended by the Planning Board; and
2. The City officials and staff are directed to do any and all acts necessary to carry out the intent of this Resolution.

PASSED, ADOPTED AND APPROVED this 6th day of April, 2015.

SAM D. COBB, Mayor

ATTEST:

JAN FLETCHER, CITY CLERK

EXTENTS OF FLOOD ZONE PER CITY OF HOBBBS GIS MAP

BLACK GOLD ESTATES LLC

ZIA CROSSING PARKWAY

ZIA CROSSING SUBDIVISION UNIT 2 = 66 LOTS

TOTAL ACREAGE = 11.65 AC.

ZIA CROSSING SUBDIVISION UNIT 1

BLACK GOLD ESTATES LLC

HARDJACK ROAD

STEEL DRIVER ROAD

BACKSTRETCH ROAD

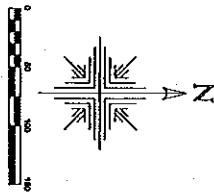
MUNICIPAL INFRASTRUCTURE CORRIDOR

THE TOP CORNER SECTION IS FOUND CONCRETE MONUMENT WITH BRASS DISK

EAST LINE OF SECTION 13

ZIA PARKWAY

LOT	ACRES	OWNER
1	0.12	BLACK GOLD ESTATES LLC
2	0.12	BLACK GOLD ESTATES LLC
3	0.12	BLACK GOLD ESTATES LLC
4	0.12	BLACK GOLD ESTATES LLC
5	0.12	BLACK GOLD ESTATES LLC
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66	0.12	BLACK GOLD ESTATES LLC



FOUR CORNERS SURVEYING, INC.
 STATE OF OKLAHOMA
 LICENSE NO. 12345
 DATE: 12/31/2023

DATE: 12/31/2023
 PROJECT NO. 2023-012

BLACK GOLD ESTATES LLC

6) Review and Consider Final Plat Approval of Zia Crossing Subdivision, Unit 1, as submitted by developer Black Gold Estates, LLC.

Mr. Robinson said this is the Final Plat of Zia Crossing Unit 2. He said this is not a signed subdivision plat but he is working with the surveyor and staff will receive the plat. Mr. Shaw said that means all the infrastructure is in and in place? Mr. Robinson said in place as per City Standards and specifications.

Mr. Ramirez made a motion, seconded by Mr. Shaw to approve the Final Plat of Zia Crossing Subdivision Unit 1. The vote on the motion was 6-0 and the motion carried.

7) Review and Consider Variance to Municipal Code Chapter 15.32.030 (Sign Code) as requested by MHC Kenworth located at 6401 N. Lovington Highway. The proposed free standing sign will have a maximum sign face of 198 square feet and require a 54 square feet variance.

Mr. Robinson said that MHC Kenworth leased B&G Transportation located just east of the Golf Course. He said they are requesting a sign variance and it will be located entirely on private property. He said it will be on the north portion of their property. Mr. Hicks asked how long the frontage of the property was. Mr. Randall said 700 plus feet. Mr. Hicks said he had no problem with the sign. Mr. Shaw made a motion, seconded by Mr. Ramirez to approve the Sign Code Variance. The vote on the motion was 6-0 and the motion carried.

8) Review and Consider Variance to Municipal Code Chapter 15.20.030 (Off-Street Parking Code) as requested by Presbyterian Medical Services at 200 W. Shipp. The proposed expansion will require 14 off-street parking spaces however the site will provide 11 off-street parking spaces requiring a variance of 3 parking spaces.

Mr. Robinson said Presbyterian Medical Services will be doing an addition to their building. He said the parking requirement will be 14 off street parking. He said they will also be improving off street parking which will be on Shipp and Lea Street. He said it will be angle parking located in the right-of-way. Mr. Hicks asked why they didn't want to add three more parking spaces in the next isle? Mr. Robinson said staff made that suggestion. Mr. Hicks said that he thinks staff should have a discussion with the owner/developer about how many offices and how many staff/patient accommodations they will need. Mr. Kesner said that he agreed with Mr. Hicks that the Board does not need to give them a variance. Mr. Shaw said there is room on the parcel to put additional parking spaces. Mr. Hicks said he thought this item should be tabled with the request they come back with a staff and patient number to see what their needs are. Mr. Robinson said that staff is not opposed to the off street parking with the improvements. Mr. Shaw also thought this item should be tabled.

Mr. Kesner made a motion, seconded by Mr. Penick to table this item until more information can be obtained. The vote on the motion was 6-0 and the motion carried.

9) Discussion Items:



CITY OF HOBBS
COMMISSION STAFF SUMMARY FORM

MEETING DATE: April 6, 2015

SUBJECT: Condemnation Recommendation Structure Contained on Attachment "A"

DEPT. OF ORIGIN: Community Services

DATE SUBMITTED: March 24, 2015

SUBMITTED BY: Jose Marquez, Building Inspection

Summary:

In its continuing promotion of safety and clean up efforts in the City of Hobbs, the Environmental Division of the Hobbs Community Services has identified one structure which presents safety and fire hazards which warrant its destruction. This structure is in dire need of repair. Attachment A contains information of the property.

Fiscal Impact:

Reviewed By: 

Finance Department

The demolition and clean up of this property will cost approximately \$15,000.00. The current budget in the "Professional Services" line item of the Environmental Budget (01340-42601) has an adequate balance to sustain this expenditure.

Attachments:

1. Resolution
2. Photo of Structure contained in Attachment A.

Legal Review:

Approved As To Form: 

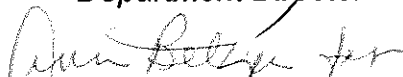
City Attorney

Recommendation:

The City Commission approve the adoption of the Resolution determining the structure is ruined, damaged and dilapidated and a menace to public health and safety and it requires removal from the real property.

Approved For Submittal By:


Department Director


City Manager

CITY CLERK'S USE ONLY
COMMISSION ACTION TAKEN

Resolution No. _____

Ordinance No. _____

Approved _____

Other _____

Continued To: _____

Referred To: _____

Denied _____

File No. _____

CITY OF HOBBS

RESOLUTION NO. 6274

**A RESOLUTION DETERMINING THAT CERTAIN
STRUCTURES ARE RUINED, DAMAGED AND DILAPIDATED,
ARE A MENACE TO PUBLIC COMFORT, HEALTH AND
SAFETY AND REQUIRES REMOVAL FROM THE MUNICIPALITY**

WHEREAS, pursuant to Section 8.24.010 of the Hobbs Municipal Code, and Section 3-18-5 NMSA, as amended, the City has inspected the premises described in Attachment "A", attached hereto and incorporated herein by reference, and finds that the structures thereon are ruined, damaged and dilapidated, are a menace to the public comfort, health and safety and requires removal from the municipality.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HOBBS, NEW MEXICO, that the structures described in Attachment "A" are found to be ruined, damaged and dilapidated, are a menace to the public comfort, health and safety, and should be removed.

BE IT FURTHER RESOLVED that a copy of this Resolution be served on the owner, occupant or agent in charge of such premises; or, if such service cannot be had, that a copy of this Resolution be posted on the premises; and that a copy of the same be published as required by law.

BE IT FURTHER RESOLVED that unless the owner, occupant or agent in charge of such premises, within ten (10) days from such service or posting and publication of this Resolution, has commenced removing such structures from the real property or has filed written objection with the City, the City shall cause the removal of such structures at the cost and expense of the property owner.

BE IT FURTHER RESOLVED that in cases where the City removes a condemned structure so condemned, a lien shall be levied by the City against the real property involved in an amount equal to the reasonable cost of the services rendered, which lien may be foreclosed in default of satisfaction.

PASSED, ADOPTED AND APPROVED this 6th day of April, 2015.

ATTEST:

SAM D. COBB , Mayor

JAN FLETCHER, City Clerk

Attachment A

	Address	Owner	Owner's Address	Estimated Cost of Demolition
1	1223 E. Skelly Lot 2 & 3, Block 45 Original New Hobbs Addition Hobbs, Lea County, New Mexico	Hattie Mae Sanders	2001 E. Bond St. Hobbs, NM 88240	\$ 15,000.00

1223 E. Skelly



DISCUSSION

City of Hobbs
PRIVATE DRIVE NAMES
&
STREET NAME CHANGE POLICY
Private Party Requests

PURPOSE:

This policy establishes a mechanism for the City of Hobbs to review and consider a request by a private party to name a private drive or rename a public street within the City limits and 5-mile planning and platting jurisdiction within Lea County. The policy does not change existing street naming requirements or procedures.

AUTHORIZATION:

Under New Mexico State Statutes, the City may perform those duties resulting in the coordination of streets with existing or planned streets or other features of the Comprehensive Plan or Major Thoroughfare Plan and act in support of the Subdivision Regulations. The City is responsible for creating conditions that will promote the health, safety, convenience, and general welfare of the residents of the municipality as well as the 5-mile planning and platting jurisdiction. In crisis situations, 911 emergency personnel must be able to locate the life-threatening occurrence so that timely response can be provided.

NAMING OF A PRIVATE DRIVE

The naming of private drives is a program put in place by the City of Hobbs to improve emergency responder's ability to save lives and property. Once named, a private drive will be mapped. When an emergency call comes in, the dispatcher will be able to identify the private road by name, see it on a map and better direct response units. The responders, who will also have the map, can then find the private road address based on distance traveled along the road.

The naming of a private drive does not obligate the City of Hobbs for maintenance. Maintenance will be the sole responsibility of those properties served by the private drive.

NAMING OF A PRIVATE DRIVE REVIEW PROCESS

The following will be considered by the City in the review process:

- (1) Ownership and configuration of the private drive.
- (2) The number of property owners using the private drive for direct access to their property.
- (3) Construction, Composition and Condition of the private drive and the ability to meet minimum standards required by emergency vehicles.
- (4) Proposed private drive names must be in conformance with United States Postal Service requirements, the Master Street Address Guide (MSAG) and E-911 standards. Emergency vehicles such as fire, police, and medical ambulances must have clear direction in order to provide appropriate response times in crisis conditions.
- (5) Private drive names must be easy to pronounce and easily recognizable in emergency situations.
- (6) Private drive names must end in "Road" or "Lane".
- (7) Private drive names may not duplicate, in spelling or pronunciation, any other street name already in use or planned for use where the private drive is not a continuation of the existing street.

- (8) The applicant must bear all costs related to the private drive naming process including new street signs. The cost to construct and install new street signs is due and payable to the City fifteen days prior to signage installation.
- (9) The City will determine if the proposal is in the best interests of the City of Hobbs.

STREET NAME CHANGE REVIEW PROCESS:

The following will be considered by the City in the review process:

- (1) The number of property owners affected by the proposed name change will be considered. A minimum of three-fourths of all property owners must have signed the Street Name Change Petition "In Favor" of the proposal.
- (2) For the purpose of continuity and clarity, streets that are an extension of an already existing street shall maintain that street name.
- (3) Proposed street names must be in conformance with United States Postal Service requirements, the Master Street Address Guide (MSAG) and E-911 standards. Emergency vehicles such as fire, police, and medical ambulances must have clear direction in order to provide appropriate response times in crisis conditions.
- (4) Street names must be easy to pronounce and easily recognizable in emergency situations.
- (5) Streets shall not be named after any commercial organization unless approved by the City Commission.
- (6) Streets shall not be named after any living person/s including first name, middle name, last name, or any combination thereof.
- (7) Street names may be considered which honor City of Hobbs pioneers and that are representative of Hobbs history (pre-1960s).
- (8) Street names that are consistent with the geographic area or locally significant events will be considered.
- (9) Street names may not duplicate, in spelling or pronunciation, any other street name already in use or planned for use where the street to be renamed is not a continuation of the existing street.
- (10) The applicant must bear all costs related to the street renaming process including new street signs. The cost to construct and install new street signs is due and payable to the City fifteen days prior to signage installation.
- (11) The City will determine if the proposal is in the best interests of the City of Hobbs.

City of Hobbs
PRIVATE DRIVE NAMES
&
STREET NAME CHANGE PROCEDURES
Private Party Requests

PROCEDURE:

- The applicant must contact the City of Hobbs Planning Department to obtain copies of the application and petition forms or download the forms from the City of Hobbs website www.hobbsnm.org.
- The applicant must complete the Private Drive\Street Name Change Application and obtain the signatures of all affected property owners on the Private Drive\Street Name Change Petition. Affected property owners are person/s who own property that is either addressed on the street (or segment) proposed to be renamed or abuts the right-of-way of that street.
- A map showing the beginning point and the end point of the private drive\street rename must be provided by the applicant.
- The application and petition must be returned to the Planning Department at which time the signatures will be verified. Following verification that all affected property owners were contacted, the request will be placed on the next available Planning Board agenda and a staff report will be prepared.
- The action taken by the Planning Board will determine the next steps.
 - a) If the request is approved, notice will be issued to the City Engineering Department to construct new street signs. City Engineering will contact the Planning Department when the signage is ready for installation. The applicant will be notified by the Planning Department that payment is due fifteen days prior to sign installation. Payment for the new signs will be collected from the applicant and appropriately credited.
 - b) If the request is tabled in order to allow further discussion of the item, the applicant or his/her agent must attend the subsequent hearing.
 - c) If the request is denied, the applicant may appeal the decision to the City Commission, or if the request is granted and the affected property owners disagree with the action, an appeal may be filed with the City Commission.



ACTION ITEMS



CITY OF HOBBS

COMMISSION STAFF SUMMARY FORM

MEETING DATE: April 6, 2015

SUBJECT: Application of Paris Holdings, LLC, d/b/a El Fogon Restaurant Mexican & Seafood for a Transfer of Ownership of Liquor License No. 2644 Located at 3414 North Lovington Hwy.

DEPT. OF ORIGIN: City Clerk's Office
DATE SUBMITTED: March 26, 2015
SUBMITTED BY: Jan Fletcher, City Clerk

Summary:

Paris Holdings, LLC, d/b/a El Fogon Restaurant Mexican & Seafood has applied to the State of New Mexico, Alcohol and Gaming Division, for the transfer of ownership of Liquor License No. 2644 located at 3414 North Lovington Highway. The application has received preliminary approval from the State of New Mexico.

This application was received by the City Clerk's Office on March 11, 2015, and a public hearing must be held by the City within forty-five (45) days from receipt of such notice. The City has duly published notice of the hearing and properly notified the applicant of such hearing by certified mail.

Fiscal Impact:

Reviewed By: [Signature]
Finance Department

The applicant has paid the required \$250.00 administrative fee to the City.

Attachments:

- (1) Application packet from State of New Mexico, Alcohol and Gaming Division
- (2) Resolution concerning approval or disapproval of the ownership transfer.

Legal Review:

Approved As To Form: [Signature]
City Attorney

Recommendation:

Motion to approve or disapprove the application; second; vote.

Approved For Submittal By:
[Signature]
Department Director
[Signature]
City Manager

CITY CLERK'S USE ONLY COMMISSION ACTION TAKEN	
Resolution No. _____	Continued To: _____
Ordinance No. _____	Referred To: _____
Approved _____	Denied _____
Other _____	File No. _____

CITY OF HOBBS

RESOLUTION NO. 6275

A RESOLUTION CONCERNING THE APPLICATION
OF PARIS HOLDINGS, LLC,
D/B/A EL FOGON RESTAURANT MEXICAN & SEAFOOD
FOR TRANSFER OF OWNERSHIP OF LIQUOR LICENSE NO. 2644
LOCATED AT 3414 NORTH LOVINGTON HWY., HOBBS, NEW MEXICO

WHEREAS, the City of Hobbs has received the application of Paris Holdings, LLC, d/b/a El Fogon Restaurant Mexican & Seafood for the transfer of ownership of Liquor License No. 2644 at 3414 North Lovington Highway, Hobbs, New Mexico, which received preliminary approval from the State of New Mexico, Alcohol and Gaming Division; and

WHEREAS, a public hearing is being held by the governing body of the City of Hobbs on April 6, 2015, on the question of whether or not the proposed transfer of ownership of the liquor license should be approved.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HOBBS, NEW MEXICO, that the application of Paris Holdings, LLC, d/b/a El Fogon Restaurant Mexican & Seafood for a transfer of ownership of Liquor License No. 2644 located at 3414 North Lovington Highway, Hobbs, New Mexico, be and is hereby _____ (approved or disapproved).

PASSED, ADOPTED AND APPROVED this 6th day of April, 2015.

SAM D. COBB, Mayor

ATTEST:

JAN FLETCHER, City Clerk

LEGAL NOTICE


NOTICE OF PUBLIC HEARING

NOTICE is hereby given that the City Commission of the City of Hobbs, New Mexico, will hold a public hearing at 6:00 p.m., on Monday, April 6, 2015, in the City Commission Chamber at City Hall, First Floor Annex, 200 East Broadway, Hobbs, New Mexico. The purpose of the hearing will be to determine whether the State of New Mexico Regulation and Licensing Department, Alcohol and Gaming Division, should approve or disapprove the following application:

APPLICATION FOR TRANSFER OF OWNERSHIP OF LIQUOR LICENSE NO. 2644

Owner of Existing License:	Glenn H. Perkal and Patricia Perkal Revocable Trust
Current D/B/A Name:	El Fogon Restaurant Mexican & Seafood
Current Premises Address:	3414 North Lovington Highway Hobbs, NM 88240
Applicant Name:	Paris Holdings, LLC
Applicant D/B/A Name:	El Fogon Restaurant Mexican & Seafood
Physical Location of License:	3414 North Lovington Highway Hobbs, NM 88240

DATED this 12th day of March, 2015.



SAM D. COBB, Mayor

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 2 issue(s).

Beginning with the issue dated
March 17, 2015
and ending with the issue dated
March 24, 2015.



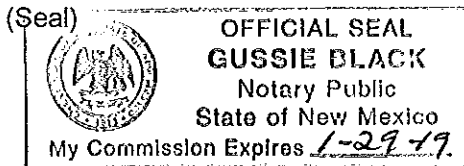
Publisher

Sworn and subscribed to before me this
24th day of March 2015.



Business Manager

My commission expires
January 29, 2019



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL	LEGAL	LEGAL
LEGAL NOTICE March 17 and 24, 2015		
NOTICE OF PUBLIC HEARING		
<p>NOTICE is hereby given that the City Commission of the City of Hobbs, New Mexico, will hold a public hearing at 6:00 p.m., on Monday, April 6, 2015, in the City Commission Chamber at City Hall, First Floor Annex, 200 East Broadway, Hobbs, New Mexico. The purpose of the hearing will be to determine whether the State of New Mexico Regulation and Licensing Department, Alcohol and Gaming Division, should approve or disapprove the following application:</p>		
APPLICATION FOR TRANSFER OF OWNERSHIP OF LIQUOR LICENSE NO. 2644		
Owner of Existing License:	Glenn H. Perkal and Patricia Perkal Revocable Trust	
Current D/B/A Name:	El Fogon Restaurant Mexican & Seafood	
Current Premises Address:	3414 North Lovington Highway Hobbs, NM 88240	
Applicant Name:	Paris Holdings, LLC	
Applicant D/B/A Name:	El Fogon Restaurant Mexican & Seafood	
Physical Location of License:	3414 North Lovington Highway Hobbs, NM 88240	
DATED this 12th day of March, 2015.		
		/s/ Sam D. Cobb SAM D. COBB, Mayor
#29856		

67108146

00153311

SHELLY RAULSTON
CITY OF HOBBS
200 E. BROADWAY
HOBBS, NM 88240



New Mexico Regulation and Licensing Department
ALCOHOL AND GAMING DIVISION

Toney Anaya Building • PO Box 25101 • Santa Fe, New Mexico 87505-5101
(505) 476-4875 • Fax (505) 476-4595 • www.rld.state.nm.us/alcoholandgaming

March 5, 2015

Certified Mail No.: 7013 2250 0001 5426 6277

City of Hobbs
Attn: Jan Fletcher
200 East Broadway
Hobbs, NM 88240

Susana Martinez
GOVERNOR

Robert "Mike" Unthank
SUPERINTENDENT

Tania Maestas, Esq.
ACTING CHIEF GENERAL
COUNSEL

Mary Kay Root
DIRECTOR

Re: Lic. No. /Appl. No.: Appl. No. 941953
Name of Applicant: Paris Holdings, LLC
Doing Business As: El Fogon Restaurant Mexican & Seafood
Proposed Location: 3414 N. Lovington Highway
Hobbs, NM 87122

ATTENTION: Department or person responsible for conducting or preparing the public hearing for liquor license transfers or issuance of new liquor licenses.

Greetings:

The Director of the Alcohol and Gaming Division has reviewed the referenced Application and granted **Preliminary Approval**; it is being forwarded to you in accordance with Section 60-6B-4 NMSA of the Liquor Control Act.

Within forty-five (45) days after receipt of a Notice from the Alcohol and Gaming Division, the governing body **shall** hold a Public Hearing in the question of whether the department should approve the proposed issuance or transfer. Notice of the Public Hearing required by the Liquor Control Act **shall** be given by the governing body by publishing a notice of the date, time, and place of the hearing at least once a week for two consecutive weeks in a newspaper of general circulation within the territorial limits of the governing body, which requires that two weeks of publication must be satisfied before a hearing can be conducted. The notice shall include: (A) Name and address of the Applicant/Licensee; (B) The action proposed to be taken by the Alcohol and Gaming Division; and (C) The location of the licensed premises. The governing body is required to send notice by certified mail to the Applicant of the date, time, and place of the Public Hearing. The governing body may designate a Hearing Officer to conduct the hearing. A record **shall** be made of the hearing.

THE APPLICANT IS SEEKING A TRANSFER OF OWNERSHIP OF LIQUOR LICENSE 2644.

Alcohol and Gaming Division
(505) 476-4875

Boards and Commissions Division
(505) 476-4600

Construction Industries Division
(505) 476-4700

Financial Institutions Division
(505) 476-4885

Manufactured Housing Division
(505) 476-4770

Securities Division
(505) 476-4580

Administrative Services Division
(505) 476-4800

The governing body may disapprove the issuance or transfer of the license if:

- 1) The proposed location is within an area where the sale of alcoholic beverages is prohibited by the laws of New Mexico. (The governing body may disapprove if the proposed location is within 300 feet of a church or school unless the license has been located at this location prior to 1981 or unless the Applicant/Licensee has obtained a waiver from the Local Option District governing body for the proposed licensed premises).
- 2) The issuance or transfer would be in violation of a zoning or other ordinance of the governing body. The governing body may disapprove if the proposed location is not properly zoned. Because this office is in receipt of a Zoning Statement from the governing body, this is not a basis for disapproval.
- 3) The issuance would be detrimental to the public health, safety, or morals of the residents of the Local Option District. Disapproval by the governing body on public health, safety, or morals must be based on and supported by substantial evidence pertaining to the specific prospective transferee or location and a copy of the record must be submitted to the Alcohol and Gaming Division.

Within thirty (30) days after the Public Hearing, the governing body **shall** notify the Alcohol and Gaming Division as to whether the local governing body has approved or disapproved the issuance or transfer of the license by signing the enclosed original Page 1 of the Application. The original Page 1 of the Application must be returned together with the notice of publication(s). If the governing body fails to either approve or disapprove the issuance or transfer of the license within thirty days after the Public Hearing, the Director will give Final Approval to the issuance or transfer of the license.

If the governing body disapproves the issuance or transfer of the license, it shall notify the Alcohol and Gaming Division within thirty (30) days setting forth the reasons for the disapproval. A copy of the Minutes of the Public Hearing shall be submitted to the Alcohol and Gaming Division with the notice of disapproval (Page 1 of the Application page noting disapproval).

Sincerely,



Brenda Mares
Hearing Officer
NM Regulation & Licensing Dept.
Alcohol & Gaming Division
Phone: 505-476-4548
Fax: 505-476-4595
Email: brenda.mares2@state.nm.us

Enclosures:

1. Original Page 1 of the Application (must be signed and returned).
2. Copy of Page 2 of the Application, copy of posting certificate

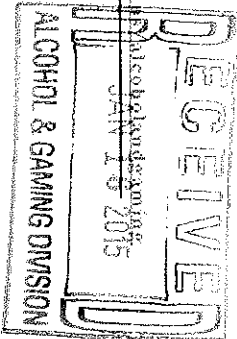
New Mexico Regulation and Licensing Department
ALCOHOL AND GAMING DIVISION



New Mexico Regulation and Licensing Department - Alcohol and Gaming Division
Santa Fe, New Mexico 87505 (505) 476-4875 Fax (505) 476-4595

LIQUOR LICENSE APPLICATION

Application fee - \$200.00 Fees are non-refundable.



State Liquor License # 2644

Application Number 991953

Local option (AGD use) _____

Record Owner of Existing License: Glenn H. Perkal and Patricia A. Perkal Revocable Trust
Current D/B/A Name: El Fogon Restaurant Mexican & Seafood LLC
Current Premises Address: 3414 N. Lovington Highway, Hobbs, NM 88240

Application is for: Change of Stock _____ Change of Officers/Directors _____ Transfer Ownership of Existing License Transfer Ownership and Location _____
Other _____ Issue New License _____ Type of License being applied for: LLD

A. Applicant is: Individual _____ Corporation _____ Partnership (General or Limited) _____ Limited Liability Company _____

NAME OF APPLICANT (company or individual) Paris Holdings, LLC ADDRESS (including city, state, zip) 9915 Petra Ct. NE, Albuquerque, NM 87122 TELEPHONE NUMBER (505)331-0535

Also Notice: Jerry Hamm, d/b/a Liquor License Brokerage & Consulting, 3301-R Coors Rd. NW # 127, Albuquerque, NM 87120 (505)342-0523

New Mexico Tax Identification Number: 03-287869-00-9 (EXHIBIT A - TAX REGISTRATION CERTIFICATE)

D/B/A name to be used: El Fogon Restaurant Mexican & Seafood Phone number for licensed premises: (575)392-0425

(EXHIBIT B - LIQUOR LICENSE PURCHASE & SALE AGREEMENT) (EXHIBIT C - LIQUOR LICENSE LEASE & ASSIGNMENT AGREEMENTS)

Physical location where license is to be used: 3414 N. Lovington Highway, Hobbs, Lea County, New Mexico 88240
(Include street number / highway number / state road, city and county, state, and zip code)

Mailing address: 9915 Petra Ct. NE, Albuquerque, NM 87122

Are alcoholic beverages currently being dispensed at the proposed location? Yes No If yes, give license number and type: LLD # 2644

I, (print name) Christian D. Gordon, as (title) Manager being first duly sworn upon oath deposes and says: that he/she is the applicant or is authorized by the applicant to make this application; that he/she has read the same; knows the contents therein contained are true. Applicant(s) agree(s) that if any statements or representations herein are found to be false, the director may refuse to issue or renew the license or may cause the license to be revoked at any time.

You must sign and date this form in the presence of a notary public

Signature of Applicant: [Signature] Date 1/5/15

SUBSCRIBED AND SWORN TO before me this 5 day of January, 2015 by Christian D. Gordon
Notary Public Use Only
My Commission Expires 09/20/16
OFFICIAL SEAL
KELLY D. SHUMMETT
NOTARY PUBLIC State of New Mexico

Notary Public [Signature] My Commission Expires 09/20/16

Local Governing Body of: _____ (City or County), Hearing held on _____ 20____

Check one: Approved _____ Disapproved _____ City/County Official _____ (Signature & Title)

For Alcohol and Gaming Division Use Only



PREMISES LOCATION, OWNERSHIP, AND DESCRIPTION
55-60-6B-10

1. The land and building which is proposed to be the licensed premises is (check one):

Owned by Applicant _____ Leased by Applicant (attach copy of deed or lease) _____ Other (provide details) _____ Premises is Owned by Agent Lessee Under License (EXHIBIT D - PREMISES LEASE)

2. If the land and building are not owned by Applicant, indicate the following:
A. Owner(s): Manuela Enriquez

B. Date and term of lease: October 1, 2011 - Five Years ending September 2016 + 4-5 year renewal options

3. Premises location is zoned (example C-1) Premises is not zoned (EXHIBIT E - ZONING STATEMENT)

If the premises is zoned, attach zoning statement from local government giving location address and type of zone, stating whether alcoholic beverages are allowed at proposed location. If there is no zoning, attach confirmation from local government indicating there is no zoning.

4. Distance from nearest church *(Property line of church to licensed premises—shortest distance).

Miles/feet Approx. 3,900 ft Name of church Church of Jesus Christ of LDS Address/location of church 3720 N. Grimes Street, Hobbs, NM

5. Distance from nearest school *(Property line of school to licensed premises—shortest distance).

Miles/feet Approx. 2,000 ft Name of school Stone Elementary School Address/location of school 1015 W. Calle Sur, Hobbs, NM

6. Distance from military installation *(Property line of military installation to licensed premises—shortest distance.)

Miles Approx. 60 mi Name of Military Installation, circle one: (Kirtland Air Force Base -Albuquerque), White Sands Missile Range (Las Cruces), (Ft HIBIT F - AREA MAP) Holloman Air Force Base (Alamogordo), Cannon Air Force Base (Clovis).

7. Attach, on a separate sheet, the detailed floor plan for each level (floor) where alcoholic beverages will be sold or consumed. Show exterior walls, doors, and interior walls. This will be the licensed premises. The floor plan should be no larger than 8 1/2 x 11 inches, and must include the total square footage of premises. (EXHIBIT G - FLOOR PLAN)

*If the distance is beyond 300 feet, but less than 400 feet, a registered engineer or licensed surveyor must complete a Survey Certificate showing the exact distance.

8. Type of Operation:

Lounge _____ Restaurant Package Grocery _____ Racetrack _____ Hotel _____ Other (specify) _____

ALCOHOL & GAMING DIVISION
2550 CYPRESS AVENUE
SANTA FE, NEW MEXICO 87505
POSTING CERTIFICATE

- | | |
|--|--|
| <input type="checkbox"/> DISPENSER (FULL SERVICE) | <input type="checkbox"/> RETAILER (PACKAGE ONLY) |
| <input type="checkbox"/> RESTAURANT (BEER/WINE ONLY) | <input type="checkbox"/> DISPENSER (ON PREMISE ONLY) |
| <input type="checkbox"/> CANOPY (DISPENSER-C) | <input type="checkbox"/> INTER-LOCAL DISPENSER |
| <input checked="" type="checkbox"/> OTHER: TRANSFER OF OWNERSHIP | <input type="checkbox"/> LOTTERY |

LICENSE NUMBER /APPLICATION NUMBER: A PL NO. 941953

- | | |
|--|--|
| <input type="checkbox"/> TRANSFER OF OWNERSHIP & LOCATION | <input type="checkbox"/> TRANSFER OF LOCATION ONLY |
| <input checked="" type="checkbox"/> TRANSFER OF OWNERSHIP ONLY | <input type="checkbox"/> NEW LICENSE |

TRANSFERRED FROM: GLENN H. PERKAL AND PATRICIA A. PERKAL REVOCABLE TRUST
CURRENT LOCATION: 3414 N. LOVINGTON HIGHWAY, HOBBS, NM
TRANSFERRED TO/APPLICANT: PARIS HOLDINGS, LLC
PROPOSED LOCATION: 3414 LOVINGTON HIGHWAY, HOBBS, NM
PROPOSED BUSINESS NAME EL FOGON RESTAURANT MEXICAN & SEAFOOD

I CERTIFY THAT I HAVE POSTED THE REQUIRED NOTICE OF LIQUOR LICENSE PURSUANT TO SECTION 60-6B-2, NMSA, AND FURTHER CERTIFY AS FOLLOWS:

- LOCATION POSTED IS WITHIN CORPORATE LIMITS OF: City of Hobbs
- LOCATION POSTED IS IN UNINCORPORATED LIMITS OF: 1 mi
- DISTANCE FROM NEAREST CHURCH IS: Approx. 3,900 ft
NAME OF CHURCH IS: Church of Jesus Christ LDS
- DISTANCE FROM NEAREST SCHOOL IS: Approx. 3,000 ft
NAME OF SCHOOL IS: stone elementary school
- DISTANCE FROM NEAREST MILITARY INSTALLATION: 125 miles
NAME OF INSTALLATION IS: Cannon AFB Clovis, NM
- IF RURAL, DISTANCE FROM NEAREST EXISTING LIQUOR LICENSE IS:
BY PASSABLE ROAD: _____ BY STRAIGHT AIRLINE: _____
- NOTICE POSTED ON:
 BUILDING BILLBOARD
 BUILDING UNDER CONSTRUCTION
 BUILDING BEING REMODELED NO BUILDING

DATE POSTED: 02/03/15
S. Daniel Arenas
APPLICANT'S SIGNATURE
S. DANIEL ARENAS
PRINTED

EXPIRATION DATE: 02/23/15
Paul A. Mark
S.I.D. SPECIAL AGENT SIGNATURE
PAUL A. MARK
PRINTED



PLANNING DEPARTMENT

200 E. Broadway Street, Hobbs, NM 88240
Ph. 1-505-397-9232 Fax 1-505-397-9227

January 16, 2015

Jerry A. Hamm
d.b.a. Liquor License Brokerage & Consulting
3301-R Coors Road NW, # 127
Albuquerque, N.M 87120

RE: Zoning Certification for restaurant with beer, wine & full spirits "on premise consumption only" of alcoholic beverages for El Fogon located at 3414 N. Lovington Hwy. in Hobbs, NM 88240.

Dear Mr. Hamm:

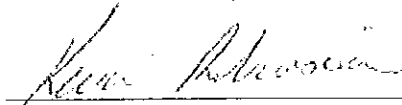
Pursuant to your request for a current Zoning Certification (attached) regarding the sale of beer, wine & full spirits alcoholic beverages for on premise consumption only for El Fogon located at 3414 N. Lovington Hwy. in Hobbs, NM, please be advised that the City of Hobbs has not adopted a zoning ordinance to regulate land uses and locations of different types of development or specific business uses throughout the City. Consequently, the City of Hobbs has no current regulations which govern zoning districts and/or land uses, use of buildings, or use of vacant land. Therefore, the proposed land use as referred to herein, including the sale of alcoholic beverages for on premise consumption only at the above referenced property in Hobbs, NM is considered a use by right as of this date of January 16, 2015. The proposed use is in conformance with applicable zoning law as of this date.

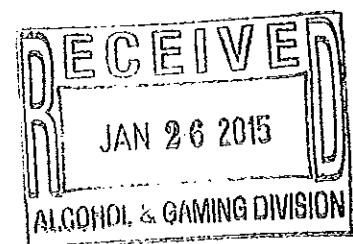
Please note that the City does have a Major Thoroughfare Plan, Subdivision Regulations, Flood Zone, Fire Zone, Landscaping Regulations, Building Code, Liquor License and other development regulations that must be followed for improvements and changes in building occupancy types, including yard setback requirements. This letter is in regards to that portion of the above referenced real property that exists within the corporate limits of the City of Hobbs, NM on January 16, 2015.

If you have any questions or need further information, please contact me at (575) 397-9351.

Sincerely,

CITY OF HOBBS, NEW MEXICO


Kevin Robinson – Planning Department





CITY OF HOBBS
COMMISSION STAFF SUMMARY FORM

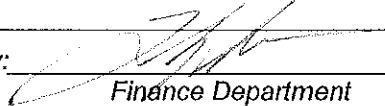
MEETING DATE: April 6, 2015

SUBJECT: ADOPTION OF AN ORDINANCE TO REPEAL CHAPTER 15.08 FIRE ZONES OF THE CITY OF HOBBS MUNICIPAL CODE.

DEPT. OF ORIGIN: Planning Department
DATE SUBMITTED: March 30, 2015
SUBMITTED BY: Kevin Robinson – Development Director

Summary: The Municipality created Fire Zones within the Municipal Boundaries on February 18, 1957 by adopting Ordinance #431, adopting the (1939) Uniform Building Code and to conform to the UBC declaring the entire City of Hobbs a fire district and designating Fire Zone 1-3. Subsequently the International Fire Code and the International Building Code have provisions in place to address the intent of Chapter 15.08 of the Municipal Code, making the declaration of a fire district and designating fire zones superfluous. The City of Hobbs Planning Board reviewed this issue on January 20, 2015 and voted 5 to 0 to recommend approval of the Ordinance Repealing Chapter 15.08 of the Hobbs Municipal Code. The City Commission approved publication of the Ordinance on February 2, 2015.

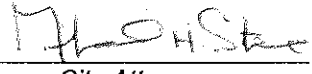
Fiscal Impact:

Reviewed By: 
Finance Department

No Fiscal impact.

Attachments: Ordinance, Planning Board Minutes.

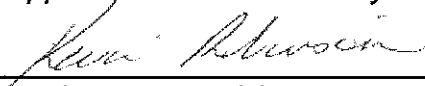

Legal Review:

Approved As To Form: 
City Attorney

Recommendation:

Staff recommends consideration to adopt the Ordinance Repealing Chapter 15.08 of the Municipal Code.

Approved For Submittal By:


Department Director

City Manager

CITY CLERK'S USE ONLY
COMMISSION ACTION TAKEN

Resolution No. _____ Continued To: _____
Ordinance No. _____ Referred To: _____
Approved _____ Denied _____
Other _____ File No. _____

CITY OF HOBBS

ORDINANCE NO. 1082.

AN ORDINANCE TO REPEAL IN ITS ENTIRETY CHAPTER 15.08 OF THE HOBBS MUNICIPAL CODE.

BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF HOBBS, NEW MEXICO, that the following Chapter of the Hobbs Municipal Code be and is hereby repealed in its entirety.

Chapter 15.08

FIRE ZONES

15.08.010 Entire City declared fire district—Fire zone map.

15.08.020 General requirements.

15.08.030 Restrictions in Fire Zone No. 1.

15.08.040 Restrictions in Fire Zone No. 2.

15.08.050 Restrictions in Fire Zone No. 3.

PASSED, ADOPTED AND APPROVED this 6th day of April, 2015

SAM D. COBB, Mayor

ATTEST:

JAN FLETCHER, City Clerk

Commissioner Garry Buie said there is a trailer park on Albertson's Circle and he wants to know if there is anything the city can do to clean up the area? Mr. Robinson said that staff has been dealing with the owners about cleaning it up. He said the owner was at the Planning Board in June or July and the Board approved a two year variance to clean up the park and come into compliance. He said she also must put a fence around the property. Commissioner Buie said the units they brought in are in terrible shape and he did not think the Fire Department would be able to get into the park.

Commissioner Buie said that it seems like all the other areas are being brought up and looking better but this area does not seem like it has had any change and he believes it is a fire hazard.

Mr. Kesner said to not wait until the end of the two years before contacting her. He said it would make sense after one year to send her a letter and start telling her she has to come into compliance in the next year. Mr. Robinson said they are in contact with the property owner often. He did say that staff would write a letter and make sure she knows she will have to be in compliance in one year.

5) Review and Consider Zia Crossing Subdivision, Unit 4 Preliminary Plan as submitted by property owner Black Gold Estates, LLC.

Mr. Robinson said this is the Preliminary Plan for Unit 4. He said there are 57 lots in this unit. Mr. Kesner asked about the utility extensions and if they were going to take place down Millen? Mr. Robinson said the utility extensions will be extended west along the developers property and about 300 feet from Millen. Mr. Hicks asked what were the sewer and water line sizes? Mr. Robinson said 12" water and 10" sewer. He said there is a lift station to serve this area. Mr. Ramirez made a motion, seconded by Mr. Shaw to approve the Preliminary Plan as presented. The vote on the motion was 5-0 and the motion carried.

6) Review and Consider a proposed Ordinance repealing Section 15.08 of the Hobbs Municipal Code concerning Fire Zones.

Mr. Robinson said this was an ordinance that was enacted in 1957 which declared the entire city limits as a Fire Zone and they created zones. He said at the time there was a distinct difference between fire codes and IBC. He said adopting the fire districts and creating the fire zones is what made the regulatory items together. He said today with the current fire codes and the IBC it is no longer necessary to have two separate codes.

Mr. Robinson said some of the city owned property such as the downtown project would fall within one of the fire zones and require any structures to be built out of steel instead of wood frame. He said the IBC says we can build with wood frame as long as there are correct sprinkler systems installed. Mr. Hicks said essentially we are removing this ordinance and we are still in good fire planning by following the IBC.

Mr. Robinson said the ordinance would also eliminate any manufactured home being placed in these areas. Mr. Kesner said so in the current codes manufactured homes could not be located in these areas? Mr. Robinson said manufactured homes cannot but modular

homes could be. Mr. Kesner said so we are not following these codes not anyway. Mr. Robinson said this code has not been followed in sometime. Mr. Shaw said there are a lot of lots in this area that would be good for mobile home placement. Mr. Hicks said apparently this ordinance does not serve a purpose.

Mr. Eric Enriquez said it is an outdated code. He said it was probably initiated to strategically place fire stations so they could equip them and respond to the locations built on their construction. He said today there is the International Building Code that addresses the issues. Mr. Shaw made a motion, seconded by Mr. Penick to repeal the Ordinance Section 15.08. The vote on the motion was 5-0 and the motion carried.

7) Adjournment.

With nothing further to discuss the meeting adjourned at 10:36 am.



CITY OF HOBBS
COMMISSION STAFF SUMMARY FORM

MEETING DATE: April 6, 2015

SUBJECT: RESOLUTION TO APPROVE ON-SITE VIDEO SECURITY STANDARDS FOR MULTI-FAMILY DEVELOPMENTS, AS RECOMMENDED BY THE PLANNING BOARD.

DEPT. OF ORIGIN: Planning Division
DATE SUBMITTED: March 30, 2015
SUBMITTED BY: Kevin Robinson - Planning Department

Summary: The City Planning Board is recommending new On-site Video Security Standards for Multi-family developments to reduce the impact of new multi-family development when located adjacent to existing residential neighborhoods.

During the past two years, the Planning Board has reviewed numerous proposals from new multi-family developments. Almost all of these developments represent a greater density of population than the adjoining properties historic usage. The attached standards seek to mitigate any negative impacts on existing residential neighborhoods by these higher density developments. Additionally, the interconnectivity required by the proposed standards would afford First Responders situational awareness prior to arriving onsite. The Planning Board studied this proposal on December 17, 2013, and after careful deliberations, the attached proposal is recommended.

The proposed policy is intended to be an important tool to preserving and protecting existing residential neighborhoods, which is one of the most important goals of the Comprehensive Plan.

Fiscal Impact: Reviewed By: [Signature] Finance Department

The proposed standards will probably not have an impact on the City Budget.

Attachments: Resolution, Planning Board Minutes.

Legal Review: Approved As To Form: [Signature] City Attorney

Recommendation: Consider approval of the Resolution adopting on-site video security standards for multi-family developments, as recommended by the Planning Board.

Approved For Submittal By: [Signatures] Department Director, City Manager

CITY CLERK'S USE ONLY
COMMISSION ACTION TAKEN
Resolution No.
Ordinance No.
Approved
Other
Continued To:
Referred To:
Denied
File No.

CITY OF HOBBS

RESOLUTION NO. 6276

A RESOLUTION APPROVING AND ADOPTING ON-SITE VIDEO SECURITY STANDARDS FOR MULTI-FAMILY DEVELOPMENTS, AS RECOMMENDED BY THE PLANNING BOARD.

WHEREAS, the City of Hobbs Planning Board has received numerous complaints concerning negative impacts of new multi-family developments located adjacent to established residential neighborhoods; and

WHEREAS, the Comprehensive Plan suggests a primary goal is to preserve and protect existing residential neighborhoods; and

WHEREAS, the Hobbs Planning Board has studied these proposals, and after careful deliberations, the attached proposals are recommended.

NOW, THEREFORE BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HOBBS, NEW MEXICO, that

1. The City of Hobbs hereby approves and adopts the Minimum On-site Video Security Standards for Multi-family Developments, as follows and as included in this Resolution.

Minimum On-site Video Security Standards for Multi-family Developments.

A. Applicability.

On-site Video Security is required for any new multi-family development of 10 units or more occupying an undivided parent parcel and operated by a single entity. The provision and maintenance of On-site Video Security shall be the responsibility of the property owner. Policies are also established to assure connectivity to the City of Hobbs Video Security System, pursuant to minimum standards as periodically established by the City of Hobbs. Existing multi-family developments meeting or exceeding the minimum units may be requested to comply retroactively with the On-site Video Security Standards to resolve any applicable public nuisance issues. All existing and planned multi-family developments must comply with these policies. The City may coordinate and cooperate with existing multi-family developments to negotiate retroactive compliance.

B. Purpose.

The purpose of this requirement is to reduce and mitigate the security impact of new and existing multi-family development located adjacent to existing residential neighborhoods, and to provide an additional layer of security to the residents of the development. This requirement has been established in accordance with the Comprehensive Plan for the purpose of promoting the health, safety, morals, and the general welfare of the City and in order to mitigate the negative impact between adjacent uses and facilitating the transition from one type of use to another. Depending on the severity of the potential impacts of a particular new development proposal on the existing adjacent neighborhood, i.e.; greater than historic densities, the City Manager may require additional on-site security measures.

C. On-site Video Security Requirements and Options.

1. On-site Video Security is required for any multi-family development of 10 or more units.
2. On-site Video Security must be compatible with the City of Hobbs Video Surveillance System, allowing the City of Hobbs Police Department the ability to remote in for live feeds when Emergency Responders are requested at the location.
3. The on-site video security system shall be so designed as to offer complete and full video surveillance of those areas within the multi-family development so deemed to be public areas and accessible to all residents of the development.
4. The on-site video security system shall be such that video surveillance of the developments public areas is not dependent upon ambient lighting.

2. The City officials and staff are directed to do any and all acts necessary to carry out the intent of this Resolution.

PASSED, ADOPTED AND APPROVED this 6th day of April 2015.

SAM D. COBB, Mayor

ATTEST:

JAN FLETCHER, City Clerk

11) Review and Consider a proposed Resolution requiring the installation of a video security system within public areas of any proposed multi-family development of 10 units or greater.

Mr. Robinson said Chief McCall is here to answer questions for the proposed resolution. He said it is not necessarily for constant surveillance but more for our emergency responders. He said the emergency responders would like to see the situation before they get there. He said there is a vagueness with the development standards primarily because the city's system is not up and running. He said the intent with the development standards is when our system is up and running they will be able to tie on. He said the development standards are designed primarily for public areas within the multifamily such as swimming pools, parking lots and laundry mats.

Mr. Kesner said it states 10 units or more located on a single parcel. He said there can be a big density of people on 1 acre. He wondered if it would make sense to do away with the single parcel and come up with a density number.

Chief McCall said their primary concern is where there might be a large group of people. He said such complexes as Hobbs Apartments is very open to this.

Mr. Robinson said this is a benefit that a party could put in for their properties. He said it is the city's intent when the system comes together that there is a remote IP access. He said it is not a requirement for a 4-plex but only multifamily complexes. Mr. Hicks said if you take the verbiage 10 units or more per parcel and take the "per parcel" off then you are accomplishing the same thing without making it ambiguous. Mr. Kesner suggested going by density.

Mr. Hicks said he would propose to add language that states "operated by a single entity".

Mr. Kesner made a motion, seconded by Mr. Ramirez to approve the resolution with the statement added "operated by a single entity". The vote on the motion was 4-0 and the motion passed.

12) Review and Consider Planning Board Calendar for Calendar Year 2014.

Mr. Kesner made a motion, seconded by Mr. Ramirez to approve the Calendar for 2014. The vote on the motion was 4-0 and the motion carried.

13) Adjournment.

With nothing further to discuss the meeting adjourned at 12:11 pm.



CITY OF HOBBS
COMMISSION STAFF SUMMARY FORM

MEETING DATE: April 6, 2015

SUBJECT: RESOLUTION TO APPROVE THE PRELIMINARY AND FINAL PLAN FOR DAVIS ACRES, WITH VARIANCES, AS RECOMMENDED BY THE PLANNING BOARD. Located northwest of the intersection of Lovelady Road and N. Fowler within the extra-territorial platting jurisdiction of the City of Hobbs, submitted by Clayton Davis.

DEPT. OF ORIGIN: Planning Division
DATE SUBMITTED: March 30, 2015
SUBMITTED BY: Kevin Robinson – Planning Department

Summary: The Preliminary & Final Plan for Davis Acres is submitted by Clayton Davis. The proposed subdivision is located northwest of the intersection of Lovelady Road and N. Fowler and within the extra-territorial platting jurisdiction of the City of Hobbs. The proposed subdivision encompasses +/- 4.4 acres and will contain 4 lots. The Planning Board reviewed this issue on December 16, 2014 and voted 5 to 0 to recommend approval with variances (see variance letter attached hereto) to Municipal Code Chapter 16.16.010 – B.1 and Municipal Code Chapter 16.12.040 - A.

Fiscal Impact:

Reviewed By: _____

[Signature]
Finance Department

This subdivision is located within the Extraterritorial Jurisdiction of the City of Hobbs, each structure will be served by domestic water wells and private sewer systems. Lea County will assume maintenance of any infrastructure dedicated upon their acceptance of the same.

Attachments: Resolution, Preliminary\Final Plan, Planning Board Variance Letter and Planning Board Minutes.

Legal Review:

Approved As To Form: _____

[Signature]
City Attorney

Recommendation:

Consideration of Approval of the Resolution to approve the Preliminary\Final Plan for Davis Acres, as recommended by the Planning Board.

Approved For Submittal By:

[Signature]

Department Director

[Signature]

City Manager

CITY CLERK'S USE ONLY
COMMISSION ACTION TAKEN

Resolution No. _____

Continued To: _____

Ordinance No. _____

Referred To: _____

Approved _____

Denied _____

Other _____

File No. _____

CITY OF HOBBS

RESOLUTION NO. 6277

A RESOLUTION APPROVING THE PRELIMINARY AND FINAL PLAN OF DAVIS ACRES, AS RECOMMENDED BY THE PLANNING BOARD.

WHEREAS, Clayton Davis has submitted a Preliminary and Final Plan for Davis Acres, for review by the City Planning Board; and

WHEREAS, the subdivision's Preliminary and Final Plan was reviewed and recommended for approval, with variances, by the Hobbs Planning Board at the December 16, 2014 meeting.

NOW, THEREFORE BE IT RESOLVED BY THE GOVERNING BOARD OF THE CITY OF HOBBS, NEW MEXICO, that

1. The City of Hobbs hereby grants Preliminary and Final Plan Approval to Davis Acres, with variances, as recommended by the Planning Board; and
2. The City officials and staff are directed to do any and all acts necessary to carry out the intent of this Resolution.

PASSED, ADOPTED AND APPROVED this 6th day of April, 2015.

SAM D. COBB, Mayor

ATTEST:

JAN FLETCHER, CITY CLERK



PLANNING BOARD

200 E. Broadway Street, Hobbs, NM 88240
Ph. 1-505-397-9232 Fax 1-505-397-9227

January 21, 2015

RE: Planning Board variance to Municipal Code Chapter 16.16.010 – B.1 and Municipal Code Chapter 16.12.040 – A for proposed subdivision of property within the City of Hobbs extra-territorial platting jurisdiction located northwest of the intersection of Lovelady Road and North Fowler.

The following variance to the City of Hobbs Municipal Code Chapter 16.16.010 - B.1 which states:

B. Arrangement Where Same not Shown in City Map or Master Plan. Where such is not shown in the current official City map, master plan or part thereof, the arrangement of streets in a subdivision shall either:

1. *Provide for the continuation of appropriate projection of existing principal streets in surrounding areas; or*
2. Conform to a plan for the neighborhood approved or adopted by the Planning Board to meet a particular situation, where topographical or other conditions make continuance or conformance to existing streets impracticable.

is hereby recommended to the City of Hobbs Commission, allowing for final plat approval of property located northwest of the intersection of Lovelady Road and Fowler without projecting the continuation of Linam, an existing and improved minor residential street located south of Lovelady Road.

Additionally, the following variance to the City of Hobbs Municipal Code Chapter 16.12.040-A which states:

A. For all new subdivisions and re-subdivisions, all improvements will be required to be completed at the summary process approval or at the final plat filing, unless adequate financial security has been approved by the Planning Board and City Commission.

is hereby also recommended to the City of Hobbs Commission, allowing for final plat approval of property located northwest of the intersection of Lovelady Road and Fowler without improving the projection of Fowler, an existing and improved, to County standards, minor collector street located south of Lovelady Road.

The proposed subdivision plat must receive approval from Lea County and all signatures attached thereto prior to submitting to the City of Hobbs Commission for approval.

Sincerely,

CITY OF HOBBS, PLANNING BOARD


Guy Kesner – Vice Chairman

- 5) **Public Hearing to Review and Consider a Request to Grant a Special Use Permit and Amend the Planning District Map to Allow a Recreational Vehicle Park (RVP), on a 2.75 +/- acre parent parcel located at 1149 W. Marland.**

Mr. Robinson said this is a request for a Special Use Permit for 1149 W. Marland. He said notices have gone out. He said there is another RV Park in the area to the northwest of this location. Mr. Kesner asked if there was a site plan? Mr. Robinson said not at this time.

Mr. Robinson said the RV Park will be located on the back lot and there is plenty of access from Marland to where the RV Park will be. Mr. Penick asked if there would be one entrance and exit? Mr. Robinson said yes. Mr. Kesner asked if the RV Park would be paved? Mr. Robinson said the first 100 feet from Marland would have to be paved and the RV Park can be caliche packed. Mr. Boerner said it is caliche packed and gravel topped.

Mr. Shaw made a motion, seconded by Mr. Penick to approve the Special Use Permit. The vote on the motion was 5-0 and the motion carried.

- 6) **Review and Consider proposed encroachment agreements and encroachment easements for properties owned by Rick Ford located on Sunset Circle to allow carports to be extended within the public right-of-way.**

Mr. Robinson said this property was granted a carport variance in June of this year for an open walled structure at a 0 setback. He said in this area there is a 50 foot right-of-way and the roadway is 36 foot. He said with encroachment easements they are telling the property owners they can occupy public property. He said to do that the property owner will have to supply staff with either a survey with location points or encroachment plats.

Mr. Robinson said along Sunset there are a lot of legal non-conforming carport structures that exist today that do not have encroachment agreements. Mr. Penick asked if the new carports would match the existing carports? Mr. Robinson said yes. Mr. Eric Enriquez said the Fire Department does not have a problem with the carports but they do not want any combustible materials added on the carports.

Mr. Penick made a motion, seconded by Mr. Ramirez to approve the carport variances. The vote on the motion was 5-0 and the motion carried.

- 7) **Review and Consider Preliminary and Final Plat Approval - proposed Subdivision of property located northwest of the intersection of Lovelady Road and Fowler Street within the extra territorial jurisdiction of the Municipality, as submitted by property owner Clayton Davis.**

Mr. Robinson said this is a review of preliminary and final plat approval for the proposed subdivision at Lovelady and Fowler Streets. He said there are some questions about the subdivision. He said the projection of Fowler Street within our subdivision regulations would be required as well as the projection of Linam Street. He said the Board may feel that

Linam Street may not be the appropriate location for that street. He said the preliminary comments staff had is the location of Linam and the setbacks along Lovelady Road and the projection of Fowler.

Mr. Kesner asked if there were enough setbacks on Lovelady Road for them to build the subdivision?

Mr. Robinson said Lovelady Road is projected to be an 80 foot right-of-way and is a 60 foot right-of-way at this time. He said it would require a 20 foot dedication in this instance because when they built the roadway they built it south of the section line. He said 20 foot north of the section would give the 80 foot which is required for our right-of-way. He said staff is asking for an additional 20 foot dedication. He said that would move his property line 20 foot north of the existing roadway and increase his setback to our setback which is 35 on a minor arterial. Mr. Kesner asked if the lots would still have an acre a piece then? Mr. Robinson said that becomes problematic and they would not have an acre a piece. He said if they have $\frac{3}{4}$ of an acre there is a possibility of a variance with Environmental. Mr. Shaw said Environment allows $\frac{3}{4}$ of an acre but the County does not and they would have to ask for a variance. Mr. Robinson said the city would request a dedication to remove the dedicated land from private property and move it to the hands of Lea County.

Mr. Davis said that he spoke with Mr. Gasch at the County and discussed not dedicating the 20 foot right-of-way until the properties are built so he could still make the requirements of 1 acre. He said the dedication would still not be built on. Mr. Robinson said since the City will not be the recipient of the dedication then in the past the fee simple property is still retained by the property owner but the right-of-way can still be dedicated which complies with the City's code.

Mr. Shaw said he would be in favor of leaving the 20 feet within the property line with language added that it will be a dedicated public right-of-way. Mr. Kesner said that the developer will have to go to the County Planning Board. Mr. Robinson said that the city's co-jurisdiction regulations say Linam and Fowler have to be projected for future development. He said a variance with those projections and with right-of-ways projected is good.

Mr. Shaw made a motion, seconded by Mr. Sanderson to approve the proposed subdivision with a variance allowing Linam Street not to be projected through the developers site, a 20 foot dedicated public infrastructure easement along Lovelady and a variance allowing a 40 foot public infrastructure easement for the projection on Fowler to be built at another date. The vote on the motion was 5-0 and the motion carried.

8) Review and Consider Planning Board Calendar for Calendar Year 2015.

There were no changes to the Planning Board Calendar. Mr. Ramirez made a motion, seconded by Mr. Penick to approve the calendar as presented. The vote on the motion was 5-0 and the motion carried.

9) Adjournment.



CITY OF HOBBS
COMMISSION STAFF SUMMARY FORM

MEETING DATE: April 6, 2015

SUBJECT: RESOLUTION OF THE CITY COMMISSION OF THE CITY OF HOBBS GRANTING PRELIMINARY APPROVAL TO THE ISSUANCE OF ITS MULTIFAMILY HOUSING REVENUE BONDS (WASHINGTON PLACE APARTMENTS) (THE "BONDS") IN ONE OR MORE TAX-EXEMPT OR TAXABLE SERIES IN AN AGGREGATE PRINCIPAL AMOUNT NOT IN EXCESS OF \$6,000,000.

DEPT. OF ORIGIN: Planning Division
DATE SUBMITTED: March 30, 2015
SUBMITTED BY: Kevin Robinson - Planning Department

Summary: A request has been submitted to the City of Hobbs by representatives of Huntly Witmer Development LLC, a California Limited Liability Company, for the City to Issue Multifamily Housing Revenue Bonds for the rehabilitation of Washington Place Apartments.

Project revenue bonds are a finance tool whereby the project receives funds upfront based on the issuance and sale of the bonds and the projects future revenue stream is pledged for the repayment of the bonds. The Municipality in this instance acts as a conduit between the project and the bond market. Issuance of these types of bonds does not affect the Municipalities bonding capacity, because the income securitizing the bonds are and will be outside the control of the Municipality. All costs associated with this issuance will be paid by the bond proceeds recipient, including fees charged by the Municipalities Bond Counsel. Additionally, the Developer is not asking the Municipality for financial participation with this project, and the project will not be competing with NMMFA's 9% LIHTC project funds.

Fiscal Impact:

Reviewed By: [Signature]
Finance Department

Serving as a conduit for the project revenue bonds should not have an impact on the City Budget.

Attachments: Request and Resolution.

Legal Review:

Approved As To Form: [Signature]
City Attorney

Recommendation:

Consider approval of the Resolution granting preliminary approval to the issuance of Multifamily Housing Revenue Bonds.

Approved For Submittal By:

[Signature] Department Director
[Signature] for City Manager

CITY CLERK'S USE ONLY
COMMISSION ACTION TAKEN

Resolution No. _____ Continued To: _____
Ordinance No. _____ Referred To: _____
Approved _____ Denied _____
Other _____ File No. _____

CITY OF HOBBS

RESOLUTION NO. 6278

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF HOBBS GRANTING PRELIMINARY APPROVAL TO THE ISSUANCE OF ITS MULTIFAMILY HOUSING REVENUE BONDS (WASHINGTON PLACE APARTMENTS) (THE "BONDS") IN ONE OR MORE TAX-EXEMPT OR TAXABLE SERIES IN AN AGGREGATE PRINCIPAL AMOUNT NOT IN EXCESS OF \$6,000,000.

WHEREAS, the City of Hobbs, New Mexico (the "Issuer") is a public body politic and corporate, constituting a political subdivision of the State of New Mexico (the "State") pursuant to the provisions of the Constitution of the State and certain provisions of NMSA 1978, as amended; and

WHEREAS, the Issuer is authorized and empowered, among other things under Chapter 3, Article 31, NMSA 1978, as amended (the "Act"),

- a) To issue revenue bonds and use the proceeds thereof in accordance with the Act;
- b) To contract with and employ others to provide for and to pay compensation for professional services and other services as the Issuer shall deem necessary for the financing of the Project (defined below), and
- c) To pledge its property and revenues to secure the payment of the principal of and premium, if any, and interest on its revenue bonds; and

WHEREAS, Washington Place Limited Partnership, a New Mexico limited partnership, (the "Borrower"), has requested that the Issuer issue the Bonds and provide the proceeds thereof for the use by the Borrower to assist in financing the acquisition, rehabilitation, improvement and equipping of a 78-unit scattered site multi-family housing project located at 1405 E. Marland, 321 E. Clearfork and 121 E. Main, Hobbs, New Mexico, known as the Washington Place Apartments (the "Project"); and

WHEREAS, the Borrower has requested an expression of the Issuer's willingness to authorize the issuance of the Bonds at a future date after the documentation relating to the financing has been prepared and completed, and the Issuer's requirements for the issuance of such Bonds have been satisfied; and

WHEREAS, the Issuer wishes to declare its intention to authorize the issuance of the Bonds, provided certain conditions are met, for the purpose of financing costs of the Project (including the refunding of any prior bonds outstanding in regards to the Project) , in an aggregate principal amount not to exceed \$6,000,000.

NOW, THEREFORE, BE IT RESOLVED, by the City Commission of the City of Hobbs, New Mexico, that:

Section 1. Recitals. The Issuer hereby finds and determines that the above recitals are true and correct.

Section 2. Conditioned Approval. The Issuer finds and hereby determines that it is necessary and desirable for the Issuer to provide financing for the Project and hereby expresses its official intent, at one time or from time to time, to issue and sell the Bonds pursuant to the Act, subject to the conditions set forth herein. This Resolution does not bind the Issuer to make any expenditure, incur any indebtedness, or proceed with the financing of the Project. Furthermore, this approval by the Issuer is subject to the

Borrower's agreement to comply with and abide by all requirements and provisions of any future Bond Ordinance of the Issuer, and subject to any other requirements or conditions that may be imposed by the Issuer.

Section 3. Limited Obligation. The Bonds will be payable solely from revenues to be received by the Issuer pursuant to a loan agreement, lease agreement or other agreements to be entered into with the Borrower in connection with the Project. The issuance of the Bonds is subject to the following conditions: (a) the Issuer and the Borrower shall have first agreed to mutually acceptable terms for the Bonds and of the sale and delivery thereof, and mutually acceptable terms and conditions of the Bond indenture, loan agreement, lease agreement or other agreements and other related documents for the financing of the Project; (b) all requisite governmental approvals for the Bonds shall have been obtained; and (c) a Bond Ordinance approving the financing documents to which the Issuer will be a party shall have been adopted by the Issuer.

Section 4. Execution of Documents. The Mayor of the Issuer is hereby authorized and directed to execute and the City Clerk of the Issuer is hereby authorized to attest to any document necessary or appropriate in connection with this Resolution.

Section 5. Finance Team. [BOND COUNSEL FIRM] Albuquerque, New Mexico is hereby appointed as Bond Counsel and Stifel, Nicolaus & Company, Incorporated is appointed as Underwriter with regard to the issuance of the Bonds. Additionally, Kutak Rock LLP is hereby appointed as Special Tax Counsel and Underwriter's Counsel in connection with the issuance of the Bonds. The City shall have no obligation to pay the fees of Bond Counsel, Special Tax Counsel or the Underwriter except from the proceeds of the Bonds.

Section 6. Internal Revenue Code. This Resolution is a Declaration of Official Intent under U.S. Treasury Regulations for purposes of Sections 103 and 141 to 150 of the Internal Revenue Code of 1986, as amended (the "Code"). Based upon the representations of the Borrower, the Issuer reasonably expects that certain of the costs of the Project will be reimbursed with the proceeds of the Bonds. The expected maximum principal amount of the Bonds is \$6,000,000

PASSED, ADOPTED AND APPROVED this 6th day of April, 2015.

SAM D. COBB, Mayor

ATTEST:

JAN FLETCHER, CITY CLERK

KUTAK ROCK LLP

THE OMAHA BUILDING
1660 FARNAM STREET
OMAHA, NE 68102-2186
402-346-6000
FACSIMILE 402-346-1148
www.kutakrock.com

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RICHMOND
SCOTTSDALE
SPOKANE
WASHINGTON, D.C.
WICHITA

JOSHUA P. MEYER
joshua.meyer@kutakrock.com
(402) 346-6000

February 17, 2015

VIA ELECTRONIC MAIL

Michael Stone, Esq.
City Attorney
City Hall
200 E. Broadway
Hobbs, NM 88240

Re: Washington Place Apartments

Dear Mr. Stone:

My name is Joshua Meyer. I am a partner in Kutak Rock LLP, a national law firm headquartered in Omaha. Our firm has a substantial national practice in the area of municipal bond law; in 2014 we were the fourth most active bond counsel firm in the nation, involved in about 600 municipal issues totaling roughly \$20 billion. I am writing to request that the City of Hobbs (the "City") consider acting as conduit bond issuer for two or more series of project revenue bonds to help finance the acquisition and rehabilitation of the Washington Place Apartments (the "Project"), located in the City.

Project Description. The Project contains 76-units located on three separate parcels throughout the City. A Housing Assistance Payment Contract ("HAP Contract") issued by the U.S. Department of Housing and Urban Development ("HUD") supports the Project and the proposed borrower anticipates receiving significant payments from HUD under the HAP Contract. The City previously acted as a conduit bond issuer in 2000 in connection with bonds issued to support the refinancing and rehabilitation of the Project. I have included the offering document from that transaction for your review and reference. The offering document included herewith contains on page 18 thereof a more detailed project description.

Authorizing Authority. Under New Mexico Statutes Annotated Sections 3-31-1 through 3-31-12 (the "Act"), the City may issue project revenue bonds secured by revenues produced by the project and pledged for the repayment of such bonds. Typically, under the Act the City receives title to the Project and the Project is leased back by the borrower. These lease payments, along with the revenues from the HAP Contract will serve as security for the payments on the revenue bonds.

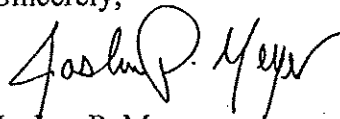
City of Hobbs, New Mexico
February 17, 2015
Page 2

Financing Participants. Huntley Witmer Development LLC, a California Limited-Liability Company (the "Developer"), has entered into a purchase agreement to buy the Project. The Developer intends to apply for the necessary volume cap from the New Mexico Housing Mortgage Finance Authority to issue private activity bonds under the Federal Tax Code. The Developer expects to partner with a tax credit equity investor to serve as the limited partner and receive the tax-credits. Currently, the Developer anticipates City Real Estate Advisors will be its equity investor partner.

City's Involvement. Two particular items make the City's involvement important for the Project financing to work. First, the financing team desires community involvement and support. Any time a local conduit issuer is involved, the public hearing process required by Federal Tax law goes more smoothly. Additionally, local support for a project often ensures the community on a going forward basis will value that project. Secondly, the alternative conduit issuers can be cost prohibitive for a smaller project financing such as this one.

We are excited about the opportunity to work with the City and are hopeful that the City will agree to act as conduit bond issuer under the Act. I would be happy to answer any questions the Commissioners, City Manager or Mayor may have. Thank you for your consideration.

Sincerely,



Joshua P. Meyer



CITY OF HOBBS
COMMISSION STAFF SUMMARY FORM

MEETING DATE: April 6, 2015

SUBJECT: Approving a Special Project with the Economic Development Corporation of Lea County
DEPT. OF ORIGIN: Legal Department
DATE SUBMITTED: March 31, 2015
SUBMITTED BY: Michael H. Stone, City Attorney

Summary:

The Economic Development Corporation of Lea County ("EDC") has requested additional funding from the City through the parties' Professional Services Agreement. The special project is a retail study that will cost \$78,350.00.

Catalyst Commercial Contract: Catalyst Commercial is a consulting firm selected to assist the EDC to identify retail strategies and recruitment opportunities for the City of Hobbs retail trade area. See Letter from EDC, attached. The firm will provide 10 prepared prospect packages and will conduct a traffic count analysis in eight locations. The contract amount is \$78,350.00.

If approved, there will be an Amended Professional Services Agreement executed to reflect the specific terms of the special project.

Fiscal Impact:

Current budget is set at \$250,000.00. Current contract is \$200,000.00. An amendment of \$78,350.00 will need to be added to contract, for a total of \$278,350.00. A budget reclassification of \$28,350.00 would need to be made from City Commission Special Projects (42541) to the City Commission Professional Services (42601).

Reviewed by: _____

Finance Department

Attachments:

Request letter from EDC

Legal Review:

Approved As To Form: _____

City Attorney

Recommendation: The Commission should determine whether or not to fund the special project.

Approved For Submittal By: _____

Department Director

City Manager

CITY CLERK'S USE ONLY
COMMISSION ACTION TAKEN

Resolution No. _____
Ordinance No. _____
Approved _____
Other _____

Continued To: _____
Referred To: _____
Denied _____
File No. _____



Economic
Development
Corporation
of Lea County

March 2, 2015

Hobbs City Hall
200 E. Broadway
Hobbs, NM 88240

Subject: 2014-2015 Professional Services Agreement Amendment-Special Project Funds

Dear City of Hobbs Officials:

As per our discussions, the City of Hobbs has requested that the Economic Development Corporation of Lea County include the addition of Special Projects for the City of Hobbs to the Economic Development Corporation of Lea County's scope of work for our 2014-2015 Professional Services Agreement. To accomplish the special project, we are requesting additional special project funding be provided on a reimbursement basis.

We are requesting the amount of \$78,350 to fund the agreed upon contract with Catalyst Commercial.

2014-2015 Special Project Funds

Catalyst Commercial Contract	\$	40,250
Prospect Packages (10 Prepared Packages)	\$	12,500
Traffic Count Analysis (8 locations)	\$	25,600
		<hr/>
	\$	78,350

Catalyst Commercial Retail Project:

Catalyst Commercial has been selected as a consulting firm to assist the Economic Development Corporation of Lea County, in partnership with the City of Hobbs, to identify retail strategies and recruitment opportunities for the City of Hobbs Retail Trade Area. This project will entail detailed trade area delineations, demographic and data analysis, mapping, property analysis, creation of merchandising plan, matching potential tenants, performing traffic count analysis, developing prospect packages for potential retail matches, and assistance to implement the identified strategies.

We appreciate the continued partnership with the City of Hobbs and look forward to working together on the above project. Your consideration of amending our Professional Services Agreement is appreciated. Please contact us with questions.

Respectfully,

A handwritten signature in black ink, appearing to read 'Monty Newman', with a long horizontal flourish extending to the right.

Monty Newman
EDCLC Board Chairman

A handwritten signature in black ink, appearing to read 'Melinda Allen', with a large circular flourish at the end.

Melinda Allen
President & CEO



CITY OF HOBBS
COMMISSION STAFF SUMMARY FORM

MEETING DATE: 4-6-15

SUBJECT: Resolution Authorizing Funding Appropriations to Social Service Agencies and Authorizing the Mayor to Execute Professional Service Agreements.

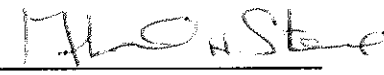
DEPT. OF ORIGIN: Mayor's Office
DATE SUBMITTED: 3-31-15
SUBMITTED BY: Sam D. Cobb, Mayor

Summary:
Proposed funding for community social service agencies. .


Fiscal Impact:
Ordinance #1043 capped funding at \$250,000; committee's recommendation is \$233,500.
These appropriations are budgeted under the FY 2015-2016 preliminary budget.

Reviewed By: 
Department

Attachments:
Resolution, History of Funding Ledger

Legal Review:
Approved As To Form: 
City Attorney

Recommendation:
Motion to approve Resolution.

<p><i>Approved For Submittal By:</i> <u></u> Department Director</p> <p>_____ City Manager</p>	<p>CITY CLERK'S USE ONLY COMMISSION ACTION TAKEN</p> <table><tr><td>Resolution No. _____</td><td>Continued To: _____</td></tr><tr><td>Ordinance No. _____</td><td>Referred To: _____</td></tr><tr><td>Approved _____</td><td>Denied _____</td></tr><tr><td>Other _____</td><td>File No. _____</td></tr></table>	Resolution No. _____	Continued To: _____	Ordinance No. _____	Referred To: _____	Approved _____	Denied _____	Other _____	File No. _____
Resolution No. _____	Continued To: _____								
Ordinance No. _____	Referred To: _____								
Approved _____	Denied _____								
Other _____	File No. _____								

CITY OF HOBBS

RESOLUTION NO. 6279

A RESOLUTION AUTHORIZING FY 15-16 FUNDING
APPROPRIATIONS TO VARIOUS SOCIAL SERVICE AGENCIES

BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HOBBS,
NEW MEXICO, that FY 15-16 funding appropriations are approved for various social
service agencies in the following amounts:

CASA	\$20,000
CASA Visitation Program	\$12,000
Character Counts	\$ 3,000
Committee for Hobbs	\$26,500
Faith in Action	\$10,000
Isaiah's Kitchen	\$10,000
Lea County Commission for the Arts	\$15,000
Manna Outreach	\$10,000
My Power, Inc.	\$20,000
Option	\$15,000
Opportunity House	\$ 8,500
Palmer Drug Abuse Program	\$35,000
Salvation Army	\$ 6,000

Senior Bash	\$ 2,000
Southwest Symphony	\$ 3,000
Teen Court	\$20,000
Weekend Hunger Initiative	\$17,500

BE IT FURTHER RESOLVED that the Mayor be and is hereby authorized and directed to execute appropriate Professional Service Agreements with each agency in the amounts specified above for the provision of social services to the citizens of Hobbs.

PASSED, ADOPTED AND APPROVED this 6th day of April, 2015.

SAM D. COBB, Mayor

ATTEST:

JAN FLETCHER, City Clerk

**HISTORY OF FUNDING
SOCIAL SERVICE AGENCIES**

	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16 Agency Proposal	FY 15-16 Committee recommend
American Red Cross	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	-0-	-0-	
CASA	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
CASA Visitation Program	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$15,000	\$12,000
CASA Canine Companion						\$10,000	
CASA Child Intervention Program						\$15,000	
Character Counts	\$ 2,000	\$ 3,500	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$3,000
Committee for Hobbs	\$20,000	\$20,000	\$25,000	\$25,000	\$26,500	\$26,500	\$26,500
Faith in Action	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Family Center	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	-0-	
Isaiah's Kitchen	\$ 7,500	\$ 7,500	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Lea County Commission for the Arts	\$10,000	\$10,000	\$12,500	\$12,500	\$15,000	\$40,822	\$15,000
Leaders	\$ 5,000	\$ 5,000	-0-	-0-	-0-	-0-	
MainStreet Hobbs	\$15,000	\$15,000	-0-	-0-	-0-	-0-	
Manna Outreach	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$14,000	\$10,000
My Power, Inc.	\$ 5,000	\$15,000	\$17,500	\$17,500	\$20,000	\$20,000	\$20,000

Option	\$15,000	\$20,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Opportunity House	\$7,500	\$10,000	\$7,500	\$7,500	\$8,500	\$25,000	\$8,500	\$25,000	\$8,500
Opportunity House Rehab Ctr						\$25,000		\$25,000	
PDAP	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000
Project 40:31					-0-	-0-			
Salvation Army	\$5,000	\$5,000	\$5,000	\$5,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
Senior Bash	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Southwest Symphony	\$1,000	\$30,000	\$2,000	\$2,000	\$3,000	\$10,000	\$3,000	\$10,000	\$3,000
Teen Court	\$15,000	\$15,000	\$17,500	\$17,500	\$20,000	\$22,000	\$20,000	\$22,000	\$20,000
Weekend Hunger Initiative					\$17,500	\$25,000	\$17,500	\$25,000	\$17,500
TOTAL	\$210,000	\$258,000	\$217,000	\$217,000	\$241,500	\$349,322	\$241,500	\$349,322	\$233,500



CITY OF HOBBS
COMMISSION STAFF SUMMARY FORM

MEETING DATE: April 6, 2015

SUBJECT: 2014 NM Water Trust Fund; City of Hobbs Effluent Reuse Project, Phase II (316-WTB)
DEPT. OF ORIGIN: Utilities
DATE SUBMITTED: March 24, 2015
SUBMITTED BY: Tim Woomer, Utilities Director

Summary:

On June 26, 2014, the New Mexico Finance Authority (NMFA) approved Water Trust Funding of the City of Hobbs Effluent Reuse Project, Mahan to Rockwind Effluent Pipeline, in the amount of \$3,200,000. The funding structure consists of a 40% loan component in the amount of \$1,280,000 with a 20 year term at a net interest rate of 0.25% (administrative fee of ¼ of 1%) and a 60% grant in the amount of \$1,920,000.

Drafted Ordinance 1083 has been prepared for a first reading detailing the terms of this funding agreement between the City of Hobbs and NMFA. Final review and adoption of Ordinance 1083 by the City of Hobbs Commission is scheduled for May 4, 2015, with a loan/grant closing date of June 12, 2015. The debt service incurred by the City enterprise fund once approved will be approximately \$66,000 annually.

Fiscal Impact:

Reviewed By: [Signature]
Finance Department

Upon the final adoption of Ordinance 1083 (316-WTB loan/grant agreement), debt service to the Enterprise Fund will be approximately \$66,000 annually.

Attachments:

Water Project Fund Loan/Grant Agreement between the City of Hobbs and New Mexico Finance Authority
Proposed Ordinance 1083; First Reading to enter into an Agreement with New Mexico Finance Authority
Notice of Public Hearing; Ordinance 1083

Legal Review:

Approved As To Form: [Signature]
City Attorney

Recommendation:

Recommend the first reading and the publication of proposed Ordinance 1083.

Approved For Submittal By:
[Signature]
Department Director
[Signature] for
City Manager

CITY CLERK'S USE ONLY COMMISSION ACTION TAKEN	
Resolution No. _____	Continued To: _____
Ordinance No. _____	Referred To: _____
Approved _____	Denied _____
Other _____	File No. _____

**CITY OF HOBBS, LEA COUNTY, NEW MEXICO
ORDINANCE NO. 1083**

AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY OF A WATER PROJECT FUND LOAN/GRANT AGREEMENT BY AND BETWEEN THE NEW MEXICO FINANCE AUTHORITY ("FINANCE AUTHORITY") THE ("LENDER/GRANTOR") AND THE CITY OF HOBBS (THE "BORROWER/GRANTEE"), IN THE TOTAL AMOUNT OF THREE MILLION TWO HUNDRED THOUSAND DOLLARS (\$3,200,000), EVIDENCING AN OBLIGATION OF THE BORROWER/GRANTEE TO UTILIZE THE LOAN/GRANT AMOUNT SOLELY FOR THE PURPOSE OF FINANCING THE COSTS OF THE DESIGN AND CONSTRUCTION OF PHASE II OF ITS EFFLUENT REUSE PROJECT, WHICH CONSISTS OF APPROXIMATELY 7.1 MILES OF PIPELINE TO REACH OCOTILLO GOLF COURSE, HARRY MCADAMS PARK, AND THE LOVINGTON HIGHWAY HEALTH TRAIL, AND SOLELY IN THE MANNER DESCRIBED IN THE LOAN/GRANT AGREEMENT; PROVIDING FOR PAYMENT OF THE LOAN AMOUNT AND AN ADMINISTRATIVE FEE SOLELY FROM THE NET SYSTEM REVENUES OF THE JOINT WATER AND WASTEWATER SYSTEM OF THE BORROWER/GRANTEE; CERTIFYING THAT THE LOAN/GRANT AMOUNT, TOGETHER WITH OTHER FUNDS AVAILABLE TO THE BORROWER/GRANTEE, IS SUFFICIENT TO COMPLETE THE PROJECT; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN/GRANT AGREEMENT; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS RESOLUTION; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN/GRANT AGREEMENT.

Capitalized terms used in the following preambles have the same meaning as defined in this Ordinance unless the context requires otherwise.

WHEREAS, the Borrower/Grantee is a legally and regularly created, established, organized and existing incorporated municipality under the general laws of the State and more specifically, the Municipal Code, NMSA 1978, §§ 3-1-1 through 3-66-11, as amended; and

WHEREAS, the Governing Body has determined that it may lawfully enter into the Loan/Grant Agreement, accept the Loan/Grant Amount and be bound to the obligations and by the restrictions thereunder; and

WHEREAS, there have been presented to the Governing Body and there presently are on file with the City Clerk this Ordinance and the form of the Loan/Grant Agreement which is incorporated by reference and considered to be a part hereof; and

WHEREAS, all required authorizations, consents and approvals in connection with (i) the use of the Loan/Grant Amount for the purposes described, and according to the restrictions set

forth, in the Loan/Grant Agreement; (ii) the availability of other moneys necessary and sufficient, together with the Loan/Grant Amount, to complete the Project; and (iii) the authorization, execution and delivery of the Loan/Grant Agreement which are required to have been obtained by the date of this Ordinance, have been obtained or are reasonably expected to be obtained.

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF HOBBS, LEA COUNTY, NEW MEXICO:

Section 1. Definitions. As used in this Ordinance, the following terms shall, for all purposes, have the meanings herein specified, unless the context clearly requires otherwise (such meanings to be equally applicable to both the singular and the plural forms of the terms defined):

“Act” means the general laws of the State, particularly the Water Project Finance Act, NMSA 1978, §§ 72-4A-1 through 72-4A-10, as amended, and enactments of the Governing Body relating to the Loan/Grant Agreement, including this Ordinance, all as amended and supplemented.

“Additional Funding Amount” means the amount to be provided by the Borrower/Grantee which includes the total value of the Soft Match or Hard Match (each as defined in Section 2.5 of the Policies), which, in combination with the Loan/Grant Amount and other amounts available to the Borrower/Grantee, is sufficient to complete the Project. The Additional Funding Amount is six hundred forty thousand dollars (\$640,000).

“Administrative Fee” means an amount equal to one-quarter of one percent (0.25%) per annum of the unpaid principal balance of the Loan Amount, taking into account both payments made by the Borrower/Grantee and hardship waivers of payments granted to the Borrower/Grantee pursuant to Section 5.1(a)(iii) of the Loan/Grant Agreement.

“Authorized Officers” means any one or more of the Mayor, Mayor Pro Tem, City Manager and City Clerk of the Borrower/Grantee.

“Board Rules” means Review and Eligibility of Proposed Water Projects, New Mexico Water Trust Board, 19.25.10 NMAC.

“Borrower/Grantee” means the City of Hobbs in Lea County, New Mexico.

“Closing Date” means the date of execution the Loan/Grant Agreement, by the Borrower/Grantee, the Water Trust Board and the Finance Authority.

“Colonias Infrastructure Act” means NMSA 1978, §§ 6-30-1 through 6-30-8, as amended.

“Completion Date” means the date of final payment of the cost of the Project.

“Conditions” has the meaning given to that term in the Loan/Grant Agreement.

“Eligible Legal Cost” has the meaning given to that term in the Loan/Grant Agreement.

“Eligible Fiscal Agent Fees” has the meaning given to that term in the Loan/Grant Agreement.

“Expense Account” means the account established by the Finance Authority in accordance with this Ordinance and held by the Finance Authority to pay the Expenses incurred by the Lender/Grantor in connection with the Loan/Grant Agreement and the Loan/Grant.

“Expenses” means the costs of the Lender/Grantor of originating and administering the Loan/Grant, including Eligible Legal Costs and Eligible Fiscal Agent Fees to the extent allowed under the Act, the Board Rules and applicable policies of the Water Trust Board.

“Finance Authority” means the New Mexico Finance Authority.

“Generally Accepted Accounting Principles” means the officially established accounting principles applicable to the Borrower/Grantee consisting of the statements, determinations and other official pronouncements of the Government Accounting Standards Board, Financial Accounting Standards Board, Federal Accounting Standards Board or other principle-setting body acceptable to the Lender/Grantor establishing accounting principles applicable to the Borrower/Grantee.

“Governing Body” means the City Commission of the Borrower/Grantee, or any future successor governing body of the Borrower/Grantee.

“Grant” or “Grant Amount” means the amount provided to the Borrower/Grantee as a grant pursuant to the Loan/Grant Agreement for the purpose of funding the Project, and equals one million nine hundred twenty thousand dollars (\$1,920,000).

“Gross Revenues” means all income and revenues directly or indirectly derived by the Borrower/Grantee from the operation and use of the System, or any part of the System, for any particular Fiscal Year period to which the term is applicable, and includes, without limitation, all revenues received by the Borrower/Grantee, or any municipal corporation or agency succeeding to the rights of the Borrower/Grantee, from the System and from the sale and use of water and sanitary sewer services or facilities, or any other service, commodity or facility or any combination thereof furnished by the System.

Gross Revenues do not include:

(a) Any money received as (i) grants or gifts from the United States of America, the State or other sources or (ii) the proceeds of any charge or tax intended as a replacement therefor or other capital contributions from any source which are restricted as to use;

(b) Gross receipts taxes, other taxes and/or fees collected by the Borrower/Grantee and remitted to other governmental agencies; and

(c) Condemnation proceeds or the proceeds of any insurance policy, except any insurance proceeds derived in respect of loss of use or business interruption.

“Herein,” “hereby,” “hereunder,” “hereof,” “hereinabove” and “hereafter” refer to this entire Ordinance and not solely to the particular section or paragraph of this Ordinance in which such word is used.

“Lender/Grantor” means the Finance Authority.

“Loan” or “Loan Amount” means the amount provided to the Borrower/Grantee as a loan pursuant to the Loan/Grant Agreement for the purpose of funding the Project, and equals one million two hundred eighty thousand dollars (\$1,280,000).

“Loan/Grant” or “Loan/Grant Amount” means the combined amount partially provided to the Borrower/Grantee as the Grant Amount and partially borrowed by the Borrower/Grantee as the Loan Amount pursuant to the Loan/Grant Agreement for the purpose of funding the Project, and equals three million two hundred thousand dollars (\$3,200,000).

“Loan/Grant Agreement” means the Water Project Fund Loan/Grant Agreement entered into by and between the Borrower/Grantee, and the Finance Authority as authorized by this Ordinance.

“Net System Revenues” means the Gross Revenues of the System minus Operation and Maintenance Expenses, indirect charges, amounts expended for capital replacement and repairs, required set asides for debt and replacement requirements, and any other payments from the gross revenues reasonably required for operation of the water and wastewater utility system.

“NMAC” means the New Mexico Administrative Code.

“NMSA 1978” means the New Mexico Statutes Annotated, 1978 Compilation, as amended and supplemented from time to time.

“Operation and Maintenance Expenses” means all reasonable and necessary current expenses of the System, for any particular Fiscal Year or period to which such term is applicable, paid or accrued, related to operating, maintaining and repairing the System, including, without limiting the generality of the foregoing:

(a) Legal and overhead expenses of the Borrower/Grantee directly related and reasonably allocable to the administration of the System;

(b) Insurance premiums for the System, including, without limitation, premiums for property insurance, public liability insurance and workmen’s compensation insurance, whether or not self-funded;

(c) Premiums, expenses and other costs (other than required reimbursements of insurance proceeds and other amounts advanced to pay debt service requirements on System bonds) for credit facilities;

- (d) Any expenses described in this definition other than expenses paid from the proceeds of System bonds;
- (e) The costs of audits of the books and accounts of the System;
- (f) Amounts required to be deposited in any rebate fund;
- (g) Salaries, administrative expenses, labor costs, surety bonds and the cost of water, materials and supplies used for or in connection with the current operation of the System; and
- (h) Any fees required to be paid under any operation, maintenance and/or management agreement with respect to the System.

Operation and Maintenance Expenses do not include any allowance for depreciation, payments in lieu of taxes, franchise fees payable or other transfers to the Borrower/Grantee's general fund, liabilities incurred by the Borrower/Grantee as a result of its negligence or other misconduct in the operation of the System, any charges for the accumulation of reserves for capital replacements or any Operation and Maintenance Expenses payable from moneys other than Gross Revenues.

"Ordinance" means this Ordinance as it may be supplemented or amended from time to time.

"Pledged Revenues" means the Net System Revenues of the Borrower/Grantee pledged to the payment of the Loan Amount and Administrative Fee pursuant to this Ordinance and the Loan/Grant Agreement and described in the Term Sheet.

"Project" means the project described in the Term Sheet.

"Project Account" means the book account established by the Finance Authority in the name of the Borrower/Grantee for purposes of tracking expenditure of the Loan/Grant Amount by the Borrower/Grantee to pay for the costs of the Project, as shown in the Term Sheet, which account shall be kept separate and apart from all other accounts of the Finance Authority.

"Qualifying Water Project" means a water project for (i) storage, conveyance or delivery of water to end-users; (ii) implementation of the federal Endangered Species Act of 1973 collaborative programs; (iii) restoration and management of watersheds; (iv) flood prevention or (v) conservation, recycling, treatment or reuse of water as provided by law; and which has been approved by the state legislature pursuant to NMSA 1978, § 72-4A-9(B), as amended.

"State" means the State of New Mexico.

"System" means the joint water and wastewater utility system operated pursuant to The City of Hobbs Code of Ordinances, Chapters 13.04 through 13.08, of the Borrower/Grantee, owned and operated by the Borrower/Grantee, and of which the Project, when completed, will form part

“Term Sheet” means Exhibit “A” attached to the Loan/Grant Agreement.

“Useful Life” means the structural and material design life of the Project, including planning and design features, which shall not be less than twenty (20) years as required by the Act and the Board Rules.

“Water Project Fund” means the fund of the same name created pursuant to NMSA 1978, § 72-4A-9, as amended, and held and administered by the Finance Authority.

“Water Trust Board” or “WTB” means the water trust board created and established pursuant to the Act.

Section 2. Ratification. All action heretofore taken (not inconsistent with the provisions of this Ordinance) by the Borrower/Grantee and officers of the Borrower/Grantee directed toward the acquisition and completion of the Project, the pledge of the Pledged Revenues to payment of amounts due under the Loan/Grant Agreement, and the execution and delivery of the Loan/Grant Agreement shall be, and the same hereby is, ratified, approved and confirmed.

Section 3. Authorization of the Project and the Loan/Grant Agreement. The acquisition and completion of the Project and the method of funding the Project through execution and delivery of the Loan/Grant Agreement are hereby authorized and ordered. The Project is for the benefit and use of the Borrower/Grantee and the public it serves.

Section 4. Findings. The Governing Body hereby declares that it has considered all relevant information and data and hereby makes the following findings:

A. The Project is needed to meet the needs of the Borrower/Grantee and the public it serves.

B. Moneys available and on hand for the Project from all sources other than the Loan/Grant are not sufficient to defray the cost of acquiring and completing the Project but, together with the Loan/Grant Amount, are sufficient to complete the Project.

C. The Project and the execution and delivery of the Loan/Grant Agreement pursuant to the Act to provide funds for the financing of the Project are necessary and in the best interest of the public health, safety, and welfare of the public served by the Borrower/Grantee.

D. The Borrower/Grantee will acquire and complete the Project with the proceeds of the Loan/Grant, the Additional Funding Amount and other amounts available to the Borrower/Grantee, and except as otherwise expressly provided by the Loan/Grant Agreement, will utilize, operate and maintain the Project for the duration of its Useful Life, which is not less than twenty (20) years, as required by NMSA 1978, § 72-4A-7(A)(1), as amended.

E. Together with the Loan/Grant Amount, and other amounts available to the Borrower/Grantee, the Additional Funding Amount is now available to the Borrower/Grantee, and other amounts available to the Borrower/Grantee, will be sufficient to complete the Project

and pay Expenses. If the Borrower/Grantee is unable to provide the Additional Funding Amount within six (6) months after the Closing Date, the Loan/Grant Agreement shall at the option of the Finance Authority, terminate and be of no further force or effect.

F. The Borrower/Grantee has met the requirements of Executive Order 2013-006 and has represented that it has met or will meet prior to the first disbursement of any portion of the Loan/Grant Amount, the Conditions and the readiness to proceed requirements established for the Loan/Grant.

G. The Borrower/Grantee has or will acquire title to or easements or rights of way on the real property upon which the Project is being constructed or located prior to the disbursement of any portion of the Loan/Grant Amount for use for construction.

Section 5. Loan/Grant Agreement—Authorization and Detail.

A. Authorization. This Ordinance has been adopted by the affirmative vote of at least three-fourths of all of the members of the Governing Body. For the purpose of protecting the public health, conserving the property, and protecting the general welfare and prosperity of the public served by the Borrower/Grantee and acquiring and completing the Project, it is hereby declared necessary that the Borrower/Grantee execute and deliver the Loan/Grant Agreement evidencing the Borrower/Grantee's acceptance of the Grant Amount of one million nine hundred twenty thousand dollars (\$1,920,000) and borrowing the Loan Amount of one million two hundred eighty thousand dollars (\$1,280,000) to be utilized solely for the purpose of completing the Project and paying Expenses, and solely in the manner and according to the restrictions set forth in the Loan/Grant Agreement, the execution and delivery of which is hereby authorized. The Borrower/Grantee shall use the Loan/Grant Amount to finance the acquisition and completion of the Project and to pay Expenses.

B. Detail. The Loan/Grant Agreement shall be in substantially the form of the Loan/Grant Agreement presented at the meeting of the Governing Body at which this Ordinance was adopted. The Grant shall be in the amount of one million nine hundred twenty thousand dollars (\$1,920,000) and the Loan shall be in the amount of one million two hundred eighty thousand dollars (\$1,280,000). Interest on the Loan Amount shall be zero percent (0%) per annum of the unpaid principal balance of the Loan Amount, and the Administrative Fee shall be one-quarter of one percent (0.25%) per annum of the unpaid principal balance of the Loan Amount, taking into account both payments made by the Borrower/Grantee and hardship waivers of payments granted to the Borrower/Grantee.

Section 6. Approval of Loan/Grant Agreement. The form of the Loan/Grant Agreement as presented at the meeting of the Governing Body at which this Ordinance was adopted, is hereby approved. Authorized Officers are hereby individually authorized to execute, acknowledge and deliver the Loan/Grant Agreement with such changes, insertions and omissions as may be approved by such individual Authorized Officers, and the City Clerk is hereby authorized to attest the Loan/Grant Agreement. The execution of the Loan/Grant Agreement shall be conclusive evidence of such approval.

Section 7. Security. The Loan Amount and Administrative Fee shall be solely secured by the pledge of the Pledged Revenues herein made and as set forth in the Loan/Grant Agreement.

Section 8. Disposition of Proceeds: Completion of the Project.

A. Project Account and Expense Account. The Borrower/Grantee hereby consents to creation of the Project Account and the Expense Account by the Finance Authority and further approves of the deposit or crediting of a portion of the Loan/Grant Amount in the Expense Account. Until the Completion Date, the amount of the Loan/Grant credited to the Project Account shall be used and paid out solely for the purpose of acquiring the Project in compliance with applicable law and the provisions of the Loan/Grant Agreement or to pay Expenses.

B. Completion of the Project. The Borrower/Grantee shall proceed to complete the Project with all due diligence. Upon the Completion Date, the Borrower/Grantee shall execute a certificate stating that completion of and payment for the Project has been completed. Following the Completion Date or the earlier expiration of the time allowed for disbursement of Loan/Grant funds as provided in the Loan/Grant Agreement, any balance remaining in the Project Account shall be transferred and deposited into the Water Project Fund or otherwise distributed as provided in the Loan/Grant Agreement.

C. Finance Authority Not Responsible. Borrower/Grantee shall apply the funds derived from the Loan/Grant Agreement as provided therein, and in particular Article VII of the Loan/Grant Agreement. The Finance Authority shall not in any manner be responsible for the application or disposal by the Borrower/Grantee or by its officers of the funds derived from the Loan/Grant Agreement or of any other funds held by or made available to the Borrower/Grantee in connection with the Project. Lender/Grantor shall not be liable for the refusal or failure of any other agency of the State to transfer any portion of the Loan/Grant Amount in its possession, custody and control to the Finance Authority for disbursement to the Borrower/Grantee, or to honor any request for such transfer or disbursement of the Loan/Grant Amount.

Section 9. Payment of Loan Amount. Pursuant to the Loan/Grant Agreement, the Borrower/Grantee shall pay the Loan Amount and Administrative Fee directly from the Pledged Revenues to the Finance Authority as provided in the Loan/Grant Agreement in an amount sufficient to pay principal and other amounts due under the Loan/Grant Agreement and to cure any deficiencies in the payment of the Loan Amount or other amounts due under the Loan/Grant Agreement.

Section 10. Lien on Pledged Revenues. Pursuant to the Loan/Grant Agreement, the Loan/Grant Agreement constitutes an irrevocable lien (but not an exclusive lien) upon the Pledged Revenues to the extent of the Loan Amount and the Administrative Fee, which lien shall be subordinate to any lien on the Pledged Revenues existing on the Closing Date and, further, shall be subordinate to all other indebtedness secured or that may in the future be secured by the Pledged Revenues, except, however, that the lien shall be on parity with any other lien, present

or future, for the repayment of any other loan provided to the Borrower/Grantee by the Lender/Grantor pursuant to the Act or the Colonias Infrastructure Act.

Section 11. Authorized Officers. Authorized Officers are hereby individually authorized and directed to execute and deliver any and all papers, instruments, opinions, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this Ordinance, the Loan/Grant Agreement and all other transactions contemplated hereby and thereby. Authorized Officers are hereby individually authorized to do all acts and things required of them by this Ordinance and the Loan/Grant Agreement for the full, punctual and complete performance of all the terms, covenants and agreements contained in this Ordinance and the Loan/Grant Agreement including but not limited to, the execution and delivery of closing documents in connection with the execution and delivery of the Loan/Grant Agreement.

Section 12. Amendment of Ordinance. This Ordinance after its adoption may be amended without receipt by the Borrower/Grantee of any additional consideration, but only with the prior written consent of the Finance Authority.

Section 13. Ordinance Irrepealable. After the Loan/Grant Agreement has been executed and delivered, this Ordinance shall be and remain irrepealable until all obligations due under the Loan/Grant Agreement shall be fully discharged, as herein provided.

Section 14. Severability Clause. If any section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

Section 15. Repealer Clause. All bylaws, orders, ordinances, resolutions, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any bylaw, order, resolution or ordinance, or part thereof, heretofore repealed.

Section 16. Closing Date. Upon due adoption of this Ordinance, it shall be recorded in the book of the Borrower/Grantee kept for that purpose, authenticated by the signatures of the Mayor and City Clerk of the Borrower/Grantee, and this Ordinance shall be in full force and effect thereafter, in accordance with law; provided, however, that if recording is not required for the effectiveness of this Ordinance, this Ordinance shall be effective upon adoption of this Ordinance by the Governing Body.

Section 17. General Summary for Publication. Pursuant to the general laws of the State, the title and a general summary of the subject matter contained in this Ordinance shall be published in substantially the following form:

[Remainder of page intentionally left blank.]

**RECORD OF PROCEEDINGS RELATING TO THE ADOPTION OF
ORDINANCE NO. 1083 OF THE CITY COMMISSION
OF THE CITY OF HOBBS, LEA COUNTY, NEW MEXICO
MAY 4, 2015**

STATE OF NEW MEXICO)
) ss.
COUNTY OF LEA)

The City Commission (the "Governing Body") of the City of Hobbs (the "Borrower/Grantee") met in a regular session in full conformity with the law and the rules and regulations of the Governing Body at the City of Hobbs Commission Chambers, City Hall Annex located at 200 E. Broadway Street, Hobbs, New Mexico 88240, being the meeting place of the Governing Body for the meeting held on the 4th day of May, 2015 at the hour of 6:00 p.m. Upon roll call, the following members were found to be present:

Present:

Mayor: _____

Commissioners: _____

Absent: _____

Also Present: _____

Thereupon, there were officially filed with the City Clerk copies of a proposed Ordinance and Water Project Fund Loan/Grant Agreement in final form, the proposed Ordinance being as hereinafter set forth:

[Remainder of page intentionally left blank.]

\$3,200,000

**WATER PROJECT FUND
LOAN/GRANT AGREEMENT**

Dated

June 12, 2015

By and Between the

**NEW MEXICO FINANCE AUTHORITY,
as Lender/Grantor,**

and the

**CITY OF HOBBS,
Lea County, New Mexico,
as Borrower/Grantee.**

**WATER PROJECT FUND
LOAN/GRANT AGREEMENT**

THIS LOAN/GRANT AGREEMENT (the "Agreement" or "Loan/Grant Agreement") dated June 12, 2015, is entered into by and between the **NEW MEXICO FINANCE AUTHORITY** (the "Finance Authority") (the "Lender/Grantor"), and the **CITY OF HOBBS** in Lea County, New Mexico (the "Borrower/Grantee").

WITNESSETH:

Capitalized terms used in the following preambles of this Agreement have the same meaning as defined in the preceding paragraph or in Article I of this Agreement unless the context requires otherwise.

WHEREAS, the Finance Authority is a public body politic and corporate, separate and apart from the State, constituting a governmental instrumentality, duly organized and created under and pursuant to the laws of the State, particularly NMSA 1978, §§ 6-21-1 through 6-21-31, as amended; and

WHEREAS, the Act provides that the Finance Authority may make loans and grants from the Water Project Fund to qualifying entities for Qualifying Water Projects; and

WHEREAS, pursuant to the Act, the Water Trust Board has established the Board Rules governing the terms and conditions of loans and grants made from the Water Project Fund, as set out in Review and Eligibility of Proposed Water Projects, New Mexico Water Trust Board, 19.25.10 NMAC, pursuant to the Board Rules for Qualifying Water Projects; and

WHEREAS, pursuant to the Board Rules, except as provided in the Policies, a qualifying entity is expected to receive some portion of its funding as a loan in order to maximize the potential for the return of funds to the Water Project Fund, thereby increasing the limited financial resources expected to be available in the Water Project Fund; and

WHEREAS, the Borrower/Grantee is a legally and regularly created, established, organized and existing incorporated municipality under the general laws of the State and more specifically, the Municipal Code, NMSA 1978, §§ 3-1-1 through 3-66-11, as amended, is a qualifying entity under the Act and is qualified for financial assistance as determined by the Finance Authority and approved by the Water Trust Board pursuant to the Board Rules and the Policies; and

WHEREAS, the Borrower/Grantee has determined that it is in the best interests of the Borrower/Grantee and the constituent public it serves that the Borrower/Grantee enter into this Agreement with the Lender/Grantor to borrow one million two hundred eighty thousand dollars (\$1,280,000) from the Lender/Grantor and to accept a grant in the amount of one million nine hundred twenty thousand dollars (\$1,920,000) from the Lender/Grantor to finance the costs of the Project, this Project being more particularly described in the Term Sheet; and

WHEREAS, based upon the Finance Authority's evaluation of the Application dated August 21, 2013 of the Borrower/Grantee and dealing with the Project, the Finance Authority staff has recommended to the Water Trust Board that the Borrower/Grantee receive financial assistance in the form of the Loan/Grant, and the Water Trust Board has authorized the Finance Authority to enter into and administer this Agreement; and

WHEREAS, the Borrower/Grantee is willing to pledge the Pledged Revenues to the payment of the Loan and Administrative Fee, with a lien on the Pledged Revenues subordinate to all other liens thereon present and future, except that the lien on the Pledged Revenues of any future loans from the Lender/Grantor to the Borrower/Grantee pursuant to the Water Project Finance Act or the Colonias Infrastructure Act, secured by the Pledged Revenues shall be on a parity with this Loan/Grant; and

WHEREAS, 2012 N.M. Laws Ch. 17, being House Bill 95 of the 2012 Regular New Mexico Legislative Session, authorized the funding of the Project from the Water Project Fund; and

WHEREAS, the Water Trust Board has authorized the Finance Authority to enter into and administer this Agreement; and

WHEREAS, the Water Trust Board has determined that the Project is a Qualifying Water Project, and will directly enhance the health, safety, and welfare of the public served by the Borrower/Grantee; and

WHEREAS, the plans and specifications for the Project have been approved prior to the commencement of construction by the Finance Authority (or by the New Mexico Environment Department or other appropriate agency or entity on behalf of the Finance Authority, pursuant to an agreement between such agency or entity and the Finance Authority), and the plans and specifications for the Project incorporate available technologies and operational design for water use efficiency; and

WHEREAS, the execution and performance of this Agreement have been authorized, approved, and directed by all necessary and appropriate action of the Water Trust Board and the Finance Authority and their respective officers.

NOW, THEREFORE, in consideration of the premises and the mutual promises and covenants herein contained, the parties hereto agree:

ARTICLE I DEFINITIONS

The capitalized terms defined in this Article I shall have the meanings assigned therein, unless the context clearly requires otherwise.

"Act" means the general laws of the State, particularly the Water Project Finance Act, NMSA 1978, §§ 72-4A-1 through 72-4A-10, as amended, and enactments of the Governing

Body relating to the Loan/Grant Agreement, including the Ordinance, all as amended and supplemented.

“Additional Funding Amount” means the amount to be provided by the Borrower/Grantee which includes the total value of the Soft Match or Hard Match (each as defined in Section 2.5 of the Policies) which, in combination with the Loan/Grant Amount and other moneys available to the Borrower/Grantee, is sufficient to complete the Project or to provide matching funds needed to complete the Project. The Additional Funding Amount is six hundred forty thousand dollars (\$640,000).

“Administrative Fee” means an amount equal to one-quarter of one percent (0.25%) per annum of the unpaid principal balance of the Loan Amount, taking into account both payments made by the Borrower/Grantee and hardship waivers of payments granted to the Borrower/Grantee pursuant to Section 5.1(a)(iii) of this Agreement.

“Agreement Term” means the term of this Agreement as provided under Article III of this Agreement.

“Application” means the New Mexico Water Trust Board Application for Financial Assistance dated August 21, 2013 of the Borrower/Grantee and pursuant to which the Borrower/Grantee requested funding for the Project.

“Authorized Officers” means, with respect to the Borrower/Grantee, any one or more of the Mayor, City Manager and City Clerk thereof; with respect to the Finance Authority, any one or more of the Chairperson, Vice-Chairperson, Secretary and Chief Executive Officer of the Finance Authority, and any other officer or employee of the Finance Authority designated in writing by an Authorized Officer thereof.

“Board Rules” means Review and Eligibility of Proposed Water Projects, New Mexico Water Trust Board, 19.25.10 NMAC.

“Closing Date” means the date of execution of this Agreement by the Borrower/Grantee and the Finance Authority.

“Colonias Infrastructure Act” means NMSA 1978, §§ 6-30-1 through 6-30-8, as amended.

“Conditions” means the conditions to be satisfied prior either (1) to the submission of a Draw Request by the Finance Authority to the State Board of Finance on behalf of the Borrower/Grantee, or (2) to disbursement of the Loan/Grant Amount, or any portion thereof, from the Water Project Fund, or which otherwise apply to the performance of this Agreement, including those set forth in the Term Sheet.

“Department of Finance and Administration” or “DFA” means the department of finance and administration of the State.

“Draw Request” means a request for payment of eligible costs from Severance Tax Bond Funds made by the Finance Authority to the State Board of Finance on behalf of the Borrower/Grantee.

“Eligible Fiscal Agent Fees” means fees and costs incurred by a fiscal agent for the administration of Project funds, including the collection and reporting of Project information as required by this Agreement, in an amount not exceeding five (5) percent of the Loan/Grant Amount. The total amount of the combined Eligible Fiscal Agent Fees and Eligible Legal Fees may not exceed ten (10) percent of the total Water Project Fund Financial Assistance.

“Eligible Items” means eligible Project costs for which grants and loans may be made pursuant to NMSA 1978, § 72-4A-7(C), as amended, of the Act, the Board Rules and applicable Policies, and includes Expenses.

“Eligible Legal Costs” means legal fees and costs for services rendered by legal counsel on behalf of the Borrower/Grantee for transaction of the Project, in an amount not exceeding ten (10) percent of the Loan/Grant Amount, but does not include adjudication services. The total amount of the combined Eligible Fiscal Agent Fees and Eligible Legal Fees may not exceed ten (10) percent of the total Loan/Grant Amount.

“Event of Default” means one or more events of default as defined in Section 10.1 of this Agreement.

“Expense Account” means the account established by the Finance Authority in accordance with the Ordinance and held by the Finance Authority to pay the Expenses incurred by the Lender/Grantor in connection with the Loan/Grant Agreement and the Loan/Grant.

“Expenses” means the costs of the Lender/Grantor of originating and administering the Loan/Grant, and includes Eligible Legal Costs and Eligible Fiscal Agent Fees to the extent allowed under the Act, the Board Rules, other applicable statutes and rules, and applicable Policies.

“Fiscal Year” means the period commencing on July 1 of each calendar year and ending on the last day of June of the next succeeding calendar year, or any other twelve-month period which any appropriate authority may hereafter establish for the Borrower/Grantee as its fiscal year.

“Generally Accepted Accounting Principles” means the officially established accounting principles applicable to the Borrower/Grantee, consisting of the statements, determinations and other official pronouncements of the Government Accounting Standards Board, Financial Accounting Standards Board, Federal Accounting Standards Board, or other principle-setting body acceptable to the Lender/Grantor, establishing accounting principles applicable to the Borrower/Grantee.

“Governing Body” means the City Commission of the Borrower/Grantee, or any future successor governing body of the Borrower/Grantee.

“Grant” or “Grant Amount” means the amount provided to the Borrower/Grantee as a grant pursuant to this Agreement for the purpose of funding the Project and equals one million nine hundred twenty thousand dollars (\$1,920,000).

“Gross Revenues” means all income and revenues directly or indirectly derived by the Borrower/Grantee from the operation and use of the System, or any part of the System, for any particular Fiscal Year period to which the term is applicable, and includes, without limitation, all revenues received by the Borrower/Grantee, or any municipal corporation or agency succeeding to the rights of the Borrower/Grantee, from the System and from the sale and use of water and sanitary sewer services or facilities, or any other service, commodity or facility or any combination thereof furnished by the System.

Gross Revenues do not include:

(a) Any money received as (i) grants or gifts from the United States of America, the State or other sources or (ii) the proceeds of any charge or tax intended as a replacement therefor or other capital contributions from any source which are restricted as to use;

(b) Gross receipts taxes, other taxes and/or fees collected by the Borrower/Grantee and remitted to other governmental agencies; and

(c) Condemnation proceeds or the proceeds of any insurance policy, except any insurance proceeds derived in respect of loss of use or business interruption.

“Herein,” “hereby,” “hereunder,” “hereof,” “hereinabove” and “hereafter” refer to this entire Loan/Grant Agreement and not solely to the particular section or paragraph of this Loan/Grant Agreement in which such word is used.

“Interest Component” means the portion of each Loan Payment paid as interest on this Loan/Grant Agreement, if any, as shown on Exhibit “C” hereto.

“Lender/Grantor” means the Finance Authority.

“Loan” or “Loan Amount” means the amount provided to the Borrower/Grantee as a loan pursuant to this Agreement for the purpose of funding the Project and equals one million two hundred eighty thousand dollars (\$1,280,000).

“Loan/Grant” or “Loan/Grant Amount” means the combined amount partially provided to the Borrower/Grantee as the Grant Amount and partially borrowed by the Borrower/Grantee as the Loan Amount pursuant to this Agreement for the purpose of funding the Project and equals three million two hundred thousand dollars (\$3,200,000).

“Loan Payments” means, collectively, the Principal Component and the Interest Component, if any, to be paid by the Borrower/Grantee as payment of this Loan/Grant Agreement as shown on Exhibit “C” hereto.

“Net System Revenues” means the Gross Revenues of the System minus Operation and Maintenance Expenses, indirect charges, amounts expended for capital replacements and repairs, required set asides for debt and replacement requirements, and any other payments from the gross revenues reasonably required for operation of the water and wastewater utility system.

“NMAC” means the New Mexico Administrative Code.

“NMSA 1978” means the New Mexico Statutes Annotated, 1978 Compilation, as amended and supplemented from time to time.

“Operation and Maintenance Expenses” means all reasonable and necessary current expenses of the System, for any particular Fiscal Year or period to which such term is applicable, paid or accrued, related to operating, maintaining and repairing the System, including, without limiting the generality of the foregoing:

(a) Legal and overhead expenses of the Borrower/Grantee directly related and reasonably allocable to the administration of the System;

(b) Insurance premiums for the System, including, without limitation, premiums for property insurance, public liability insurance and workmen’s compensation insurance, whether or not self-funded;

(c) Premiums, expenses and other costs (other than required reimbursements of insurance proceeds and other amounts advanced to pay debt service requirements on System bonds) for credit facilities;

(d) Any expenses described in this definition other than expenses paid from the proceeds of System bonds;

(e) The costs of audits of the books and accounts of the System;

(f) Amounts required to be deposited in any rebate fund;

(g) Salaries, administrative expenses, labor costs, surety bonds and the cost of water, materials and supplies used for or in connection with the current operation of the System; and

(h) Any fees required to be paid under any operation, maintenance and/or management agreement with respect to the System.

Operation and Maintenance Expenses do not include any allowance for depreciation, payments in lieu of taxes, franchise fees payable or other transfers to the Borrower/Grantee’s general fund, liabilities incurred by the Borrower/Grantee as a result of its negligence or other misconduct in the operation of the System, any charges for the accumulation of reserves for capital replacements or any Operation and Maintenance Expenses payable from moneys other than Gross Revenues.

“Ordinance” means the Borrower/Grantee’s Ordinance No. 1083, adopted May 4, 2015, authorizing the acceptance of the Loan/Grant and the execution of this Agreement.

“Pledged Revenues” means the Net System Revenues of the Borrower/Grantee pledged to the payment of the Loan Amount and Administrative Fees pursuant to the Ordinance and this Loan/Grant Agreement and described in the Term Sheet.

“Policies” means the Water Trust Board Water Project Fund Project Management Policies approved by the Water Trust Board and the Finance Authority, as amended and supplemented from time to time.

“Principal Component” means the portion of each Loan Payment paid as principal on this Loan/Grant Agreement as shown on Exhibit “C” hereto.

“Project” means the project described in the Term Sheet.

“Project Account” means the book account established by the Finance Authority in the name of the Borrower/Grantee for purposes of tracking expenditure of the Loan/Grant Amount by the Borrower/Grantee to pay for the costs of the Project, as shown in the Term Sheet, which account shall be kept separate and apart from all other accounts of the Finance Authority.

“Qualifying Water Project” means a water project for (i) storage, conveyance or delivery of water to end-users; (ii) implementation of the federal Endangered Species Act of 1973 collaborative programs; (iii) restoration and management of watersheds; (iv) flood prevention or (v) conservation, recycling, treatment or reuse of water as provided by law; and which has been approved by the state legislature pursuant to NMSA 1978, § 72-4A-9(B), as amended.

“Severance Tax Bond Funds” means that portion of the proceeds of the severance tax bonds issued annually by the State Board of Finance pursuant to NMSA 1978, § 7-27-10.1, as amended, and which are appropriated to the Water Project Fund.

“State” means the State of New Mexico.

“State Board of Finance” means the State board of finance created pursuant to NMSA 1978, §§ 6-1-1 through 6-1-13, as amended.

“System” means the joint water and wastewater utility system operated pursuant to The City of Hobbs Code of Ordinances, Chapters 13.04 through 13.08, of the Borrower/Grantee, owned and operated by the Borrower/Grantee, and of which the Project, when completed, will form part.

“Term Sheet” means Exhibit “A” attached to this Agreement.

“Useful Life” means the structural and material design life of the Project including planning and design features, which shall not be less than twenty (20) years as required by the Act and the Board Rules.

“Water Project Fund” means the fund of the same name created pursuant to the Act and held and administered by the Finance Authority.

“Water Trust Board” or “WTB” means the water trust board created and established pursuant to the Act.

ARTICLE II REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 2.1 Representations, Covenants and Warranties of the Borrower/Grantee: The Borrower/Grantee represents, covenants and warrants as follows:

(a) Binding Nature of Covenants; Enforceability. All covenants, stipulations, obligations, and agreements of the Borrower/Grantee contained in this Loan/Grant Agreement shall be deemed to be the covenants, stipulations, obligations, and agreements of the Borrower/Grantee to the full extent authorized or permitted by law, and such covenants, stipulations, obligations, and agreements shall be binding upon the Borrower/Grantee and its successors and enforceable in accordance with their terms, and upon any board or body to which any powers or duties affecting such covenants, stipulations, obligations, and agreements shall be transferred by or in accordance with law. Except as otherwise provided in this Agreement, all rights, powers, and privileges conferred and duties and liabilities imposed upon the Borrower/Grantee by the provisions of this Agreement and the Ordinance shall be exercised or performed by the Borrower/Grantee or by such members, officers, or officials of the Borrower/Grantee as may be required by law to exercise such powers and to perform such duties.

(b) Authorization of Agreement. The Borrower/Grantee is a qualifying entity as defined in the Act and the Board Rules. Pursuant to the laws of the State and in particular, the laws governing its creation and existence, as amended and supplemented from time to time, the Borrower/Grantee is authorized to enter into the transactions contemplated by this Agreement and to carry out its obligations hereunder. The Borrower/Grantee has duly authorized and approved its acceptance of the Loan/Grant and the execution and delivery of this Agreement and the other documents related to the transaction described in this Agreement.

(c) Nature and Use of Agreement Proceeds. The Borrower/Grantee acknowledges that the distribution of the Loan/Grant Amount shall be deemed to be a distribution to the Borrower/Grantee first of the Loan Amount and then, once an amount equal to the Loan Amount has been distributed, of the Grant Amount. The Borrower/Grantee shall apply the proceeds of the Loan/Grant solely to Eligible Items that will facilitate the completion of the Project as well as the payment of the Expenses, and shall not use the Loan/Grant proceeds for any other purpose. The Loan/Grant Amount, together with the Additional Funding Amount and other moneys reasonably expected to be available to the Borrower/Grantee, is sufficient to complete the Project in its entirety and to pay the Expenses.

(d) Payment of Loan Amount. The Borrower/Grantee shall promptly pay the Loan Amount and Administrative Fee as provided in this Agreement. The Loan and Administrative Fee shall be payable solely from Pledged Revenues and nothing in this

Agreement shall be construed as obligating the Borrower/Grantee to make the Loan Payments and to pay the Administrative Fee from any general or other fund of the Borrower/Grantee other than the Pledged Revenues; however, nothing in this Agreement shall be construed as prohibiting the Borrower/Grantee, in its sole and absolute discretion, from making such payments from any moneys which may be lawfully used, and which are legally available, for that purpose.

(e) Scope of Project; Completion of Project; Compliance with Laws. The Project is for water conservation or recycling, treatment or reuse of water as provided by law. The Loan/Grant Amount will be used only for Eligible Items necessary to complete the Project. In particular, the Project will consist of the design and construction of Phase II of its Effluent Reuse Project, which consists of approximately 7.1 miles of pipeline to reach Ocotillo Golf Course, Harry McAdams Park, and the Lovington Highway Health Trail, and shall include such other related work and revisions necessary to complete the Project. The Project is more particularly described in the Term Sheet. The Project will be completed with all practical dispatch and will be completed, operated and maintained so as to comply with all applicable federal, state and local laws, ordinances, resolutions and regulations and all current and future orders of all courts having jurisdiction over the Borrower/Grantee relating to the acquisition, operation, maintenance and completion of the Project and to the use of the Loan/Grant proceeds.

(f) Necessity of Project. The completion and operation of the Project under the terms and Conditions provided in this Agreement are necessary, convenient, and in furtherance of the governmental purposes of the Borrower/Grantee and are in the best interest of the Borrower/Grantee and the public it serves.

(g) Agreement Term Not Less than Useful Life. The Agreement Term is not less than the Useful Life of the Project, which is not less than twenty (20) years, as required by NMSA 1978, § 72-4A-7, as amended, of the Act.

(h) Amount of Agreement. The sum of the Grant Amount, the Loan Amount, and the Additional Funding Amount (and as set forth on the Term Sheet) does not exceed the cost of the Project and the Expenses.

(i) No Breach or Default Caused by Agreement. Neither the execution and delivery of this Agreement, nor the fulfillment of or compliance with the terms and Conditions in the Agreement, nor the consummation of the transactions contemplated herein, conflicts with or results in a breach of terms, conditions or provisions of any restriction or any agreement or instrument to which the Borrower/Grantee is a party or by which the Borrower/Grantee is bound, or any laws, ordinances, governmental rules or regulations or court or other governmental orders to which the Borrower/Grantee or its properties are subject, or constitutes a default under any of the foregoing.

(j) Irrevocability of Enactments. While this Agreement remains outstanding, any ordinance, resolution or other enactment of the Governing Body accepting the terms hereof, pledging the Pledged Revenues, or in any way relating to the Loan/Grant or this Agreement, including the Ordinance, shall be irrevocable until the Project has been fully acquired and completed, and the Loan Amount, including all principal and interest has been repaid, or

provision made for payment thereof, and shall not be subject to amendment or modification in any manner which would result in any use of the proceeds of this Agreement in a manner not permitted or contemplated by the terms hereof. The Borrower/Grantee shall not impair the rights of the Finance Authority or of any holders of bonds or other obligations payable from the Pledged Revenues while this Agreement is outstanding.

(k) No Litigation. To the knowledge of the Borrower/Grantee, no litigation or proceeding is pending or threatened against the Borrower/Grantee or any other person affecting the right of the Borrower/Grantee to execute this Agreement or to comply with its obligations hereunder. Neither the execution of this Agreement by the Borrower/Grantee nor compliance by the Borrower/Grantee with the obligations hereunder requires the approval of any regulatory body, or any other entity, which approval has not been obtained or which is not reasonably expected to be obtained.

(l) No Event of Default. No event has occurred and no condition exists which, upon the execution and delivery of this Agreement, would constitute an Event of Default on the part of the Borrower/Grantee hereunder.

(m) Expected Coverage Ratio. The Pledged Revenues from the Fiscal Year in which the Closing Date occurs are reasonably expected to equal or exceed and, on an ongoing basis during each Fiscal year during the Agreement Term are reasonably expected to equal or exceed, one hundred percent (100%) of the maximum annual principal and interest due on all outstanding obligations of the Borrower/Grantee payable from the Pledged Revenues.

(n) Financial Capability; Budgeting of Pledged Revenues; Approval by Department of Finance and Administration. The Borrower/Grantee meets and will meet during the Agreement Term the requirements of financial capability set by the Water Trust Board and the Finance Authority. The Pledged Revenues will be sufficient to make the Loan Payments, as and when due. The Borrower/Grantee will adequately budget for the Loan Payments and other amounts payable by the Borrower/Grantee under this Agreement and will submit such budget on an annual basis to the Department of Finance and Administration for review and verification of compliance with this requirement.

(o) Rate Covenant. The Borrower/Grantee covenants that it will at all times fix, charge and collect such rates and charges shall be required in order that in each Fiscal year in which the Loan is outstanding the Gross Revenues shall at least equal the Operation and Maintenance Expenses of the System for the Fiscal year, plus one hundred percent (100%) of the maximum annual principal and interest payments due on all outstanding obligations payable from the Pledged Revenues.

(p) Borrower/Grantee's Existence. The Borrower/Grantee will maintain its legal identity and existence so long as this Agreement remains outstanding unless another political subdivision, State agency or other entity by operation of law succeeds to the liabilities, rights and duties of the Borrower/Grantee under this Agreement without adversely affecting to any substantial degree the privileges and rights of the Lender/Grantor.

(q) Use of Project; Continuing Covenant. During the Agreement Term, the Borrower/Grantee will at all times use the Project for the benefit of the Borrower/Grantee and the public it serves. The Borrower/Grantee shall not sell, lease, mortgage, pledge, relocate or otherwise dispose of or transfer the Project, or any part of the Project during the Useful Life of the System, or any part of the System during the Agreement Term; provided, however, that if the Project is a joint project of the Borrower/Grantee and other qualifying entities (as defined by the Act), the Borrower/Grantee and the other qualifying entities may, with the express written approval of the Lender/Grantor and not otherwise, enter into an agreement allocating ownership and operational and maintenance responsibilities for the Project during its Useful Life. Any, such agreement shall provide that the Lender/Grantor shall have the power to enforce the terms of this Agreement, without qualification, as to each and every qualifying entity (as defined by the Act) owning or operating any portion of the Project during its Useful Life. If any portion of the Project will be constructed, located, completed or extended on real property owned by a qualifying entity (as defined by the Act) other than the Borrower/Grantee, the Borrower/Grantee shall, prior to any use of the Loan/Grant funds for the Project on such real property, obtain the written agreement of such other qualifying entity to abide by these restrictions with respect to such real property (and the portion of the Project to be constructed, located, completed or extended on such real property), which written agreement shall include an express statement by such other qualifying entity that the Lender/Grantor is a third party beneficiary of such written agreement. The Borrower/Grantee will operate and maintain the Project, so that it will function properly over its Useful Life. The provisions of this Section shall remain effective and enforceable by the Lender/Grantor for the duration of the Useful Life of the Project.

(r) Title and Rights of Way. The Borrower/Grantee has title to, easements, rights of way or use permits on the real property upon which the Project is being constructed, located, completed or extended, and if any portion of the Project will be constructed, located, completed or extended on real property owned by a qualifying entity (as defined by the Act) other than the Borrower/Grantee, such other qualifying entity has title to such real property. As required by NMSA 1978, § 72-4A-7(A)(3), as amended, of the Act and the Board Rules as a Condition to any disbursement of the Loan/Grant Amount for Project construction, the Borrower/Grantee shall provide written assurance signed by an attorney or provide a title insurance policy ensuring that the Borrower/Grantee has proper title to, easements, rights of way or use permits on the real property upon or through which the Project is to be constructed, located, completed or extended. If any portion of the Project will be constructed, located, completed or extended on real property owned by a qualifying entity (as defined by the Act) other than the Borrower/Grantee, the Borrower/Grantee shall provide written assurance signed by an attorney or provide a title insurance policy ensuring that such other qualifying entity has proper title to such real property.

(s) Additional Funding Amount. Together with the Loan/Grant Amount and other amounts available to the Borrower/Grantee, the Additional Funding Amount is now available to the Borrower/Grantee, or will become available to the Borrower/Grantee within six (6) months after the Closing Date, and in combination with the Loan/Grant Amount, will be sufficient to complete the Project. If any other additional expenses are incurred, the Borrower/Grantee shall be responsible for payment of such expenses.

(t) Audit Requirement. During the Agreement Term the Borrower/Grantee shall comply with the requirements of the State Audit Act, NMSA 1978, §§ 12-6-1 through 12-6-14, as amended. Upon request by the Finance Authority, the Borrower/Grantee shall provide the requesting party a copy of any audit prepared pursuant to the State Audit Act.

(u) Conservation Plan. The Borrower/Grantee has submitted a water conservation plan or one is on file with the State engineer, as required by NMSA 1978, § 72-4A-7, as amended.

(v) Efficient Operation. The Borrower/Grantee will operate the System so long as this Loan/Grant Agreement is outstanding, will maintain the System in efficient operating condition and make such improvements, extensions, enlargements, repairs and betterments to the System as may be necessary or advisable for its economical and efficient operation at all times and sufficient to supply reasonable demands for System services.

(w) Records. So long as the Loan/Grant Agreement remains outstanding, proper books of record and account will be kept by the Borrower/Grantee in accordance with Generally Accepted Accounting Principles, separate from all other records and accounts, showing complete and correct entries of all transactions relating to the System. Such books shall include, but not necessarily be limited to, monthly records showing: (i) the number of customers for the water system and the sanitary sewer facilities; (ii) the revenues separately received from charges by classes of customers, including but not necessarily limited to classification by facilities; and (iii) a detailed statement of the expenses of the System.

(x) Billing Procedure. Bills for water and sanitary sewer utility services or facilities, or any combination, furnished by or through the System, shall be rendered to customers on a regular basis each month following the month in which the service was rendered and shall be due as required by the applicable ordinance of the Borrower/Grantee. If permitted by law, if a bill is not paid within the period of time required by such ordinance or regulation, water and sanitary sewer utility services shall be discontinued as required by such ordinance or regulation, and the rates and charges due shall be collected in a lawful manner, including, but not limited to, the cost of disconnection and reconnection.

(y) Competent Management. The Borrower/Grantee shall employ or contract for experienced and competent personnel to manage the System.

(z) Executive Order 2013-006 Requirements. The Borrower/Grantee has met the requirements of Executive Order 2013-006 and it has met or will meet prior to the first disbursement of any portion of the Loan/Grant Amount, the Conditions and the readiness to proceed requirements established for the Loan/Grant by the Finance Authority and the Water Trust Board; and

Section 2.2 Representations, Covenants, Warranties and Findings of the Finance Authority. The Finance Authority represents, covenants and warrants for the benefit of the Borrower/Grantee as follows:

(a) Authority of Finance Authority. The Finance Authority has all necessary power and authority to enter into and perform and observe the covenants and agreements on its part contained in this Agreement and, by proper action, has duly authorized the execution and delivery of this Agreement.

(b) Legal, Valid and Binding Obligation. This Agreement constitutes a legal, valid and binding obligation of the Finance Authority enforceable in accordance with its terms.

ARTICLE III AGREEMENT TERM

The Agreement Term shall commence on the Closing Date and shall terminate at the end of the Useful Life of the Project, which in no event shall be less than twenty (20) years, as required by NMSA 1978, § 72-4A-7, as amended, of the Act.

ARTICLE IV LOAN/GRANT AMOUNT DISBURSEMENT CONDITIONS

Section 4.1 Conditions Precedent to Disbursement of Loan/Grant. Prior to either (1) the submission of any Draw Request by the Finance Authority to the State Board of Finance on behalf of the Borrower/Grantee for payment of any requisition of the Loan/Grant Amount or any portion thereof, or (2) the disbursement of the Loan/Grant Amount or any portion thereof by the Finance Authority from the Water Project Fund, the following Conditions and readiness to proceed items shall be satisfied:

(a) The Finance Authority, on behalf of the Water Trust Board, shall have determined that the Borrower/Grantee has met the Conditions and readiness to proceed requirements established for the Loan/Grant by the Finance Authority and the Water Trust Board including any Conditions set out in the Term Sheet; and

(b) The Borrower/Grantee shall have provided written assurance addressed to the Finance Authority and signed by an attorney (or shall have provided a title insurance policy) that the Borrower/Grantee has proper title to or easements, rights of way, or permits on the real property upon or through which the Project is to be constructed, located, completed or extended; and

(c) If any portion of the Project will be constructed, located, completed or extended on real property owned by a qualifying entity (as defined by the Act) other than the Borrower/Grantee, the Borrower/Grantee shall have provided written assurance addressed to the Finance Authority and signed by an attorney (or shall have provided a title insurance policy) that such other qualifying entity has proper title to such real property; and

(d) Prior to the disbursement of any portion of the Loan/Grant Amount for purposes of construction of the Project, the plans and specifications funded with the proceeds of this Agreement will be approved on behalf of the Finance Authority as required by NMSA 1978, § 72-4A-7(B), as amended, by the New Mexico Environment Department, and the

Borrower/Grantee shall have provided written evidence of such approval to the Finance Authority; and

(e) Except as otherwise expressly provided in the Conditions, the Borrower/Grantee shall have certified to the Lender/Grantor that the Additional Funding Amount is available for the Project, and, in addition, shall have provided additional evidence reasonably acceptable to the Lender/Grantor of the availability of the Additional Funding Amount; and

(f) The Borrower/Grantee shall be in compliance with the provisions of this Agreement.

Section 4.2 Determination of Eligibility Is Condition Precedent to Disbursement. No Draw Request shall be made to the State Board of Finance by the Finance Authority on behalf of the Borrower/Grantee, nor shall any disbursement be made from the Water Project Fund, for any requisition of any portion of the Loan/Grant Amount, except upon a determination by the Finance Authority that such disbursement is for payment of Eligible Items, and that the Draw Request or disbursement does not exceed any limitation upon the amount payable for any Eligible Item pursuant to the Act, the Board Rules, and the Policies governing the Water Project Fund. The Finance Authority, as a condition precedent to submitting any Draw Request to the State Board of Finance or making any requested disbursement from the Water Project Fund, may require submittal of such documentation as the Finance Authority deems necessary, in its sole and absolute discretion, for a determination whether any requested disbursement is for payment of Eligible Items and is fully consistent with the Act, the Board Rules, and the Policies, as applicable.

ARTICLE V

LOAN TO THE BORROWER/GRANTEE; GRANT TO THE BORROWER/GRANTEE; APPLICATION OF MONEYS

Section 5.1 Loan and Grant to the Borrower/Grantee.

(a) Loan to the Borrower/Grantee. The Lender/Grantor hereby lends to the Borrower/Grantee and the Borrower/Grantee hereby borrows from and agrees to pay to the order of the Lender/Grantor, without interest, an amount equal to the Loan Amount, with the principal amount of the Loan Amount being payable as provided by Article VI and Exhibit "C" of this Agreement.

(i) Subordinate Nature of Loan Amount and Administrative Fee Obligation. The obligation of the Borrower/Grantee to make the Loan Payments and to pay the Administrative Fee shall be subordinate to all other indebtedness secured by the Pledged Revenues existing on the Closing Date and, further, that may in the future be secured by the Pledged Revenues; except, however, that the obligation of the Borrower/Grantee to make the Loan Payments and to pay the Administrative Fee shall be on parity with any other obligation, present or future, of the Borrower/Grantee to repay a loan provided by the Lender/Grantor pursuant to the Act or the Colonias Infrastructure Act.

(ii) Administrative Fee. The Borrower/Grantee shall, on an annual basis beginning June 1, 2016, pay to the Lender/Grantor an administrative fee equal to one-quarter of one percent (0.25%) per annum of the unpaid principal balance of the Loan Amount, taking into account both payments made by the Borrower/Grantee and hardship waivers of payments granted to the Borrower/Grantee as provided by this Agreement. Any such Administrative Fee payment shall be due irrespective of whether or not a hardship waiver of payment is granted to the Borrower/Grantee for the principal payment otherwise due on June 1 of the applicable year or any other year.

(iii) Hardship Waivers of Payment. Each year while any portion of the Loan Amount remains outstanding, no later than April 1 of each such year, the Borrower/Grantee may apply in writing to the Finance Authority for a determination of whether the annual principal payment on the Loan Amount otherwise due on the upcoming June 1 of such year should be forgiven because such payment would cause undue hardship for the Borrower/Grantee or the public it serves. Although such determination shall be made by the New Mexico Department of Finance and Administration (the "DFA"), the Borrower/Grantee shall submit such application to DFA through the Finance Authority for determination by DFA and shall submit with such application sufficient documentation of the existence of such undue hardship as is reasonably required by DFA (as determined by the Finance Authority and DFA) to make such determination, and the Borrower/Grantee shall promptly respond to additional requests for information from DFA or the Finance Authority. Such application shall be executed by the Authorized Officers of the Borrower/Grantee. For purposes of this Agreement and that determination, an "undue hardship" shall be deemed to exist if DFA determines that the Borrower/Grantee demonstrates economic need and the inability to pay on a timely basis such annual principal payment on the Loan Amount. DFA shall make such determination no later than May 15 of the applicable year, and the Finance Authority shall promptly communicate to the Borrower/Grantee in writing the results of such determination. Upon receipt of written notice of such determination, either the principal payment otherwise due on June 1 of such year shall be forgiven (in the event of a determination of undue hardship) or such principal payment shall remain outstanding and due and payable on such date (in the event no undue hardship is determined to exist).

(b) Grant to the Borrower/Grantee. The Lender/Grantor hereby grants to the Borrower/Grantee and the Borrower/Grantee hereby accepts from the Lender/Grantor an amount equal to the Grant Amount.

(c) Project Account. The Finance Authority shall establish and maintain the Project Account as a book account only, on behalf of the Borrower/Grantee, which account shall be kept separate and apart from all other accounts of the Finance Authority. The Borrower/Grantee hereby acknowledges and consents to the establishment and maintenance of the Project Account and pledges to the Lender/Grantor all its rights, title and interest in the Loan/Grant Amount including the Project Account, for the purpose of securing the Borrower/Grantee's obligations under this Agreement. The Loan/Grant Amount shall be disbursed as provided in Section 7.2 hereof.

(d) Constitutional and Statutory Debt Limitations. No provision of this Agreement shall be construed or interpreted as creating a general obligation or other indebtedness of the Water Trust Board, the Finance Authority, the State or the Borrower/Grantee within the meaning of any constitutional or statutory debt limitation.

Section 5.2 Application of Loan/Grant Amount. Following the determination by the Finance Authority that the Conditions to the disbursement of the Loan/Grant Amount have been satisfied, the Finance Authority shall:

(a) request from the State Board of Finance the transfer of Severance Tax Bond Funds and/or itself transfer from the Water Project Fund to the Expense Account amounts which together are sufficient to pay the Expenses of the Lender/Grantor, as shown on the Term Sheet, the amount requested or disbursed from each Fund being in the sole discretion of the Finance Authority; and

(b) make an entry in its accounts, and in particular in the Project Account, reflecting the proceeds of the Loan/Grant Amount requested from the State Board of Finance pursuant to a Draw Request or made available for disbursement from the Water Project Fund to the Borrower/Grantee at its request, and as needed by it to acquire and complete the Project, as provided in Section 7.2 of this Agreement.

Section 5.3 Investment of Borrower/Grantee's Accounts. Money on deposit in the Borrower/Grantee's accounts created hereunder and held by the Finance Authority may be invested by the Finance Authority for the credit of the Water Project Fund.

ARTICLE VI LOAN PAYMENTS BY THE BORROWER/GRANTEE

Section 6.1 Payment Obligations Limited to Pledged Revenues; Pledge of the Pledged Revenues. The Borrower/Grantee promises to make the Loan Payments and to pay the Administrative Fees and other amounts owed by the Borrower/Grantee as herein provided. The Borrower/Grantee does hereby pledge and grant a lien on and a security interest in and conveys, assigns and pledges unto the Finance Authority and unto its successors in trust forever all right, title and interest of the Borrower/Grantee in and to (i) the Pledged Revenues to the extent required to make the Loan Payments, and to pay the Administrative Fees and other amounts owed by the Borrower/Grantee as herein provided, subject to and subordinate to all other pledges of the Pledged Revenues existing on the Closing Date and, further, that may exist in the future (except only that the pledge of the Pledged Revenues herein shall be on a parity with any other pledge of the Pledged Revenues by the Borrower/Grantee to repay any obligations issued by the Lender/Grantor pursuant to the Act or the Colonias Infrastructure Act), and (ii) all other rights hereinafter granted, for securing of the Borrower/Grantee's obligations under this Agreement, including payment of the Loan Amount, Administrative Fees and other amounts owed by the Borrower/Grantee as herein provided, provided, however that if the Borrower/Grantee, its successors or assigns, shall well and truly pay, or cause to be paid the Loan Amount at the time and in the manner contemplated by this Agreement, according to the true intent and meaning hereof, the Administrative Fees and all other amounts due or to become due under this

Agreement in accordance with its terms and provisions then, upon such final payment or provision for payment by the Borrower/Grantee, the provisions of this Agreement and the rights created thereby with respect to the Loan Amount shall terminate and the Lender/Grantor shall give a written release or such other confirmation as may be necessary to remove any encumbrances upon the Pledged Revenues; otherwise, such provisions of this Agreement shall remain in full force and effect.

The pledge of the Pledged Revenues, the security interest in and the lien thereon shall be effective upon the Closing Date. The Borrower/Grantee, the Finance Authority, and the Water Trust Board acknowledge and agree that the obligations of the Borrower/Grantee hereunder are limited to the Pledged Revenues; and that this Agreement with respect to the Loan Amount, the Administrative Fees and other amounts owed by the Borrower/Grantee as herein provided shall constitute a special, limited obligation of the Borrower/Grantee. No provision of this Agreement shall be construed or interpreted as creating a general obligation or other indebtedness of the Borrower/Grantee within the meaning of any constitutional or statutory debt limitation. No provision of this Agreement shall be construed to pledge or to create a lien on or security interest in any class or source of Borrower/Grantee's moneys other than the Pledged Revenues, nor shall any provision of this Agreement restrict the future issuance of any bonds or obligations payable from any class or source of Borrower/Grantee's moneys including the Pledged Revenues. In addition, the Pledged Revenues not required to meet the obligation of the Borrower/Grantee under this Agreement may be utilized by the Borrower/Grantee for any other purposes permitted by law.

Section 6.2 Deposit of Payments of Loan Amount to Water Project Fund. All Loan Payments made by the Borrower/Grantee to the Finance Authority to repay the Loan Amount and interest thereon, if any, shall be deposited into the Water Project Fund.

Section 6.3 Manner of Payment. The Loan Amount shall be payable by the Borrower/Grantee to the Lender/Grantor in annual installments of principal payable on June 1 beginning in the year 2016 and continuing through the year 2035 as set forth more fully in Exhibit "C" to this Agreement. All payments of the Borrower/Grantee hereunder shall be paid in lawful money of the United States of America to the Finance Authority at the address designated in Section 11.1 of this Agreement. The obligation of the Borrower/Grantee to make payments hereunder, from and to the extent of the available Pledged Revenues, shall be absolute and unconditional in all events, except as expressly provided hereunder, and payment hereunder shall not be abated through accident or unforeseen circumstances. Notwithstanding any dispute between the Borrower/Grantee and the Finance Authority, any vendor or any other person, the Borrower/Grantee shall make all deposits hereunder, from and to the extent of the available Pledged Revenues, when due and shall not withhold any deposit hereunder pending final resolution of such dispute, nor shall the Borrower/Grantee assert any right of set-off or counterclaim against its obligation to make such deposits required hereunder.

Section 6.4 Borrower/Grantee May Budget for Payments. The Borrower/Grantee may, in its sole discretion, but without obligation and subject to the Constitution of the State, governing laws, and its budgetary requirements, make available properly budgeted and legally available funds to make the Loan Payments and other amounts owed by the Borrower/Grantee

hereunder; provided, however, the Borrower/Grantee has not covenanted and cannot covenant to make such funds available and has not pledged any of such funds for such purpose.

Section 6.5 No Penalty for Prepayment of the Loan Amount. The Loan Amount shall be pre-payable by the Borrower/Grantee at anytime, without penalty.

Section 6.6 Lender/Grantor's Release of Lien and Further Assurances. Upon payment in full of the Loan Amount, Administrative Fees and other amounts owed by the Borrower/Grantee as herein provided in this Agreement and upon written request from the Borrower/Grantee the Lender/Grantor agrees to execute a release of lien and to give such further assurances as are reasonably necessary to ensure that the Lender/Grantor no longer holds or maintains any lien or claim against the Pledged Revenues.

ARTICLE VII THE PROJECT

Section 7.1 Agreement to Acquire, Complete and Maintain the Project.

(a) The Borrower/Grantee hereby agrees that in order to effectuate the purposes of this Agreement and to acquire and complete the Project it shall take such steps as are necessary and appropriate to acquire, complete, operate and maintain the Project lawfully and efficiently. The Project shall be designed so as to incorporate the available technologies and operational design for water use efficiency. The plans and specifications shall be approved on behalf of the Finance Authority by the New Mexico Environment Department prior to the disbursement of any part of the Loan/Grant Amount for construction of the Project, and the Project shall be constructed and completed substantially in accordance with the approved plans and specifications. No Loan/Grant funds shall be used for items not constituting Eligible Items.

(b) As provided by NMSA 1978, § 72-4A-7(A)(1), as amended, of the Act, the Borrower/Grantee shall operate and maintain the Project in good operating condition and repair at all times during the Useful Life of the Project, which shall in no event be less than twenty (20) years, so that the Project will function properly over the Useful Life of the Project; provided, that if any portion of the Project will be constructed, located, completed, installed or extended on real property owned by a qualifying entity (as defined by the Act) other than the Borrower/Grantee, the Borrower/Grantee may, prior to any use of the Loan/Grant funds for the Project on such real property, obtain the written agreement of such other qualifying entity to perform these obligations with respect to such real property (and the portion of the Project to be constructed, located, completed or extended on such real property), which written agreement shall be subject to approval by the Lender/Grantor and shall include an express statement by such other qualifying entity that the Lender/Grantor is a third party beneficiary of such written agreement.

Section 7.2 Accounting for Amounts Credited to the Project Account. So long as no Event of Default shall occur and provided that all Conditions to the disbursement of the Loan/Grant Amount have been satisfied (including approval of the plans and specifications), upon receipt by the Finance Authority of a requisition substantially in the form of Exhibit "B"

attached hereto signed by an Authorized Officer of the Borrower/Grantee, supported by certification by the Borrower/Grantee's project architect, engineer, or such other authorized representative of the Borrower/Grantee that the amount of the disbursement request represents the progress of design, construction, acquisition or other Project-related activities accomplished as of the date of the disbursement request, the Finance Authority shall, in its sole and absolute discretion: (1) submit a Draw Request to the State Board of Finance for payment; and/or (2) disburse from the Water Project Fund, amounts which together are sufficient to pay the requisition in full. The Finance Authority shall make the appropriate entry in the Project Account reflecting the amount of the payment. The certification provided pursuant to this Section 7.2 in support of the requisition must be acceptable in form and substance to the Finance Authority and, at its request, the Water Trust Board. The Borrower/Grantee shall provide such records or access to the Project as the Finance Authority, and, at its request, the Water Trust Board, in the discretion of each, may request in connection with the approval of the Borrower/Grantee's requisition requests made hereunder.

Section 7.3 No Disbursement for Prior Expenditures Except upon Approval. No Draw Request shall be made to the State Board of Finance, and no disbursement shall be made from the Water Project Fund, of the Loan/Grant Amount, or any portion thereof, without the approval of the Finance Authority and, at its request, the Water Trust Board, to reimburse any expenditure made prior to the Closing Date.

Section 7.4 Borrower/Grantee Reporting to Lender/Grantor. During the acquisition, implementation, installation and construction of the Project, the Borrower/Grantee shall provide the Lender/Grantor with a quarterly written report executed by an Authorized Officer of the Borrower/Grantee, in the form attached as Exhibit "D" hereto or in another form reasonably acceptable to the Lender/Grantor, describing the status of the Project as of the report date, uses of Loan/Grant funds during the quarterly period ending on the report date, and requests for distributions of Loan/Grant funds anticipated to occur during the quarterly period immediately following the report date. The first quarterly report shall be due on September 30, 2015, and subsequent reports shall be due on each March 31, June 30, September 30 and December 31 thereafter until the report date next following final distribution of the Loan/Grant funds. No reports shall be required after the report date next following final distribution of the Loan/Grant Funds, unless specifically required by the Finance Authority or the Water Trust Board. The description of the status of the Project in each quarterly report shall include, among other information, (a) a comparison of actual and anticipated requests for distributions of Loan/Grant funds as of the report date with those anticipated as of the Closing Date, (b) a description of actual and anticipated changes in the cost estimates for the Project as of the report date compared with those anticipated as of the Closing Date, and (c) a description of the percentage of completion of the Project.

Section 7.5 Completion of Disbursement of Loan/Grant Funds. Upon the earlier of (1) the completion of the Project, or (2) the expenditure of the whole Loan/Grant Amount, an Authorized Officer of the Borrower/Grantee shall deliver a certificate to the Finance Authority substantially in the form of Exhibit "E" attached hereto, stating that, to his or her knowledge, either (1) the Project has been completed, or (2) that the portion of the Loan/Grant Amount needed to complete the Project has been disbursed in accordance with the terms of this

Agreement. No portion of the Loan/Grant Amount shall be disbursed after the date which is three (3) years from the Closing Date, unless a later date is approved in writing by an Authorized Officer of the Finance Authority.

Section 7.6 Application of Project Account Subsequent to Disbursement of Loan/Grant Funds; Termination of Pledge. (a) Upon the completion of the Project as signified by delivery of the completion certificate required by Section 7.5 hereof, the Finance Authority shall determine, by reference to the Project Account, whether any portion of the authorized Loan/Grant Amount remains unexpended. The Finance Authority shall further determine, in its sole discretion, whether any portion of such unexpended Loan/Grant Amount consists of Severance Tax Bond Funds and, if so, shall, within six (6) months of receipt of the completion certificate required by Section 7.5 hereof, cause such portion of the unexpended Loan/Grant Amount to be returned to the severance tax bond fund pursuant to NMSA 1978, § 7-27-10.1, as amended; (b) In the event that a portion of the Loan/Grant Amount remains unexpended after the date which is three (3) years from the Closing Date, and no later date has been approved by an Authorized Officer of the Finance Authority, pursuant to Section 7.5 hereof, the Finance Authority shall further determine, in its sole discretion, whether any portion of such unexpended Loan/Grant Amount consists of Severance Tax Bond Funds and, if so, shall, within six (6) months of the date which is three (3) years after the Closing Date, cause such portion of the unexpended Loan/Grant Amount to be returned to the severance tax bond fund. Upon the occurrence of either event described in (a) or (b) above, the Finance Authority shall make the appropriate entry in the Project Account and, upon such entry, the pledge of the Loan/Grant Amount established in this Loan/Grant Agreement shall terminate.

ARTICLE VIII COMPLIANCE WITH LAWS AND RULES; OTHER COVENANTS

Section 8.1 Further Assurances and Corrective Instruments. The Lender/Grantor and the Borrower/Grantee agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Project or of the Pledged Revenues and for carrying out the intention hereof.

Section 8.2 Representatives of Lender/Grantor or of Borrower/Grantee. Whenever under the provisions hereof the approval of the Lender/Grantor or the Borrower/Grantee is required, or the Borrower/Grantee, or the Lender/Grantor is required to take some action at the request of either of them, such approval or such request shall be given for the Lender/Grantor or for the Borrower/Grantee, by an Authorized Officer of the Lender/Grantor or the Borrower/Grantee, as the case may be, and any party hereto shall be authorized to act on any such approval or request.

Section 8.3 Selection of Contractors. All contractors providing services or materials in connection with the Project shall be selected in accordance with applicable provisions of the New Mexico Procurement Code, NMSA 1978, §§ 13-1-28 through 13-1-199, as amended, or, if the Borrower/Grantee is not subject to the New Mexico Procurement Code, shall be selected in

accordance with a documented procurement process duly authorized and established pursuant to laws and regulations applicable to the Borrower/Grantee.

Section 8.4 Required Contract Provisions. The Borrower/Grantee shall require the following provisions in any contract or subcontract executed in connection with the Project to which the Borrower/Grantee is a party:

(a) There shall be no discrimination against any employee or applicant for employment because of race, color, creed, sex, religion, sexual preference, ancestry or national origin; and

(b) Any contractor or subcontractor providing construction services in connection with the Project shall post a performance and payment bond in accordance with the requirements of NMSA 1978, § 13-4-18, as amended.

Section 8.5 Application of Act and Board Rules. The Lender/Grantor and the Borrower/Grantee expressly acknowledge that this Agreement is governed by provisions and requirements of the Act and the Board Rules, as amended and supplemented, and all applicable provisions and requirements of the Act and Board Rules are incorporated into this Agreement by reference.

ARTICLE IX INSURANCE; NON-LIABILITY OF LENDER/GRANTOR

Section 9.1 Insurance. The Borrower/Grantee shall carry general liability insurance or participate in the State's risk-management program and, to the extent allowed by the New Mexico Tort Claims Act, NMSA 1978, §§ 41-4-1 through 41-4-30, as amended, shall and hereby agrees to name the Lender/Grantor as an additional insured with respect to all claims, by or on behalf of any person, firm, corporation or other legal entity arising from the acquisition, completion or implementation of the Project or otherwise during the Agreement Term; provided, that if any portion of the Project will be constructed, located, completed or extended on real property owned by a qualifying entity (as defined by the Act) other than the Borrower/Grantee, the Borrower/Grantee may obtain the written agreement of such other qualifying entity to perform these insurance/risk-management program requirements for Borrower/Grantee with respect to such real property (and the portion of the Project to be constructed, located, completed or extended on such real property), which written agreement shall include an express statement by such other qualifying entity that the Lender/Grantor is a third party beneficiary of such written agreement.

Section 9.2 Non-Liability of Lender/Grantor.

(a) Lender/Grantor shall not be liable in any manner for the Project, Borrower/Grantee's use of the Loan/Grant, the acquisition, implementation, construction, installation, ownership, operation or maintenance of the Project, or any failure to act properly by the Borrower/Grantee or any other owner or operator of the Project.

(b) Lender/Grantor shall not be liable for the refusal or failure of any other agency of the State to transfer any portion of the Loan/Grant Amount in its possession, custody and control to the Finance Authority for disbursement to the Borrower/Grantee, or to honor any request for such transfer or disbursement of the Loan/Grant Amount.

(c) From and to the extent of the Pledged Revenues, and to the extent permitted by law, the Borrower/Grantee shall and hereby agrees to indemnify and save the Finance Authority harmless against and from all claims, by or on behalf of any person, firm, corporation, or other legal entity, arising from the acquisition or operation of the Project during the Agreement Term, from: (i) any act of negligence or other misconduct of the Borrower/Grantee, or breach of any covenant or warranty by the Borrower/Grantee hereunder; and (ii) the incurrence of any cost or expense in connection with the acquisition or operation of the Project in excess of the Loan/Grant Agreement proceeds and interest on the investment thereof. The Borrower/Grantee shall indemnify and save the Finance Authority harmless, from and to the extent of the available Pledged Revenues, from any such claim arising as aforesaid from (i) or (ii) above, or in connection with any action or proceeding brought thereon and, upon notice from the Finance Authority, shall defend the Finance Authority in any such action or proceeding.

ARTICLE X EVENTS OF DEFAULT AND REMEDIES

Section 10.1 Events of Default Defined. Any one of the following shall be an "Event of Default" under this Agreement:

(a) Failure by the Borrower/Grantee to pay any amount required to be paid under this Agreement on the date on which it is due and payable; or

(b) Failure by the Borrower/Grantee to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Agreement for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to the Borrower/Grantee by the Lender/Grantor unless the Lender/Grantor shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice can be wholly cured within a period of time not materially detrimental to the rights of the Lender/Grantor but cannot be cured within the applicable thirty (30) day period, the Lender/Grantor will not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the Borrower/Grantee within the applicable period and diligently pursued until the failure is corrected; and provided, further, that if by reason of force majeure the Borrower/Grantee is unable to carry out the agreements on its part herein contained, the Borrower/Grantee shall not be deemed in default under this paragraph 10.1(b) during the continuance of such inability (but force majeure shall not excuse any other Event of Default); or

(c) Any warranty, representation or other statement by or on behalf of the Borrower/Grantee contained in this Agreement or in any instrument furnished in compliance with or in reference to this Agreement is determined to be false or misleading in any material respect.

(d) A petition is filed against the Borrower/Grantee under any bankruptcy, moratorium, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, and is not dismissed within thirty (30) days after such filing, but the Finance Authority shall have the right to intervene in the proceedings prior to the expiration of such thirty (30) days to protect their interests;

(e) The Borrower/Grantee files a petition in voluntary bankruptcy or seeking relief under any provision of any bankruptcy, moratorium, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, or consents to the filing of any petition against it under any such law; or

(f) The Borrower/Grantee admits insolvency or bankruptcy or its inability to pay its debts as they become due or is generally not paying its debts as such debts become due, or becomes insolvent or bankrupt or makes an assignment for the benefit of creditors, or a custodian (including, without limitation, a receiver, liquidator or trustee) of the Borrower/Grantee for any of its property is appointed by court order or takes possession thereof and such order remains in effect or such possession continues for more than thirty (30) days, but the Finance Authority shall have the right to intervene in the proceedings prior to the expiration of such thirty (30) days to protect their interests.

Section 10.2 Limitations on Remedies. A judgment requiring payment of money entered against the Borrower/Grantee shall be paid from only available Pledged Revenues unless the Borrower/Grantee in its sole discretion pays the judgment from other available funds.

Section 10.3 Remedies on Default. Whenever any Event of Default has occurred and is continuing and subject to Section 10.2 hereof, the Lender/Grantor may take whatever of the following actions may appear necessary or desirable to enforce performance of any agreement of the Borrower/Grantee in this Agreement:

(a) File a mandamus proceeding or other action or proceeding or suit at law or in equity to compel the Borrower/Grantee to perform or carry out its duties under the law and the agreements and covenants required to be performed by it contained herein;

(b) Terminate this Agreement;

(c) Cease disbursing any further amounts from the Project Account;

(d) Demand that the Borrower/Grantee immediately repay the Loan/Grant Amount or any portion thereof if such funds were not utilized in accordance with this Agreement;

(e) File a suit in equity to enjoin any acts or things which are unlawful or violate the rights of the Lender/Grantor; or

(f) Intervene in judicial proceedings that affect this Agreement or the Pledged Revenues; or

(g) Take whatever other action at law or in equity may appear necessary or desirable to enforce any other of its rights hereunder; or

(h) The Borrower/Grantee shall be responsible for reimbursing the Lender/Grantor for any and all fees and costs incurred in enforcing the terms of this Agreement.

Section 10.4 No Remedy Exclusive. No remedy herein conferred upon or reserved to the Lender/Grantor is intended to be exclusive, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Borrower/Grantee or the Lender/Grantor to exercise any remedy reserved in this Article X, it shall not be necessary to give any notice, other than such notice as may be required in this Article X.

Section 10.5 Waivers of Events of Default. The Lender/Grantor may, in its sole discretion, waive any Event of Default hereunder and the consequences of any such Event of Default; provided, however, all expenses of the Lender/Grantor in connection with such Event of Default shall have been paid or provided for. Such waiver shall be effective only if made by a written statement of waiver issued by the Finance Authority. In case of any such waiver or rescission, or in case any proceeding taken by the Lender/Grantor, on account of any such Event of Default shall have been discontinued or abandoned or determined adversely, then and in every such case, the Lender/Grantor shall be restored to its former position and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other Event of Default, or impair any right consequent thereon.

Section 10.6 No Additional Waiver Implied by One Waiver. In the event that any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver shall be in writing and limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Section 10.7 Agreement to Pay Attorneys' Fees and Expenses. In the event that the Borrower/Grantee shall default under any of the provisions hereof, and the Finance Authority shall employ attorneys or incur other expenses for the collection of payments hereunder, or the enforcement of performance or observance of any obligation or agreement on the part of the Borrower/Grantee herein contained, the Borrower/Grantee agrees that it shall, on demand therefor, pay to the Finance Authority the fees of such attorneys and such other expenses so incurred, to the extent such attorneys' fees and expenses may be determined to be reasonable by a court of competent jurisdiction; provided, however, that the obligation of the Borrower/Grantee under this Section shall be limited to expenditures from and to the extent of the available Pledged Revenues.

**ARTICLE XI
MISCELLANEOUS**

Section 11.1 Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered as follows:

If to the Borrower/Grantee, to:

City of Hobbs
Attn.: City Clerk
City Hall
200 E. Broadway
Hobbs, New Mexico 88240

If to the Finance Authority, then to:

New Mexico Finance Authority
Attn.: Chief Executive Officer
207 Shelby Street
Santa Fe, New Mexico 87501

The Borrower/Grantee or the Lender/Grantor may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 11.2 Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the Lender/Grantor and the Borrower/Grantee and their respective successors and assigns, if any.

Section 11.3 Integration. This Agreement and any other agreements, certifications and commitments entered into between the Lender/Grantor and the Borrower/Grantee on the Closing Date constitute the entire agreement of the parties regarding the Loan/Grant and the funding of the Project through the Loan/Grant as of the Closing Date, and the terms of this Agreement supersede any prior applications, discussions, understandings or agreements between or among the parties in connection with the Loan/Grant, to the extent such prior applications, discussions, understandings or agreements are inconsistent with this Agreement.

Section 11.4 Amendments. This Agreement may be amended only with the written consent of both of the parties hereto. The consent of the Finance Authority for amendments not affecting the terms of payment of the loan component of this Agreement may be given by an Authorized Officer of the Finance Authority. The execution of any such consent by and Authorized Officer of the Finance Authority shall constitute his or her determination that such amendment does not affect the terms of payment of the loan component of this Agreement.

Section 11.5 No Liability of Individual Officers, Directors or Trustees. No recourse under or upon any obligation, covenant or agreement contained in this Agreement shall be had

against any member, employee, director or officer, as such, past, present or future, of the Lender/Grantor, either directly or through the Finance Authority, or against any officer, employee, director or member of the Borrower/Grantee, past, present or future, as an individual so long as such individual was acting in good faith. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such officer, employee, director or member of the Borrower/Grantee or of the Finance Authority is hereby expressly waived and released by the Borrower/Grantee and the Finance Authority as a condition of and in consideration for the execution of this Agreement.

Section 11.6 Severability. In the event that any provision of this Agreement, other than the obligation of the Borrower/Grantee to make the Loan Payments and the Administrative Fee hereunder, shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 11.7 Execution in Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 11.8 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New Mexico.

Section 11.9 Captions. The captions or headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement.

[Remainder of page intentionally left blank.]

[Signature pages follow.]

IN WITNESS WHEREOF, the Finance Authority, on behalf of itself, has executed this Agreement, which was approved by the Water Trust Board on June 9, 2014 and by the Finance Authority's Board of Directors on June 26, 2014, in its respective corporate name with its corporate seal affixed hereto and attested by their duly authorized officers; and the Borrower/Grantee has caused this Agreement to be executed and attested by duly authorized officers thereof. All of the above are effective as of the date first above written.

LENDER/GRANTOR:

NEW MEXICO FINANCE AUTHORITY

By _____
Chief Executive Officer or Designee

ATTEST:

By _____

Prepared for Execution by Officers of the
New Mexico Finance Authority:

VIRTUE & NAJJAR, PC
As Loan/Grant Counsel

By _____
Jonas M. Nahoum

Approved for Execution by Officers of the
New Mexico Finance Authority:

By _____
Daniel C. Opperman
Finance Authority General Counsel

BORROWER/GRANTEE:

CITY OF HOBBS,
LEA COUNTY, NEW MEXICO

By _____
Sam D. Cobb, Mayor

ATTEST:

By _____
Jan Fletcher, City Clerk

EXHIBIT "A"

TERM SHEET

**\$3,200,000 WATER PROJECT LOAN/GRANT TO THE
CITY OF HOBBS, LEA COUNTY, NEW MEXICO**

Project Description: The Project is for water conservation or recycling, treatment or reuse of water as provided by law. The Loan/Grant Amount will be used only for Eligible Items necessary to complete the Project. In particular, the Project will consist of the design and construction of Phase II of its Effluent Reuse Project, which consists of approximately 7.1 miles of pipeline to reach Ocotillo Golf Course, Harry McAdams Park, and the Lovington Highway Health Trail, and shall include such other related work and revisions necessary to complete the Project. The Project may be further described in the Application and in the final plans and specifications for the Project approved by the Water Trust Board and the Finance Authority as provided by this Agreement. However, in the event of any inconsistency, the description of the Project as stated in this Term Sheet shall control.

Grant Amount: \$1,920,000

Loan Amount: \$1,280,000

Pledged Revenues: "Pledged Revenues" means the Net System Revenues of the Borrower/Grantee pledged to the payment of the Loan Amount and Administrative Fees pursuant to the Ordinance and this Loan/Grant Agreement.

Outstanding Senior Obligations for Pledged Revenues: NMFA Loan 1610-DW, Matures 2030

Outstanding Parity Obligations: NMFA Loan 250-WTB, Matures 2032

Authorizing Legislation: Borrower/Grantee Ordinance No. 1083, adopted May 4, 2015

Additional Funding Amount: \$640,000

Closing Date: June 12, 2015

Project Account Amount: \$3,200,000

Expense Account Deposit: \$0

Administrative Fee: 0.25%

Conditions to be satisfied prior to first disbursement of Loan/Grant funds: Delivery to Finance Authority of (i) a copy of the agenda of the meeting of the Governing Body at which the Ordinance was adopted and at which this Agreement, the Ordinance and all other Loan/Grant documents were authorized by the Governing Body (the "Meeting"), certified as a true and correct copy by the City Clerk of the Borrower/Grantee, (ii) a copy of the minutes or record of proceedings of the Meeting, approved and signed by the Mayor and attested to by the City Clerk of the Borrower/Grantee, and (iii) a copy of the notice of meeting for the Meeting evidencing compliance with the Borrower/Grantee's Open Meetings standards in effect on the date of the Meeting.

Other Conditions applicable to the Loan/Grant: All Conditions set out in the Agreement.

EXHIBIT "B"

FORM OF REQUISITION

RE: \$3,200,000 Loan/Grant Agreement by and between the Finance Authority, as Lender/Grantor, and the City of Hobbs, as Borrower/Grantee (the "Loan/Grant Agreement")

Loan/Grant No. 316-WTB

Closing Date: June 12, 2015

TO: NEW MEXICO FINANCE AUTHORITY

You are hereby authorized to disburse from the Project Account – City of Hobbs with regard to the above-referenced Loan/Grant Agreement the following:

REQUISITION NUMBER: _____

NAME AND ADDRESS OF PAYEE: _____

WIRING INFORMATION

BANK NAME:	
ACCOUNT NUMBER:	
ROUTING NUMBER:	

AMOUNT OF PAYMENT: \$ _____

PURPOSE OF PAYMENT: _____

ELIGIBLE ITEM CATEGORY (See below): _____

DATED: _____

By: _____
Authorized Officer

Title: _____

Each obligation, item of cost or expense mentioned herein is for a loan/grant made by the Lender/Grantor pursuant to the Water Project Finance Act to the Borrower/Grantee within the State of New Mexico, is due and payable, has not been the subject of any previous requisition and is a proper charge against the Project Account – City of Hobbs. All representations contained in the Loan/Grant Agreement and the related closing documents remain true and correct and the Borrower/Grantee is not in breach of any of the covenants contained therein.

The proceeds of the Loan/Grant have been or will be used to pay the costs of Eligible Items, as defined in the Loan/Grant Agreement. Eligible Items are (1) matching requirements for federal and local cost shares, (2) engineering feasibility reports, (3) contracted engineering design, (4) inspection of construction, (5) special engineering services, (6) environmental or archeological surveys, (7) construction, (8) land acquisition, (9) easements and rights of way, (10) Eligible Legal Costs and (11) Eligible Fiscal Agent Fees, subject to limitations as set forth in the Loan/Grant Agreement.

All construction and all installation of equipment with proceeds of the Loan/Grant has or will be used in accordance with plans and/or specifications approved on behalf of the Finance Authority the New Mexico Environment Department, has or will be acquired in compliance with applicable procurement laws and regulations and has or will be inspected and approved in accordance with applicable laws and regulations.

Capitalized terms used herein, are used as defined or used in the Loan/Grant Agreement.

EXHIBIT "C"

PAYMENT PROVISIONS OF THE LOAN

The Loan Amount shall be payable by the Borrower/Grantee to the Lender/Grantor in twenty (20) annual installments of principal pursuant to the attached debt service schedule, beginning June 1, 2016 and ending June 1, 2035. The Loan Amount shall be pre-payable at any time without penalty. The Administrative Fee shall be due and payable annually on June 1 of each year while the Loan, or any portion thereof, remains outstanding.

EXHIBIT "D"

**WATER TRUST BOARD PROJECT STATUS REPORT
PREPARED FOR THE
NEW MEXICO FINANCE AUTHORITY**

Fund Recipient Names: City of Hobbs	WTB Project Number: 316-WTB
Recipient Contact: City Clerk	WTB Project Name Effluent Reuse Project; Phase II
Phone Number: 505-397-9207	Project Type: Water Conservation, Treatment, Recycling or Reuse
Quarterly Project Report <input type="checkbox"/> Final <input type="checkbox"/> Other <input type="checkbox"/>	Report Period: From - ___ / ___ / ___ To - ___ / ___ / ___
Contract Expiration: _____	
Total WTB Award: \$ _____ Current Balance: \$ _____	
Loan % 40 Grant % 60 Match % 20	
Expected WTB Award Expenditure Next Quarter: \$ _____	
Amount of Local Match Expended to Date: \$ _____	
Expected Local Match Expenditure Next Quarter: \$ _____	
Project Phase: Planning <input type="checkbox"/> Design <input type="checkbox"/> Construction <input type="checkbox"/>	
PROJECT TIME: Original Completion Date: _____	
Current Completion Date: _____	
Days Remaining for Completion _____	
Percent Project is Complete _____% On Schedule? Yes <input type="checkbox"/> No <input type="checkbox"/>	
Briefly Describe Project Progress During This Reporting Period:	
Issues Addressed During This Period (Indicate any current and/or anticipated issues that remain unresolved):	
Goals/Milestones With Timeline or Dates For The Next Reporting Period:	
Name and Title of Authorized Representative: (Print)	Authorized Representative Signature:
Date: _____	

EXHIBIT "E"

FORM OF CERTIFICATE OF COMPLETION

RE: \$3,200,000 Loan/Grant Agreement by and between the Finance Authority, as Lender/Grantor, and the City of Hobbs, as Borrower/Grantee (the "Loan/Grant Agreement")

Loan/Grant No. 316-WTB

Closing Date: June 12, 2015

TO: NEW MEXICO FINANCE AUTHORITY

I, _____, the _____ of the
[Name] [Title or position]

Borrower/Grantee, hereby certify as follows:

1. The project described in the Loan/Grant Agreement (the "Project"), or the applicable phase of the project if funding was for a phased Project, was completed and placed in service on _____, 20__.

2. The total cost of the Project was \$ _____.

3. Cost of the Project paid from the Loan/Grant Amount was \$ _____.

4. Cost of the Project paid from the Additional Funding Amount was \$ _____.

5. The portion of the Loan/Grant Amount unexpended for the Project is \$ _____.

6. The Project was completed and is and shall be used consistent with and subject to the covenants set forth in the Loan/Grant Agreement.

This certificate shall not be deemed to prejudice or affect any rights of or against third parties which exist at the date of this certificate or which may subsequently come into being.

CITY OF HOBBS, LEA COUNTY, NEW MEXICO

By: _____

Its: _____

CITY OF HOBBS, NEW MEXICO
Notice of Public Hearing

Notice is hereby given that at its regular meeting on May 4, 2015, commencing at the hour of 6:00 p.m., in the City Commission Chambers located at City Hall Annex, 200 E. Broadway Street, Hobbs, New Mexico (the "City"), the City will conduct a public hearing to consider a proposed Ordinance, the title of which appears below. A complete copy of the Ordinance is available for public inspection during normal and regular business hours at the Office of the City Clerk, located at 200 E. Broadway, Hobbs, New Mexico 88240.

The title of the proposed Ordinance is:

CITY OF HOBBS, LEA COUNTY, NEW MEXICO
ORDINANCE NO. 1083

AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY OF A WATER PROJECT FUND LOAN/GRANT AGREEMENT BY AND BETWEEN THE NEW MEXICO FINANCE AUTHORITY ("FINANCE AUTHORITY") THE ("LENDER/GRANTOR") AND THE CITY OF HOBBS (THE "BORROWER/GRANTEE"), IN THE TOTAL AMOUNT OF THREE MILLION TWO HUNDRED THOUSAND DOLLARS (\$3,200,000), EVIDENCING AN OBLIGATION OF THE BORROWER/GRANTEE TO UTILIZE THE LOAN/GRANT AMOUNT SOLELY FOR THE PURPOSE OF FINANCING THE COSTS OF THE DESIGN AND CONSTRUCTION OF PHASE II OF ITS EFFLUENT REUSE PROJECT, WHICH CONSISTS OF APPROXIMATELY 7.1 MILES OF PIPELINE TO REACH OCOTILLO GOLF COURSE, HARRY MCADAMS PARK, AND THE LOVINGTON HIGHWAY HEALTH TRAIL, AND SOLELY IN THE MANNER DESCRIBED IN THE LOAN/GRANT AGREEMENT; PROVIDING FOR PAYMENT OF THE LOAN AMOUNT AND AN ADMINISTRATIVE FEE SOLELY FROM THE NET SYSTEM REVENUES OF THE JOINT WATER AND WASTEWATER SYSTEM OF THE BORROWER/GRANTEE; CERTIFYING THAT THE LOAN/GRANT AMOUNT, TOGETHER WITH OTHER FUNDS AVAILABLE TO THE BORROWER/GRANTEE, IS SUFFICIENT TO COMPLETE THE PROJECT; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN/GRANT AGREEMENT; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS RESOLUTION; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN/GRANT AGREEMENT.

A general summary of the subject matter of the Ordinance is contained in its title.

Publication of this notice constitutes compliance with NMSA 1978, § 3-17-3.



CITY OF HOBBS
COMMISSION STAFF SUMMARY FORM

MEETING DATE: April 6, 2015

SUBJECT: Approving a Settlement with Lipham Construction

DEPT. OF ORIGIN: Legal Department
DATE SUBMITTED: March 31, 2015
SUBMITTED BY: Michael H. Stone, City Attorney

Summary:

During the late summer of 2011, Lipham Construction performed seal coating to several roads in Hobbs. There was significant rock loss on the project and the City requested Lipham to warranty the defective work. Lipham contended the rock loss was not caused by their work. The City initiated its legal remedy of arbitration. Arbitration was scheduled for May, 2015.

The parties conducted a formal mediation several months ago and have been involved in ongoing informal negotiations to settle the matter. Lipham has agreed to pay the City the sum of \$225,000.00 for a complete settlement as to all claims the City has against them in this matter. Staff believes the settlement amount is reasonable and City Commission should approve the terms of the settlement as fully set forth in the Compromise Settlement Agreement and Release, attached.

Fiscal Impact:

The City will receive \$225,000.00 as a complete settlement as to all claims in this matter

Reviewed by: _____

[Signature]
Finance Department

Attachments:

Compromise Settlement Agreement and Release

Legal Review:

Approved As To Form: _____

[Signature]
City Attorney

Recommendation: The Commission should approve the Compromise Settlement Agreement and Release

Approved For Submittal By:

[Signature]
Department Director
[Signature]
City Manager

CITY CLERK'S USE ONLY
COMMISSION ACTION TAKEN

Resolution No. _____ Continued To: _____
Ordinance No. _____ Referred To: _____
Approved _____ Denied _____
Other _____ File No. _____

CITY OF HOBBS, NEW MEXICO

Claimant

vs.

**LIPHAM CONSTRUCTION COMPANY,
INC.**

Respondent

§
§
§
§
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§

PRIVATE ARBITRATION

**COMPROMISE SETTLEMENT AGREEMENT
AND RELEASE**

This Compromise Settlement Agreement and Mutual Release ("Agreement") is made by the City of Hobbs, New Mexico ("Hobbs") and Lipham Construction Company, Inc. ("Lipham").

RECITALS

WHEREAS, Hobbs and Lipham entered into a Contract on June 17, 2011 ("Contract") for the construction of the 2011 Seal Coat Program Street Improvements Project (the "Project") for the City of Hobbs as administered and designed by Parkhill, Smith & Cooper, Inc. The Contract and its terms and conditions are incorporated herein by reference.

WHEREAS, disputes arose concerning allegations of Lipham's failure to construct the Project in a good and workmanlike manner in addition to allegations that Lipham breached the applicable Contract and associated warranty. Lipham contended that it met the standard of care and complied with the obligations as set forth in the Contract for the Project. Hobbs filed an arbitration demand against Lipham as indicated in the above referenced and styled private arbitration (the "Arbitration").

WHEREAS, without limiting the effect of this Agreement, the pleadings of the parties to this Agreement are hereby referred to for a more complete description of the claims, contentions and defenses of the parties and such pleadings are made a part hereof for all purposes; and

WHEREAS, subject to the terms and conditions of this Agreement, the parties hereto, in order to buy peace and to limit the hazards, expenses, uncertainties, and inconveniences of future litigation, now wish to provide for the settlement, and resolution of all differences among themselves, and to provide for the resolution of all past, present and future claims, disputes and alleged causes of action in relation to one another with regard to their obligations arising out of the Projects, except as hereinafter provided.

NOW THEREFORE, for and in consideration of the foregoing premises and the mutual covenants hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, the parties hereto agree as follows:

ARTICLE I.

SETTLEMENT

Section 1.01 Consideration. Lipham shall pay Hobbs the total sum of \$225,000.00 by check within twenty one (21) business days after receipt of the executed Settlement Agreement and shall tender such consideration by and through Mr. Mike Stone, Esq, City Attorney of Hobbs.

ARTICLE II.

RELEASE PROVISIONS

Section 2.01 Release of Claims By Hobbs. Upon the payment of all consideration required in Article I above, Hobbs on behalf of itself and its assigns, successors, agents, servants, employees, legal representatives, attorneys, insurers, and all those in privity with it, and any other related person, firm or corporation, does hereby release and discharge Lipham, its assigns, successors, agents, servants, employees, legal representatives, attorneys, partners, owners, officers, subsidiaries, insurers, surety, Colonial American Casualty and Surety Company and Fidelity and Deposit Company, and any other related person, firm or corporation, from any and all claims, demands, causes of action, and rights of any kind, in law or in equity, known or unknown, fixed or contingent, liquidated or unliquidated, whether or not asserted in the Arbitration, which Hobbs has or may or might have against Lipham arising directly or indirectly out of any events, contracts, transactions, or dealings relating to the Project or Contract.

Section 2.02 Release of Claims By Lipham Against Hobbs. In consideration of the performance of the agreement referred to in Article I above, Lipham on behalf of itself and its assigns, successors, agents, servants, employees, legal representatives, attorneys, partners, owners, officers, shareholders, officers, directors, subsidiaries, insurers, sureties and all those in privity with it, and any other related person, firm or corporation, does hereby release and discharge Hobbs, their assigns, successors, agents, servants, employees, legal representatives, attorneys, insurers, and any other related person, firm or corporation, from all claims, demands, causes of action, and rights of any kind, both in law and in equity, known or unknown, fixed or contingent, liquidated or unliquidated, whether or not asserted in the Arbitration, which Lipham has or may have against Hobbs arising directly or indirectly out of any events, contracts, transactions, or dealings relating to the Project or Contract.

ARTICLE III.

MISCELLANEOUS

Section 3.01 Recitals Incorporated. The above and foregoing recitals are hereby incorporated herein and made a part of this Agreement as if restated in full.

Section 3.02 Entitlement to Claims. Each party warrants and represents that it is the owner of the claims being released herein. Each party further warrants and represents that it has not sold, assigned, pledged, transferred, waived, released, abandoned, or otherwise encumbered, or disposed of any interest, right, claim and/or entitlement in or to the claims being released.

Section 3.03 Entire Agreement. This Agreement contains the entire and complete understanding and agreement of the parties hereto, and supersedes any prior written or oral agreements among them concerning the subject matter contained herein. There are no representations, agreements, promises, warranties, conditions, arrangements or understandings, oral or written, among the parties hereto, relating to the subject matter contained in this Agreement, which are not fully expressed herein. The right to rely on any oral or written statement of any party or any failure of any party to state any fact is expressly waived and released.

Section 3.04 No Admission. By entering into this Agreement, no party hereto admits any liability to any other party on account of any matter covered by this Agreement in any way whatsoever. The parties enter into this Agreement and release solely for the purpose of compromise and settlement, to buy peace, and to avoid and reduce the hazards, expenses, and uncertainties of litigation. Each party acknowledges that the other has denied and continues to deny all allegations made by the other in or in connection with this Project, and the payment of the above-described amount and performance of the repair work shall not be deemed or construed to be an admission of the liability by any of the parties or an admission of the truthfulness of any of the allegations made by the other but, rather that said actions have been taken in order to avoid the expense and inconvenience of litigation.

Section 3.05 Assignment. Neither this Agreement, nor any interest herein, shall be assignable by any party without the prior written consent of the other parties. This Agreement and the releases hereby granted are personal to the parties hereto and are not intended to create any right in any person who is not a party to this Agreement.

Section 3.06 Costs. Each party hereto shall bear all costs and attorneys' fees which it incurred in connection with the dispute, the Project, the Contract, and/or the Arbitration.

Section 3.07 Arbitration. It is agreed that Hobbs and Lipham shall notify the Arbitrators of the settlement and jointly file a dismissal with prejudice in the Arbitration of all claims and causes of action in said proceeding.

Section 3.08 Investigation. Each party hereto represents that it has made a full and complete investigation of the circumstances surrounding the subject matter of this Agreement, that it has full knowledge of all facts involved therein, and in making this Agreement has not relied upon any statements or representations pertaining to this matter by any of the other parties hereto or any person or persons representing them.

Section 3.09 Governing Law. This Agreement, and the rights and liabilities of the parties hereto, shall be governed by, construed under, and enforced in accordance with the laws of the State of New Mexico.

Section 3.10 Successors and Assigns. Subject to the restrictions against assignment as herein contained, this Agreement and all releases, promises, undertakings, agreements, representations, acknowledgments, statements or other actions made or taken by any of the parties hereto shall be binding upon and inure to the benefit of the parties, their predecessors, assigns, successors in interest, personal representatives, their past and present attorneys, principals, employees, independent contractors, officers, directors, shareholders, parents,

subsidiaries, agents, servants, estates, heirs, administrators, executors, conservators, trustees, legatees, and other affiliated entities of each of the parties hereto.

Section 3.11 Attorneys' Fees. In the event of any controversy, claim, or dispute among the parties hereto, including, but not limited to, any action at law or in equity, including an action for declaratory or injunctive relief, arising out of or relating to this Agreement or the breach thereof, the prevailing party shall be entitled to recover from the losing party all of its actual attorneys' fees and costs reasonably incurred in bringing, prosecuting, or defending said action.

Section 3.12 Modification. This Agreement may not be altered, modified, or changed in any manner except by a writing signed by the party against whom enforcement of any modification or amendment is sought.

Section 3.13 Waiver. No breach of any provision of this Agreement can be waived unless in writing. Waiver of the breach of any of the provisions of this Agreement shall not be deemed to be a waiver of any other breach of the same or any other provision of this Agreement.

Section 3.14 Severability. If any term, provision, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions shall nevertheless survive and remain in full force and effect and shall in no way be affected, impaired or invalidated.

Section 3.15 Legal Capacity. The undersigned each represent and warrant that they have the right, power, legal capacity, and authority to enter into and perform the obligations under this Agreement, on their own behalf and on behalf of anyone they represent, and that no further approval or consent of any person or entity is necessary for them to enter into and perform the obligations contained in this Agreement.

Section 3.16 Further Assurances. The parties represent and warrant that they shall do all acts and execute and deliver all documents necessary, convenient or desirable to effectuate the terms and purposes of this Agreement, and agree to extend reasonable cooperation and to act at all times in good faith in executing any and all documents and in taking such additional actions as may be necessary or appropriate to give full force and effect to the terms and intent of this Agreement.

Section 3.17 No Presumption. It shall be presumed that each party jointly drafted this Agreement, and no other presumption of any kind shall inure or apply with regard thereto or concerning the interpretation or construction of this Agreement in the event of any ambiguities.

Section 3.18 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which together shall be deemed to be one and the same instrument. All counterparts so executed shall constitute one agreement binding upon all parties, notwithstanding that all parties are signatory to the original or the same counterpart.

Section 3.19 Non-Recital. It is expressly understood and agreed that the terms of this Agreement are contractual and not merely recitals.

Section 3.21 Effective Date. This Agreement shall be effective as of the date of the execution of this Agreement by both parties.

REST OF PAGE INTENTIONALLY BLANK

CITY OF HOBBS, NEW MEXICO

DATED: _____

By: _____

Name: _____

Its: _____

SUBSCRIBED AND SWORN TO BEFORE ME by the said _____ on this the
____ day of _____, 2015 to certify which witness my hand and official seal of
office.

My Commission Expires:

Notary Public, State of New Mexico

(typed or printed name of notary)

APPROVED AS TO FORM:

Michael H. Stone, City Attorney

ATTEST:

Jan Fletcher, City Clerk

LIPHAM CONSTRUCTION COMPANY, INC.

DATED: _____

By: _____

Name: _____

Its: _____

SUBSCRIBED AND SWORN TO BEFORE ME by the said _____ on this the
____ day of _____, 2015 to certify which witness my hand and official seal of
office.

My Commission Expires:

Notary Public, State of Texas

(typed or printed name of notary)

APPROVED AS TO FORM:

Brad W. Gaswirth
Counsel for Lipham Construction Company, Inc.