

Commission Meeting Agenda



Mayor

Samuel D. Cobb

City Commission

Marshall R. Newman

Jonathan Sena

Patricia A. Taylor

Joseph D. Calderón

Garry A. Buie

Don R. Gerth

City Manager

J. J. Murphy

September 6, 2016



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

Tuesday, September 6, 2016 - 6:00 p.m.

Sam D. Cobb, Mayor

Marshall R. Newman
Commissioner - District 1

Jonathan Sena
Commissioner - District 2

Patricia A. Taylor
Commissioner - District 3

Joseph D. Calderón
Commissioner - District 4

Garry A. Buie
Commissioner - District 5

Don R. Gerth
Commissioner - District 6

A G E N D A

*City Commission Meetings are
Broadcast Live on KHBX FM 99.3 Radio*

CALL TO ORDER AND ROLL CALL

INVOCATION AND PLEDGE OF ALLEGIANCE

APPROVAL OF MINUTES

1. Minutes of the August 15, 2016, Regular Commission Meeting

PROCLAMATIONS AND AWARDS OF MERIT

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.)*

2. Resolution No. 6474 - Authorizing the Removal of Uncollectible Returned Checks Dated Prior to June 30, 2012, Totaling \$1,075.94 *(Toby Spears)*
3. Consideration of Approval to Purchase a 2017 Cargo Van from Tate Branch Auto Group Through a Cooperative Educational Services Agreement (CES) in the Amount of \$28,958.19 *(Tim Woomer)*
4. Resolution No. 6475 - Approving the Submission of the FY 17 New Mexico State Fire Marshal Fire Protection Grant *(Fire Chief Manny Gomez)*
5. Resolution No. 6476 - Approving the Vacation of a Portion of Midwest Street Located South of Lot 19, Block 57 of the New Hobbs Addition at Dan's Mexican Restaurant *(Kevin Robinson)*
6. Resolution No. 6477 - Approving the Vacation of a Portion of the North/South Alleyway Located Within Block 117 of the Highland Park Addition Adjacent to CASA'S Property *(Kevin Robinson)*
7. Resolution No. 6478 - Approving an Agreement Between the City of Hobbs and the Hobbs Municipal Schools Regarding Middle School Athletic Programs *(Mike Stone)*

DISCUSSION

ACTION ITEMS (Ordinances, Resolutions, Public Hearings)

8. Resolution No. 6479 - Authorizing an Increase of the Investment Transfer Limit from the Local Government Investment Pool (LGIP) to Public Trust Advisors - US Bank *(Toby Spears)*
9. Resolution No. 6480 - Adopting a Budgetary Adjustment for FY 16-17 *(J. J. Murphy)*
10. Resolution No. 6481 - Authorizing the Execution and Delivery of a Water Project Fund Loan/Grant Agreement #3555-WTB with the New Mexico Finance Authority in the Total Amount of \$586,400.00 for the Purpose of Financing the Costs of an Effluent Reuse Project, Phase II *(Tim Woomer)*
11. **PUBLICATION:** Proposed Ordinance Approving Two (2) Month-to-Month Lease Agreements of Municipally Owned Property Consisting of Lots 1 - 12, Block 8 of the Original Hobbs Addition (Dallas Carpet and Pace Oilfield Services) *(Kevin Robinson)*

12. Resolution No. 6482 - Authorizing Approval and Acceptance of Grant Funding with the Department of Homeland Security and the Federal Emergency Management Agency for the Staffing for Adequate Fire and Emergency Response Grant (SAFER) for the Hobbs Fire Department
(Fire Chief Manny Gomez)

COMMENTS BY CITY COMMISSIONERS, CITY MANAGER

13. Next Meeting Date:

- ▶ Regular Meeting - ***Monday, September 19, 2016*** 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: September 6, 2016

SUBJECT: City Commission Meeting Minutes

DEPT. OF ORIGIN: City Clerk's Office
DATE SUBMITTED: August 25, 2016
SUBMITTED BY: Jan Fletcher, City Clerk

Summary:

The following minutes are submitted for approval:

- ▶ Regular Commission Meeting of August 15, 2016

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

Minutes of the regular meeting of the Hobbs City Commission held on Monday, August 15, 2016, 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 Patricia A. Taylor
Commissioner Joseph D. Calderón
Commissioner Garry A. Buie
Commissioner Don Gerth

Also present:

J. J. Murphy, City Manager
Mike Stone, City Attorney
Efren Cortez, Assistant City Attorney
Chris McCall, Police Chief
Brian Dunlap, Deputy Police Chief
Manny Gomez, Fire Chief
Barry Young, Deputy Fire Chief
Paul Thompson, Fire Captain
Raymond Bonilla, Community Services Director
Manny Marquez, Building Official
Ronny Choate, General Services Director
Ron Roberts, Information Technology Director
Todd Randall, City Engineer
Kevin Robinson, Development Coordinator
Doug McDaniel, Parks and Recreation Director
Linda Howell, Golf Course General Manager
Matt Hughes, Golf Superintendent
Britt Lusk, Teen Center Supervisor
Toby Spears, Finance Director
Deborah Corral, Assistant Finance Director
Sandy Farrell, Library Director
Meghan Mooney, Director of Communications
Tim Woomer, Utilities Director
Ann Betzen, Executive Assistant/Risk Manager
Mollie Maldonado, Deputy City Clerk
Jan Fletcher, City Clerk
11 citizens

Invocation and Pledge of Allegiance

Commissioner Taylor delivered the invocation and Commissioner Newman led the Pledge of Allegiance.

Approval of Minutes

Commissioner Calderón moved that the minutes of the regular meeting held on August 1, 2016, be approved as presented. Commissioner Sena seconded the motion and the vote was recorded as follows: Newman yes, Sena yes, Taylor yes, Calderón yes Buie yes, Gerth yes, Cobb yes. The motion carried.

Closed Sessions

The City Commission convened in closed session on Monday, August 1, 2016, at approximately 7:00 p.m., for discussion of limited personnel matters, specifically the City Manager's employment contract pursuant to §10-15-1(I)(2), N.M.S.A., 1978. The matters discussed in the closed meeting were limited only to discussion of limited personnel matters, specifically the City Manager's employment contract. No action was taken during the meeting.

The City Commission convened in closed session on Tuesday, August 9, 2016, at 5:30 p.m., for discussion of limited personnel matters, specifically the City Manager's employment contract pursuant to §10-15-1(I)(2), N.M.S.A., 1978. The matters discussed in the closed meeting were limited only to discussion of limited personnel matters, specifically the City Manager's employment contract. No action was taken during the meeting.

Proclamations and Awards of Merit

There were no proclamations or awards of merit presented.

Public Comments

Mr. Jimmy Clay thanked the City of Hobbs Code Enforcement for monitoring the area of 1302 East Midwest regarding dogs running at large. He also thanked the Hobbs Police Department for monitoring the area for criminal activities.

Mr. Robert Lujan expressed comments to the Commission regarding a recent cut in pay by the City of Artesia, New Mexico, reducing employees' pay by 10% across the board which included police officers. He recommended the City not reduce the pay of police officers as they are needed to fight crime in the community.

Mayor Cobb requested Mr. J. J. Murphy, City Manager, to explain the current status of the placement of a Veterans Memorial by Lea County. Mr. Murphy stated Lea County created a Veterans Memorial Committee which planned to set the Memorial at the Lea County Courthouse but decided there was not room at the location. He stated he spoke to Mr. Mike Gallagher, Lea County Manager, to create a Joint Veterans Memorial Committee with the City of Hobbs and Lea County. He stated Mr. Gallagher will coordinate with the Lea County Board to get its approval.

Mr. Andrew Akufo with Lea County Commission for of the Arts (LCCA) stated they will be hosting a ceremony for the Third Annual Joe and Joyce Walker Awards for Excellence in Arts at its banquet on October 15, 2016, from 5:00 p.m. to 8:00 p.m. at the Hobbs Country Club. He stated nominations are being accepted for residents of Lea County who are living art patrons, arts advocates or art educators. Mr. Akufo encouraged the Commissioners to submit a nominee.

In reply to Mayor Cobb's inquiry, Mr. Akufo stated the nominee forms may be downloaded from the LCCA Facebook page.

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

Consideration of Approval of Amended Minutes from the Following City Commission Meetings (to include clarification language regarding closed Executive Sessions).

- August 5, 2013
- November 4, 2013
- November 18, 2013
- December 2, 2013
- April 7, 2014
- May 19, 2014
- July 7, 2014
- October 20, 2014
- November 3, 2014
- January 20, 2015
- March 2, 2015
- April 6, 2015
- May 4, 2015
- May 19, 2015
- October 19, 2015
- December 7, 2015
- February 16, 2016
- April 4, 2016
- May 2, 2016

Consideration of Approval of Amendment No. 1 to the Utility Extension Agreement Between the City of Hobbs and Jose Florez.

Commissioner Newman seconded the motion and the vote was recorded as follows: Newman yes, Sena yes, Taylor no, Calderón yes, Buie yes, Gerth yes, Cobb yes. The motion carried. Copies of the resolutions and supporting documentation are attached and made a part of these minutes.

Discussion

There were no items presented for discussion.

Action Items

PUBLIC HEARING: Consideration of FY 2017-18 Grant Application and Request for Coordination of Transportation Services.

Mr. Mike Stone, City Attorney, was appointed as the Hearing Officer. He stated the purpose of the public hearing is to allow an opportunity for interested persons or agencies to be heard in an open forum for questions, concerns and ideas regarding Transportation Services in the community.

In response to Mr. Stone's inquiry, other than Mr. Rodolfo Rodriguez, no members of the audience requested to speak in support or against the City of Hobbs applying to the New Mexico Department of Transportation for an administrative, operating and capital assistance grant under 49 U.S.C. Section 5311 of the Federal Transit Act for continued public transportation services for the citizens of Hobbs.

Mr. Rodolfo Rodriguez, owner of 777 Transportation Taxi and Limo Service (Taxi), stated since June 3, 2016, the Taxi has serviced Hobbs and the surrounding areas. He stated his concern is that with the City continuing to provide demand response service, the need for Taxi services becomes unnecessary and, in turn, puts a tremendous strain on the company and cannot be self-sustainable. Mr. Rodriguez stated his company only receives about three calls per day during 7:00 a.m. and 5:00 p.m. which is the hours when Hobbs Express is conducting its demand response service. Mr. Rodriguez stated he is requesting the City allow the Taxi to provide the demand response portion of its service and/or provide the service in partnership with the City. He continued to state if rates are an issue, the Taxi offers 20% discount to riders from 7:00 a.m. to 5:00 p.m.

In reply to Commissioner Newman's question, Mr. Rodriguez stated the Taxi currently does not have the ability to transport disabled passengers in a wheelchair but will make the accommodation if required.

Commissioner Sena stated the City does not wish to compete with the Taxi service in providing transportation to the community. He stated a taxi service is needed in Hobbs.

Ms. Jan Fletcher, City Clerk/Public Transportation Program Manager, stated the City of Hobbs is applying to the New Mexico Department of Transportation for an administrative, operating and capital assistance grant under 49 U.S.C. Section 5311 of the Federal Transit Act for continued public transportation services for the citizens of Hobbs. She stated letters were mailed to local providers to allow an opportunity for interested persons or agencies to participate with City of Hobbs Public Transportation. Ms. Fletcher stated a letter of interest was received from Mr. Rodriguez with 777 Transportation Taxi and Limo Service. She stated the grant amount being requested from Federal is amount of \$568,259 and the City's subsidy is \$430,439.00. Ms. Fletcher stated the operating grant will provide financial assistance for public transportation service for the residents of the City of Hobbs during FY 17-18. She stated the program operates with 11 employees and transports 1,100 passengers a week. Ms. Fletcher explained the description of service and stated Hobbs Express operates Monday through Saturday, 7 a.m. to 5 p.m., and offers fixed route and demand response paratransit public transportation services.

Ms. Fletcher stated Hobbs Express transports general public demand response passengers along with ADA complementary paratransit services.

Ms. Fletcher described the options available to the Commission to make a decision regarding this Public Hearing as follows:

1. Reducing the scope of services provided by the City to no longer include demand response service.
2. Requesting that the City seek competitive proposals (RFP) for an outside contractor to provide demand response service. The RFP would be subject to review and written approval by NMDOT before advertisement to verify that it includes and meets all of the Federal requirements; provider must comply with all FTA rules and have ADA accessible vehicles.
3. Reducing the scope of services provided by the City so that all demand response rides would require a minimum reservation of 24-hours in advance. Same-day service would no longer be provided by the City unless the passenger is an individual with disabilities. All requests would be referred to the local 777 Transportation Taxi and Limo Service.
4. Maintaining service at the existing current level with no change.

Ms. Fletcher stated the Taxi service is important in the community.

In reply to Commissioner Gerth's inquiry, Ms. Fletcher stated Hobbs Express passengers were notified of this public meeting. Commissioner Gerth addressed concerns regarding passengers who may not be happy if the City suddenly does not allow same day service.

Mayor Cobb stated Option No. 3 would allow for a coordination of services between the City and 777 Transportation Taxi and Limo Service which would continue to meet the needs of the citizens of the community. He recommended a motion be made to approve Option No. 3 with an effective date of September 1, 2016, in order to allow time to inform the public. Mr. Murphy stated City staff can post the information on the City's website, in the buses, at the Transit Center, etc., to get the notice out.

In reply to Commissioner Newman's question, Mayor Cobb stated the Commission can revisit Public Transportation if passengers address concerns regarding the Taxi service.

Commissioner Buie stated the community does need a taxi service and he is in favor of coordinated services with the Taxi.

Mr. Rodriguez stated if an issue arises regarding his taxi service, he welcomes discussion with the Commission before any decision is made regarding a change of public transportation services.

Ms. Helen Houston stated the public transportation services are affordable for residents of the community and the Taxi services are more expensive.

Commissioner Gerth moved to approve FY 2017-18 Grant Application and request for coordination of transportation services by reducing the scope of services provided by the City so that all demand response rides will require a minimum reservation of 24-hours in advance. Same-day service will no longer be provided by the City unless the passenger is an individual with disabilities. All requests will be referred to 777 Transportation Taxi and Limo Service and become effective September 1, 2016. Commissioner Buie seconded the motion and the vote was recorded as follows: Newman yes, Sena yes, Taylor yes, Calderón yes, Buie yes, Gerth yes, Cobb yes. The motion carried. Copies of the agreement and supporting documentation are attached and made a part of these minutes.

Resolution No. 6472 - Approving an Option to Purchase Property at 3425 North Northwest, Hobbs, New Mexico, to Linda Howell.

Mr. Stone stated the City purchased real property located at 3425 North Northwest, Hobbs, New Mexico. He further stated the City leased the property to Ms. Linda Howell, Golf Course General Manager, on December 15, 2014, in which the lease provided for an option to purchase the property. Mr. Stone stated Ms. Howell has given the City written notification of her request to exercise the option to purchase the property.

In response to Commissioner Buie's request, Mr. Stone stated the City initially purchased the property from a former police officer who received a housing incentive for the Hobbs Police Department. He stated the officer suddenly had to move away from Hobbs due to family issues.

In response to Commissioner Taylor's question, Mr. Stone confirmed that Ms. Howell is an employee of the City.

In response to Commissioner Buie's request, Mr. Murphy explained that the City first approached Ms. Howell about leasing the property in order to keep the City from having to pay the mortgage. He stated Ms. Howell actually helped the City by leasing the property at 3425 North Northwest. Commissioner Buie agreed.

Commissioner Buie moved that Resolution No. 6472 be adopted as presented. Commissioner Calderón seconded the motion and the vote was recorded as follows: Newman yes, Sena yes, Taylor abstain, Calderón yes, Buie yes, Gerth yes, Cobb yes. The motion carried. Copies of the resolution and supporting documents are attached and made a part of these minutes.

Consideration of Approval and Authorizing use of the New Mexico State Contract Agreement with Dustrol, Inc., for Hot-In-Place Asphalt Recycle of Various City Streets in the Amount of \$795,040.58 GRT Included.

Mr. Ronny Choate, General Services Director, explained the contract and stated the City wishes to Hot in Place Recycle Asphalt on various City Streets that include Navajo, Dal Paso to Grimes; Dal Paso, Texas to Llano; Main Street, Dal Paso to Turner; Stanolind Road, Dal Paso to Grimes; Sanger, Marland to Harris; Snyder, Grimes to Dal Paso; Princess Jeanne, Grimes to Cobb; College Lane, Grimes to Lovington Hwy. He stated there is 280,000 yards of asphalt to be recycled. Mr. Choate stated the work will start in early September and take approximately 30 days.

Commissioner Calderón moved to approve the use of the New Mexico State Contract Agreement with Dustrol, Inc., in the amount of \$795,040.58 GRT included for Hot-In-Place Asphalt Recycle of various City streets. Commissioner Buie seconded the motion and the vote was recorded as follows: Newman yes, Sena yes, Taylor yes, Calderón yes, Buie yes, Gerth 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 Agreement with the Hobbs Municipal Schools Regarding the 21st Century Grant.

Mr. Murphy stated the Hobbs Municipal Schools (HMS) has received funding for its 21st Century Grant Program and wishes to partner with the City to provide after-school

enrichment activities at the Hobbs Teen Center. He stated the partnership would also include funding for the City to provide Hobbs Express public transportation service from some of the public schools to the programs. Mr. Murphy thanked Mr. T.J. Parks, HMS Superintendent, Ms. Debbie Cooper, Assistant Superintendent for Instruction, Mr. Andrew Toglia, Director of Computer Aided Instruction, and Mr. Tyson Ledgerwood, Director of Art and Music, for their partnership and work in the 21st Century Grant which will benefit the students.

Mr. Parks commended Mr. Murphy and staff for collaboration with the 21st Century Grant. He agreed that the students will benefit and this grant is a winner for all.

Commissioner Newman stated the Hobbs Express currently transports students to the Hobbs Boys and Girls Club.

Commissioner Calderón moved to approve the Memorandum of Agreement with the HMS regarding the 21st Century Grant. Commissioner Newman seconded the motion and the vote was recorded as follows: Newman yes, Sena yes, Taylor yes, Calderón yes, Buie yes, Gerth yes, Cobb yes. The motion carried. Copies of the agreement and supporting documentation are attached and made a part of these minutes.

Resolution No. 6473 - Approving the FY 2018-2022 Infrastructure Capital Improvement Plan (ICIP).

Mr. Kevin Robinson, Development Coordinator, stated the FY 2018-2022 Infrastructure Capital Improvement Plan (ICIP) was reviewed and approved at the June 2016, regular meeting of the City of Hobbs Planning Board. He stated the City Commission discussed the ICIP during its regular Commission meeting on July 18, 2016, . Mr. Robinson stated the ranking of the Top 5 Projects is as follows:

1. Sewer Main Replacement
2. WWRF Effluent Reuse Project
3. Drainage Master Plan
4. Taylor Ranch Improvements
5. New City Jail Facility

In response to Commissioner Taylor's question, Mr. Robinson stated the Southeast Bypass did not make the Top 5 Priority Projects but is still on the Top 10 ICIP list. He stated as projects are completed, other projects move upward on the list. Mr. Robinson further stated the Commission can change the order of the list from year to year.

Commissioner Taylor stated she is glad that Taylor Ranch Improvements made the Top 5 Priority Projects.

Mayor Cobb stated the recommended ICIP list will be sent to the State. He stated the Southeast Bypass can be moved up if leverage funding is provided by the State.

Commissioner Newman moved that Resolution No. 6473 be adopted as presented. Commissioner Calderón seconded the motion and the vote was recorded as follows: Newman yes, Sena yes, Taylor yes, Calderón yes, Buie yes, Gerth yes, Cobb yes. The motion carried. Copies of the resolution and supporting documents are attached and made a part of these minutes.

Consideration of Approval of RFP #482-16 for Biofiltration Coating and Recommendation to Award the Contract to Riley Industrial Services, Inc., in the Amount of \$162,719.23 GRT Included.

Mr. Tim Woomer, Utilities Director explained the RFP and stated biofiltration is utilized at the Wastewater Reclamation Facility in order to contain and treat the odorous compounds present within wastewater. He stated biofiltration removes hydrogen sulfide and other gases present in the foul air into their simple compounds, primarily water and sulfuric acid. Mr. Woomer stated the RFP scope of work will recoat two biofilter vessels which, after eight years of continual service, are showing signs of corrosion.

In response to Commissioner Buie's question, Mr. Woomer stated physical inspections were made on the inside of the vessel and the corrosion was discovered.

Commissioner Taylor thanked Mr. Woomer for the elimination of the foul order in the area.

Commissioner Sena moved to approve RFP#482-16 to Riley Industrial Services, Inc, in the amount of \$162,719.23 GRT included for biofiltration coating. Commissioner Newman seconded the motion and the vote was recorded as follows: Newman yes, Sena yes, Taylor yes, Calderón yes, Buie yes, Gerth yes, Cobb yes. The motion carried. Copies of the agreement and supporting documentation are attached and made a part of these minutes.

Comments by City Commissioners, City Manager

Mayor Cobb stated the next scheduled City Commission meeting will be held on Tuesday, September 6, 2016, due to the Labor Day Holiday.

Commissioner Buie thanked all of his friends in the City for the cards and calls he received during the recent loss of his father.

Commissioner Calderón stated the City hosted a Community Cleanup on the Southside of the City and the leadership displayed by Mr. Murphy was great. He stated he hopes

Mr. Murphy stays in Hobbs for a long time. Commissioner Calderón also thanked Mr. Parks for his leadership in the community which is very evident.

Commissioner Taylor also thanked City staff for the Community Cleanup.

Commissioner Taylor thanked Hobbs Code Enforcement for picking up a dead cat in front of her house.

Mr. Murphy thanked his best critics, Mr. Byron Marshall, Mr. Nicholas Maxwell and Mr. Dennis Barcuch, for recommending the City to stream its Commission Meeting. He stated tonight is the first meeting to be web streamed and currently has 22 viewers. Mr. Murphy thanked the Commission for implementing web streaming of the Commission meetings and thanked City staff for all their time and effort on the project.

Mr. Murphy requested support for a firefighter's family who has a newborn that is not doing well.

Mr. Murphy stated the NMML Annual Conference commences Tuesday, August 30, 2016, with a Golf Tournament and with opening ceremonies on Wednesday, August 31, 2016. He stated this is the first time for Hobbs to host the NMML Annual Conference and it is very exciting. Mr. Murphy stated staff has been working very hard on the Conference and he looks forward to Hobbs being put on the map.

Mr. Murphy stated the economy is in hard times and the budget is being scrutinized carefully.

Mayor Cobb thanked everyone in attendance and also thanked HMS for their partnership.

Adjournment

There being no further discussion or business, Commissioner Calderón moved that the meeting adjourn. Commissioner Sena seconded the motion. The vote was recorded as follows: Newman yes, Sena yes, Taylor yes, Calderón yes, Gerth yes, Cobb yes. The motion carried. The meeting adjourned at 6:55 p.m.

SAM D. COBB, Mayor

ATTEST:

JAN FLETCHER, City Clerk



CONSENT AGENDA



CITY OF HOBBS

COMMISSION STAFF SUMMARY FORM

MEETING DATE: September 6, 2016

SUBJECT: Removal of outstanding returned checks determined to be uncollectible.
DEPT. OF ORIGIN: Finance Department
DATE SUBMITTED: August 22, 2016
SUBMITTED BY: Deborah Corral, Assistant Finance Director

Summary:

Returned checks prior to June 30, 2012 resulting from payments made to the City totaling \$1075.94 are deemed uncollectible based on efforts made to collect on the account and locate the debtor. In accordance with 3-37-7, NMSA 1978 accounts with balances resulting from activity four years or older are to be removed from the list of accounts receivable of the City of Hobbs.

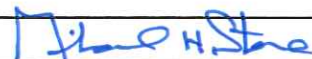
Fiscal Impact:

Reviewed By: 
Finance Department

There is no fiscal impact on a cash basis of accounting as these returned checks have been accounted for as they are returned.

Attachments: Resolution

Legal Review:

Approved As To Form: 
City Attorney

Recommendation:

Approve the resolution to remove the uncollectible accounts from the list of accounts receivable.

Approved For Submittal By:


Department Director

City Manager

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

CITY OF HOBBS
RESOLUTION NO. 6474

A RESOLUTION AUTHORIZING THE REMOVAL
OF UNCOLLECTIBLE RETURNED CHECKS

WHEREAS, there are several uncollectible returned checks dated prior to June 30, 2012, resulting from various City services totaling \$1075.94; and

WHEREAS, diligent efforts to collect the returned checks has been unsuccessful for a period of more than four years; and

WHEREAS, it is the Finance Director's opinion the accounts are uncollectible; and

WHEREAS, the city desires to remove the uncollectible returned check amount from the accounts receivable, pursuant to Section 3-37-7 NMSA 1978 amended.

NOW, THEREFORE, BE IT RESOLVED, that the Mayor be and hereby is, authorized and directed to take all necessary and appropriate action to effectuate this resolution on behalf of the City of Hobbs.

PASSED, ADOPTED AND APPROVED this 6th day of September, 2016

SAM D. COBB, Mayor

ATTEST:

JAN FLETCHER, City Clerk

City of Hobbs
 NSF Checks Reconciliation - General Fund 001-10090
 07/31/2016

GL Date	Name	nsf amount	payment	nsf Balance	notes
FY2012					
08/30/2011	Eryka Torres	74.00		74.00	74.00
08/31/2011	Steven Buck	4.00		4.00	78.00
08/31/2011	Steven Buck	10.00		10.00	88.00
08/30/2011	void ck # 1966 cashed	207.88		207.88	295.88
08/30/2011	escheated ck # 13033 cashed	15.67		15.67	311.55
09/30/2011	Bright Ad Signs Inc.	300.00		300.00	611.55
10/05/2011	Rey Hernandez	4.00		4.00	615.55
12/22/2011	Moyer Masonry & Const.	100.00		100.00	715.55 plans deposit
01/12/2012	Aurora Rodriguez	4.00		4.00	719.55 dmv fees
02/10/2012	Rodriguez	8.00		8.00	727.55
03/05/2012	Elizabeth Morales	150.00		150.00	877.55
04/30/2012	Ck # 33619 cashed after affidavit	134.39		134.39	1,011.94
05/10/2012	Aurora Rodriguez	60.00		60.00	1,071.94
05/15/2012	Roberto Rodriguez	4.00		4.00	1,075.94



CITY OF HOBBS
COMMISSION STAFF SUMMARY FORM

MEETING DATE: September 6, 2016

SUBJECT: Award the Purchase of a 2017 Cargo Van through a Cooperative Education Services Agreement (CES)
DEPT. OF ORIGIN: Utilities
DATE SUBMITTED: August 25, 2016
SUBMITTED BY: Tim Woomer, Utilities Director

Summary:

The City of Hobbs is a participating agency under the New Mexico Cooperative Educational Services (CES) program which procures goods and services as an NM Administering Agency for its members. Tate Branch Auto Group of Hobbs, NM is currently contracted under the CES program and has proposed to provide a 2017 1500 Cargo Van to be used by the Utilities Department's SCADA Division.

Fiscal Impact: \$28,958.19 (TTL not included)

Reviewed By: 
Finance Department

Funds for this vehicle have been budgeted through line item 604685-43004

Attachments:

Cost Proposal Tate Branch Auto Group

Legal Review:

Approved As To Form: 
City Attorney

Recommendation:

Staff recommends that Tate Branch Auto Group be awarded the purchase of a 2017 Cargo Van through a Cooperative Education Services Agreement (CES) in the amount of \$28,958.19 plus TTL.

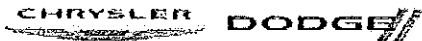
Approved For Submittal By:


Department Director


City Manager

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



Tate BRANCH

AUTO GROUP
Visit us @ TateBranch.com

4123 N Lovington Hwy
Hobbs, NM 88240
Ph: (575) 392-4641



Deal # 29982

Date 08/18/2016

Salesperson Criswell, Terry

08-18-2016, 10:08 AM

Buyer <u>Cityofhobbs</u>	Co-Buyer _____
Address _____	Address _____
City <u>HOBBS</u> State <u>NM</u> Zip <u>88240</u>	City _____ State _____ Zip _____
SSN _____ DL # _____	SSN _____ DL # _____
HP _____ WP _____	HP _____ WP _____
E-mail Address _____	E-mail Address _____

VEHICLE INFORMATION

New XX Used _____ Demo _____ Miles _____ Stock # _____
 Yr 2017 Make Ram Model 1500 Cargo Van Body _____
 Color _____ VIN # _____

TRADE-IN INFORMATION

Yr _____ Make _____ Model _____ Body _____
 Color _____ VIN # _____
 Miles _____ Title Status _____

PAYOFF INFORMATION

Bank _____ PAYOFF AMOUNT _____

AFTERMARKETS

Financed Aftermarkets:	\$	0.00	Sale Price:	\$	28,709.19
Monthly Payments:	\$	28958.19	Financed Aftermarkets:	\$	0.00
Term:		0 mos.	Total Trade Allowance:	\$	0.00
Rate:		0.000%	Trade Difference:	\$	28,709.19
			Documentary Fee:	\$	249.00
			State & Local Taxes:	\$	0.00
			Total License & Fees:	\$	0.00
			Total Cash Price:	\$	28,958.19
			Total Trade Payoff:	\$	0.00
			Delivered Price:	\$	28,958.19
			Cash Down + Deposit:	\$	0.00
			Total Rebates:	\$	0.00
			Unpaid Balance:	\$	28,958.19
			Service Agreement:	\$	0.00
			GAP:	\$	0.00
			Amount Financed:	\$	28,958.19

ALL PAYMENTS QUOTED BY SALES DEPARTMENT ARE ESTIMATES SUBJECT TO FINANCIAL INSTITUTION APPROVAL. EXACT PAYMENTS MAY CHANGE BASED ON FINANCIAL INSTITUTION GUIDELINES AND CUSTOMER CREDIT RATING AND OTHER FACTORS.

Customer Signature: _____ Date: _____



CITY OF HOBBS
COMMISSION STAFF SUMMARY FORM

MEETING DATE: September 6, 2016

SUBJECT: FY2017 NM State Fire Marshal Fire Protection Grant

DEPT. OF ORIGIN: Fire
DATE SUBMITTED: August 26, 2016
SUBMITTED BY: Barry Young, Deputy Fire Chief

Summary: The City of Hobbs Fire Department is eligible to participate in the FY17 NM State Fire Marshal Fire Protection Grant. The grant will award a single applicant a maximum of \$100,000 with a minimum matching funds commitment from the department of 20%.

The Hobbs Fire Department wishes to utilize this grant for the purchase of Personal Protective Equipment (PPE), specifically air packs and bunker gear, as well as search and rescue equipment. The PPE is vital equipment which ensures firefighters are safely operating at emergency incidents. The search and rescue equipment will allow members to quickly and effectively locate downed, trapped, or lost firefighters on fire scenes.

Fiscal Impact:

Reviewed By: [Signature]
Finance Department

The total amount of the grant is \$122,566.00, of which the city would be responsible for 20% or \$24,513.20. The remaining \$98,052.80 would be covered by funding from this grant if it is awarded by the Fire Protection Grant Council.

Attachments:

- Resolution
Grant Application

Legal Review:

Approved As To Form: [Signature]
City Attorney

Recommendation:

Approval of the resolution to submit the FY2017 NM State Fire Marshal Fire Protection Grant for the purchase of Personal Protective Equipment.

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. 6475

A RESOLUTION APPROVING
THE SUBMISSION OF FY2017
NEW MEXICO STATE FIRE MARSHAL FIRE PROTECTION GRANT

WHEREAS, the City of Hobbs Fire Department is eligible to participate in the FY2017 State Fire Marshal Fire Protection Grant: and

WHEREAS, the grant will provide financial assistance with the purchase of Personal Protective Equipment, specifically air packs and bunker gear, as well as search and rescue equipment; and

WHEREAS, the total amount of the Personal Protective Equipment is \$122,566.00, of which the City would be responsible for 20% or \$24,513.20 and;

WHEREAS, the grant request would cover the outstanding cost of \$98,052.80;

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 Grant Application with the New Mexico State Fire Marshal Fire Protection Grant for the purchase of Personal Protective Equipment.

PASSED, APPROVED AND ADOPTED this 6th day of September, 2016.

SAM D. COBB, Mayor

ATTEST:

JAN FLETCHER, City Clerk

APPLICATION FOR FY17 FIRE PROTECTION GRANT
Applications will be accepted from July 08, 2016 to September 08, 2016

Eligibility

All fire departments currently certified and funded by the New Mexico State Fire Marshal's Office are eligible to participate in the fire protection grant process.

Only one grant application per department may be submitted.

Note: Any fire department that is awarded a grant and consequently loses its qualification to participate in the Fire Protection Funding process shall return the apparatus and/or equipment to the State Fire Marshal for redistribution as per 59A-53 NMSA 1978 and Title 10 Chapter 25 Part 10 of the NMAC.

Maximum Award and Matching Funds

The maximum amount awarded to a single applicant will not exceed \$100,000.00 with a minimum matching funds commitment from the department of 20% . Costs exceeding the grant amount shall be the responsibility of the local government. State fire funds may be used for this purpose with proper approval from the New Mexico State Fire Marshal's Office.

Signatures/Commitment of Funds

The fire chief and the fiscal agent for the local government shall sign the application. In addition, the fiscal agent shall sign the Fiscal Agent Commitment Statement indicating a commitment of these funds for the awarded project and a commitment of the 20% matching funds. Applications submitted without both signatures will not be considered.

MINIMUM REQUIREMENTS

NFIRS Reporting

All applicants shall be in compliance with the reporting requirements of the New Mexico State Fire Marshal's Office utilizing the National Fire Incident Reporting System (NFIRS) as per 59A-52 NMSA 1978 and Title 10 Chapter 25 Part 10 of the NMAC. Applicants with delinquent NFIRS reports for the period of July 2015 to June 2016 at the time the application period closes will not be considered.

Pump Testing

All rated fire pumps shall undergo annual pump tests to ensure proper function and firefighter safety; therefore, the New Mexico Fire Protection Grant Council is requiring apparatus pump tests be conducted on each apparatus with rated fire pumps and documented in a Pump Test Data Log and verified by a signed and notarized affidavit.

- All annual pump tests shall be in accordance with NFPA 1901 and the Insurance Service Office (ISO) requirements.
- A Pump Test Data Log (attached) must be completed and uploaded with the application. The electronic Excel Spreadsheet is available on the Grant website.
- An Affidavit of Completed Annual Pump Tests (attached) signed by the Fire Chief and notarized verifying that three years of pump test records exist for each apparatus with a rated fire pump and are on file with the department must be uploaded with the application. A pdf file of the Affidavit is available on the Grant website.

ADDITIONAL INFORMATION

All of the information contained in the application is carefully reviewed and considered. In addition to general information and data provided, thorough and clear narrative responses are critical to helping reviewers understand the needs of the department relative to the request.

The department may request funding for apparatus, PPE, communication equipment or another justified critical need. All apparatus must meet NFPA Standards. Equipment/apparatus specifications are subject to review by the Fire Marshal's Office. The department must have the capability to immediately house apparatus properly. NFPA listed equipment may be included with the purchase of apparatus.

SELECTION CRITERIA

Applications will be placed in consideration categories meeting specific criteria as follows:

Category A

- 1) NFIRS Compliant. **NFIRS Compliant (per 59A-52 NMSA 1978 and Title 10 Chapter 25 Part 10 of the NMAC. Each certified fire department shall complete the reporting requirement by the 10th day of each month following the month for which the report is prepared. (e.g., the report of January is due by February 10th.**
- 2) Pump Test compliant (in accordance with NFPA 1901 and ISO requirements).
- 3) Request is for a Critical Need (clearly explained in the application)
- 4) Never before received a NM Fire Protection Grant

Category B

- 1) NFIRS Compliant. **NFIRS Compliant (per 59A-52 NMSA 1978 and Title 10 Chapter 25 Part 10 of the NMAC. Each certified fire department shall complete the reporting requirement by the 10th day of each month following the month for which the report is prepared. (e.g., the report of January is due by February 10th.**
- 2) Pump Test compliant (in accordance with NFPA 1901 and ISO requirements).
- 3) Request is for a Critical Need (clearly explained in the application)
- 4) Previous NM Fire Protection Grant recipient

Category C

- 1) NFIRS Compliant (per 59A-52 NMSA 1978 and Title 10 Chapter 25 Part 10 of the NMAC. Each certified fire department shall complete the reporting requirement by the 10th day of each month following the month for which the report is prepared. (e.g., the report of January is due by February 10th)
- 2) Pump Test compliant (in accordance with NFPA 1901 and ISO requirements).
- 3) Request is not a Critical need
- 4) Previous recipient

Category D

- 1) Non-compliant (will not be considered for a grant)

CRITICAL NEEDS

- o Fire apparatus/equipment
- o PPE (structural, wildland, SCBA)
- o Communications
- o Maintenance, training, water
- o Need that will clearly will have significant impact on ISO Classification

ACKNOWLEDGEMENT/SIGNATURES		
Name of Department/District: Hobbs	County: Lea	
Name of Fire Chief (please print) Manny Gomez	Signature of Fire Chief	Date
Name/Title of County/Municipal Fiscal Agent (please print)	Signature of Fiscal Agent	Date
Mailed, Emailed, or Faxed applications <u>will not</u> be accepted.		

This application may be downloaded from the following website: <http://www.nmprc.state.nm.us/sfm.htm>

**Please answer all questions in this application.
Incomplete applications will not be considered.**

GENERAL INFORMATION	
Fire Department ID Number (using NFIRS identifier)	25013
Fire Department Name	Hobbs
Insurance Services Office (ISO) Rating	2
County	Lea City/Municipality
What kind of organization is your fire department?	Career
How many stations are in your organization?	
Main	4
Substations	0
Admin	1
Type of community your organization serves Based on population density	Urban
Mailing Address	
Address	301 East White St.
City	Hobbs
State	NM
Zip Code	88240
Phone number	(575) 397-9308
Email address	mgomez@hobbsnm.org
Name of Person Completing this application?	Barry Young
Are you a fire department member?	Yes
How many career fire fighters do you have?	64
How many volunteer firefighters do you have?	0
If combined, how many uniformed full-time career fire fighters are at the station at all times?	0
How many are FF-I Certified?	64
How many are FF-II Certified?	64
Do your newly recruited Fire Fighters undergo an entry-level physical and receive immunizations? Describe	Newly hired firefighters undergo a pre-employment medical screening and physical, and once hired they will receive bi-annual medical screenings and physicals. Immunizations are offered to each employee once they are hired.

BUDGET INFORMATION	
What is your fire departments operating budget, including personnel costs, for your current fiscal year?(in dollars)	\$9,709,828.00
What is the current Protection Fire Fund distribution?	\$497,825.00
What is the approved total carryover balance, if any, of Protection Fire Funds maintained by the department?	\$0.00
What was the purpose of the approval carryover?	No Carryover
What percentage of your annual operating budget is derived from:	
Taxes?	94%
Grants?	1%
State Fire Marshal Funds?	5%
Donations?	0%
Fund Drives?	0%
Fee For Service?	0%

Others?	0%
Please Explain (For 'Others')	0

COMMUNITY INFORMATION

Name of Community Protected? City of Hobbs	Number of commercial buildings protected in fire district? 5469
Number of homes protected in fire district? 15376	What is the permanent resident population of the community you serve? 50000

Do you have formal automatic aid or mutual aid agreements?
Yes

List adjacent automatic aid fire districts (with written agreements)

S.No	Automatic Aide Fire Districts
1	Mutual aid agreements with the following departments: Jal Fire Dept., Eunice Fire Dept., Monument Fire Dept., Maljamar Fire Dept., Knowles Fire Dept., Lovington Fire Dept., Tatum Fire Dept.

RESPONSE HISTORY IN THE LAST YEAR

What is your call volume for the past year? (from last year July 1st to this year June 30th) 8342

How many responses per category?

Structure Fire (IT 110-118, 120-123) 86	Hazardous Condition (IT 400-482) 288	Vehicle Fire (IT 130-138) 25	Service Calls (IT 500-571) 40	Vegetation Fire (IT 140-143) 56
Good Intent Calls (IT 600-671) 65	EMS (IT 300-323) 7470	False Calls (700-751) 295	Rescue (IT 331-381) 14	Other 3

Call Volume/History Support request?

WATER AVAILABILITY

Community hydrant system ? Yes	Total capacity of available water storage(in gallons) 11,400,000.00	Water storage tank with fire hydrant @ station No
-----------------------------------	--	--

Describe additional water source(s):

S.No	Source	Capacity(in gallons)
1	Green Meadows Lake	22106753
2	Harry McAdams Lake	2361288

TRAINING

Average # of training hours per Firefighter per year : 280

How many training opportunities has this department offered in the last calendar year?

Training Details	Supporting Document
Hobbs Fire Department Training	Training HFD.xls

APPARATUS

List class A pumper(s)

Are pump test conducted annually on apparatus?

Yes

Total number of seated positions :
34

Copies of most recent pump tests records must be attached (upto 3 years)

Explain if not tested properly:

0

COMMUNICATION EQUIPMENT

Do you have any of the following?

Handheld radios	100
Base Stations	9
Mobile radios	31
Do you have any apparatus without a mobile radio?	No

List communication equipment by type

Describe your communication equipment and capability (type, qty, range) (if more than zero)	How Many?
Harris XG-75 700 & 800 trunking capability, all of Lea County within 100 miles north and south and 50 miles east and west. All handheld radios are P25 compliant.	100
MaCom base stations with Harris mobiles installed. 700 & 800 trunking capability, all of Lea County within 100 miles north and south and 50 miles east and west. All base stations are P25 compliant.	9
Harris mobiles with 700 & 800 trunking capability, all of Lea county within 100 miles north and south and 50 miles east and west. All mobiles are P25 compliant.	31

Do you have interoperability with any of the following agencies?

Law Enforcement	Yes
Emergency Medical	Yes
Other Fire Departments	Yes
Other (that could not be classified as above)	Yes
Describe (if 'yes' on others)	Street Department, County Departments
Do you have any areas in your jurisdiction which are NOT covered by a repeater?	No
Describe (if yes for above)	

HAZARDS/THREATS

Describe the threat to the community: (i.e., fuel storage bulk plants, railroads, high hazard occupancies, etc.)

Hazard Type	Hazard Detail
High Hazard Occupancy	Oilfield chemical mixing facility
Fuel Storage	Numerous fuel storage bulk plants within the response district
Railroad	Railroad which runs through the city limits carrying chemical wastes, LPG, gasoline, crude oil, and PCB's
Oilfield Acid Pants	Numerous acid facilities storing and transporting acids for oilfield fracking jobs
Radioactive	Urenco - Uranium enrichment facility located in the county area with our department being the hazardous materials response team. Also, radioactive material in different areas of the city from the oilfield industry.

CURRENT PERSONAL PROTECTIVE EQUIPMENT (PPE)

Are all PPE inspected annually per NFPA 1851?
Yes

1981 STANDARD COMPLIANT PPE

Qty	Age (years)	Condition
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1997 STANDARD COMPLIANT PPE

Qty	Age (years)	Condition
-----	-------------	-----------

2002 STANDARD COMPLIANT PPE		
Qty	Age (years)	Condition
2007 STANDARD COMPLIANT PPE		
Qty	Age (years)	Condition
85	8	Fair
Do you have your bottle filling capability? :		
Yes		
Do you have SCBA cylinder filling capability? :		
Yes		
Describe SCBA cylinder filling capability :		
Eagle Air System Raven CFS (cylinder fill system). Contains a unique four cylinder fill capacity which speeds the filling process.		
Pressure :		
High		
1981 STANDARD COMPLIANT SCBA		
Qty	Age (years)	Condition
1997 STANDARD COMPLIANT SCBA		
Qty	Age (years)	Condition
2002 STANDARD COMPLIANT SCBA		
Qty	Age (years)	Condition
38	15	Poor
2007 STANDARD COMPLIANT SCBA		
Qty	Age (years)	Condition
67	8	Fair

EQUIPMENT NEEDS

List in priority order, and explain the equipment needs of your department and the total costs of fulfilling the needs.

Priority Order #	Priority Category Requesting From	Equipment Needed	Quantity	Total Cost of Equipment(\$)
1	SCBA	Regulator	13	\$72,566.00
2	PPE	Structural	20	\$40,000.00
3	General Fire Fighting Equipment	Rescue Equipment	4	\$10,000.00
				Total: \$122,566.00

What (specifically) will you purchase if awarded this grant?:
 Priority 1: The Hobbs Fire Department would utilize grant funds to purchase 13 Scott X3 air packs to replace packs which are dated and/or are in poor condition. This will help to move forward with meeting and/or exceeding current NFPA standards for SCBA. Priority 2: The Hobbs Fire Department would utilize grant funds to purchase 20 sets of structural PPE, which includes jackets, pants, and boots. It is essential for the department to have PPE ready for new hires and also for those times when PPE is damaged during working operations. Priority 3: The Hobbs Fire Department would utilize grant funds to purchase 4 Scott Pak-Trackers. These enable search and rescue teams to locate downed, trapped, or lost firefighters who are wearing Scott air packs equipped with the transmitter. The Hobbs Fire Department currently utilizes air packs with the transmitter in place.

Will fulfilling this need impact your organization's ISO rating?:
 Yes

Please explain:
 ISO standards cover all aspects of a fire department, including equipment. Having air packs available on each apparatus is part of the ISO inspection, which requires a certain number of SCBA to be available on the apparatus regardless of the number of personnel seated in the vehicle. PPE, specifically bunker gear, is essential life safety equipment for firefighters who respond to emergency situations. Bunker gear provides the protection necessary for firefighters to be able to combat conditions presented in emergency situations. The Pak-Tracker is also a huge part of the life safety process when dealing with downed, lost, or trapped firefighters inside a structure. This device allows search and rescue teams to locate personnel wherever they may be at an emergency scene.

GRANT FUNDING JUSTIFICATION

Financial Need: Give us a financial snapshot of your area. Tell us why you need assistance and describe your department/organization's current funding issues.

The City of Hobbs is located in the southeastern section of New Mexico and relies heavily on the oil and gas industry. This industry can be very

volatile, having high peaks and very low valleys. The economy in this area has seen a direct impact from the slump in oil prices over the last year, and the city has seen a sharp decrease in revenue tied to gross receipt taxes. The City has made it a point to maintain a healthy reserve of general funds; however, with a continued decrease in gross receipts, those funds are at risk of dramatically decreasing. The Hobbs Fire Department's budget was approved by the commission, however, there were cuts made to most line items within the budget which has affected major purchases such as the equipment being requested in this grant. With the instability of the oil and gas industry hampering the revenue in gross receipts collected and dispersed to the City of Hobbs, the fire department could potentially see cuts in the operational budget. This would deal a significant blow to the department in regards to purchasing equipment vital to the life safety of our personnel and the community we serve.

Request: Provide a brief description of what the request does, how the dollars will be, spent and explain the need.

This grant request would allow the Hobbs Fire Department to purchase equipment necessary to ensure the safety of our personnel as they respond to emergency events. The purchase of air packs would coincide with the grant we received last year, which helped to replace SCBA bottles which were in poor condition and/or dated. The air packs would also meet or exceed current SCBA standards being followed at this time. These air packs would also have a feature included which would work with the Pak-Tracker being requested in this grant. The department currently has air packs which have the feature for the Pak-Tracker; however, not all apparatus' have those types of air packs at this time. The new air packs would allow the department to increase the number of personnel who are utilizing those with the Pak-Tracker feature ensuring the safety of responders throughout an emergency event. Bunker gear is necessary as the department outfits new hires and replaces gear which may be damaged or may be coming to the end of its life cycle. The purchase of bunker gear would ensure all personnel are outfitted appropriately to respond to emergency events. The department currently has a limited supply to issue to those personnel who are newly hired or to replace damaged and worn gear. Bunker gear has to be maintained and available to issue, as it is an essential part of what a firefighter needs to maintain their life safety as well as provide service to the community.

Problem: Provide a brief description of the problem your department/district is addressing with this grant application.

The Hobbs Fire Department is addressing the need to replace air packs, PPE, and also to provide equipment necessary to ensure life safety of our personnel. The air packs being requested will replace those currently in service which are in poor condition and/or coming to the end of their life expectancy. The department is utilizing some air packs which do not have the same capabilities as those which are being requested. The capability to locate firefighters who are lost, trapped, or down in a structure is a very important life safety issue the department would be addressing. The Hobbs Fire Department is also addressing the need to replace PPE, specifically bunker gear, to ensure it is current to NFPA standards. The department currently has a low inventory of bunker gear to issue to new hires and to those personnel who have damaged or worn gear. All of the department's bunker gear undergoes inspection per NFPA 1851 each year, and the gear which is deemed unsafe or unsuitable is replaced immediately. It is critical our department has the inventory available to immediately replace damaged bunker gear, and allow personnel to respond without any delays.

Analysis of Benefits: Provide a brief description of how the department/district this performance will be improved and how this comparesto the proposed expenditure.

The benefits of purchasing air packs, PPE, and Pak-Trackers far outweigh the costs. This type of equipment is a vital part of personal protective equipment necessary for personnel to function and provide the highest level of service possible. This equipment can also be the difference between life and death for a firefighter who may be down, lost, or trapped inside a structure and there is no price which can be put on a human life. Without air packs, firefighters cannot safely perform their duties, which puts themselves and the community at risk. With funding from this grant, the department will be able to ensure personnel are fully capable of responding to emergency events and performing essential functions, all while maintaining safety for themselves as well as the public. Safety of all is the greatest benefit of this grant request.

Community and Your Organization's Relationship:Provide a description of your department/organization's role and relationship withinthe community and what impact this request will have.

The Hobbs Fire Department is the sole provider of fire protection and EMS services to the City of Hobbs. The department is highly progressive and well respected in the community, and strives to provide the highest level of service it can. In order for the department to successfully provide a high level of service, it must be able to provide the necessary tools and equipment to all personnel. This grant request will make available the tools and equipment necessary for our personnel to continue to provide the highest level of customer service and safety to our community.

Consequences:Provide a brief description of consequences of not funding this grant request. If your department does not receive therequested grant, what will the department do?.

If the Hobbs Fire Department does not receive funding from this grant, we will not be able to replace dated and/or poor conditioned equipment. The department would continue to utilize the equipment on hand, and would have to seek other avenues for funding. With the volatility of the oil and gas industry, there is no way of predicting when revenues will increase, which would allow the department to budget these types of equipment into the operating budget. Different grant processes would be an option with the assistance of replacing the dated equipment; however those grants are typically utilized for other high priority projects. This scenario will prevent our department from continuing to replace the high priority items which will create bigger issues for our department in the future. The Hobbs Fire Department will continue remain vigilant in seeking other funding opportunities in replacing the dated equipment that impacts the life safety of our personnel as well as the community.

PROJECT BUDGET SHEET

Priority Order #	Priority Category Requesting From	Equipment Needed	Quantity	Total Cost of Equipment(\$)
1	SCBA	Regulator	13	\$72,566.00
2	PPE	Structural	20	\$40,000.00
3	General Fire Fighting Equipment	Rescue Equipment	4	\$10,000.00
Total:				\$122,566.00

Total amount	\$122,566.00
Less matching amount (minimum 20% of the Total amount)	\$24,513.20
SubTotal	\$98,052.80
Grant amount requested (maximum request \$100,000.00)	\$98,052.80
Department is responsible for the amount in excess of \$100,000.00	\$0.00
Total amount the Department is responsible for	\$24,513.20

FISCAL AGENT COMMITMENT STATEMENT

I, as fiscal agent for the _____ department, certify that a minimum of 20% in matching funds are committed to the project for which this application is submitted.

Name of County/Minicipal Fiscal Agent (please print) Title

Signature of County/Minicipal Fiscal Agent Date

FY17 NM Fire Protection Grant Application PUMP TEST DATA LOG

Apparatus ID	Vehicle Identification #	License Plate #	GPM	Test Date	Pass/Fail	COMMENTS
1 Engine 511	4S7AU2D91CC075238	G85283	1500	3/23/16	Pass	
2 Engine 512	4P1CT02S7WA000168	G34871	1500	3/10/16	Pass	
3 Engine 513	4S7CU2D97DC076727	G89276	1500	3/23/16	Pass	
4 Engine 515	1HTSDADR3WH520587	G34872	1250	3/23/16	Pass	
5 Ladder 3	1S95181357S936101	G76034	2000	3/9/16	Pass	
6 Ladder 4	4P1CE01A85A005106	G65710	2000	3/23/16	Pass	
7						
8						
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USE ADDITIONAL SHEETS AS NECESSARY



CITY OF HOBBS
COMMISSION STAFF SUMMARY FORM

MEETING DATE: September 6, 2016

SUBJECT: RESOLUTION APPROVING THE VACATION OF A PORTION OF MIDWEST STREET LOCATED SOUTH OF LOT 19, BLOCK 57 OF THE NEW HOBBS ADDITION.

DEPT. OF ORIGIN: Planning Division
DATE SUBMITTED: August 26, 2016
SUBMITTED BY: Kevin Robinson - Planning Department

Summary: Erica Garcia has requested a vacation of a portion of Midwest Street located south of Lot 19, Block 57 of the New Hobbs Addition. Midwest is classified as a minor residential per the City of Hobbs Major Thoroughfare Plan requiring a 60' ROW today, however 80' ROW's were dedicated to the municipality when the original subdivision was accepted. The plat also dedicates additional ROW to the municipality for Dal Paso, a major arterial, requiring a 130' ROW today. The vacation is necessary to allow compliant developmental to occur on the site. The Planning Board recommends that the dedication is accepted in lieu of remuneration for the vacated property. The Planning Board reviewed this issue on August 16, 2016 and voted 5 to 0 to recommend approval.

Fiscal Impact:

Reviewed By: [Signature] Finance Department

No Fiscal Impact.

Attachments: Resolution, Vacation Plat and Planning Board Minutes.

Legal Review:

Approved As To Form: [Signature] City Attorney

Recommendation:

Staff recommends Consideration of the Approval of the Resolution to approve the Vacation Plat, 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. 6476

A RESOLUTION APPROVING THE VACATION OF A PORTION OF MIDWEST STREET LOCATED SOUTH OF LOT 19, BLOCK 57 OF THE NEW HOBBS ADDITION.

WHEREAS, adjacent property owner is requesting the vacation of a portion of Midwest Street located south of Lot 19, Block 57 of the New Hobbs Addition; and

WHEREAS, the City Commission has determined that the abandonment of the public right of ways will not adversely affect the interests or rights of persons in contiguous territory or within the subdivision.

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

1. The City of Hobbs hereby approves the Vacation Plat as attached hereto and made a part of this Resolution.
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 September, 2016.

SAM D. COBB, Mayor

ATTEST:

JAN FLETCHER, City Clerk

Commissioner Buie said that he has had several complaints about parking on the streets with 18 wheelers, gooseneck trucks and other big vehicles in residential areas. He said he understands times are tough and they do not want to pay to have their vehicle or work truck parked somewhere else. He asked if there was anything that could be done. Mr. Hicks said the Board has had that discussion many times over the years. Mr. Robinson said within our current municipal code there is nothing that can be done. He said in the past they have brought particular changes to those codes to disallow what is going on and it has yet to pass this Board up to the Commission. He said they can certainly bring it back to the Board.

Commissioner Buie said it is happening all over the town. He said they are getting more and more complaints over this issue. Mr. Hicks asked if he thought the rest of the Commissioners would support some sort of restriction of parking vehicles over a certain gross weight in residential areas. Commissioner Buie said he thinks the Commissioners would be open to conversation. He said he would be in favor of it. He said the unfortunate reason we have laws and ordinances is because people do not respect their neighbors. Mr. Kesner asked about design standards on roadway and if residential roads could handle that weight. Mr. Randall said it isn't just weight but the number of trucks. He said the roads are designed for Waste Management. He suggested having legal come to the next meeting to describe the ordinances in place.

There were no other communications.

5) Review and Consider vacation of a portion of a T-Alley north of Alston between Thorp and Linam within Block 117 of the Highland Park Addition.

Mr. Robinson said this is a vacation of an existing alleyway. He said it is a T-alley and the south portion of the T will be vacated. He said the building and the lot belong to Casa. He said the municipality will retain an easement for the roadway. Mr. Hicks asked if it complies with the guidelines on value. Mr. Robinson said that has been discussed with the property owner and they do understand that they will be required to purchase that property. He said staff at this point has placed a value on that property of \$1 a square foot which is indicative of properties that we were selling when we had the auction. He said that is about \$2800. He said there are options in the vacation policy allowing for this board and the Commission to allow for nonprofit entities to have the property donated to them instead of a purchase. Mr. Kesner asked what utilities were in the alley. Mr. Robinson said the utilities are the sewer and Xcel and possibility of gas and phone.

Mr. Shaw made a motion, seconded by Mr. Drennan to approve the vacation and recommend that the city donate the land to Casa. The vote on the motion was 5-0 and the motion carried.

6) Review and Consider proposed vacation of a portion of Midwest between Morris and Dal Paso within Block 57 of the New Hobbs Addition.

Mr. Robinson said staff has had numerous conversations about the 80 foot right-of-ways south of town. He said staff has looked at a way to do blanket vacations and turn all the 80 foot right-of-ways into 60 foot right-of-ways. He said this is part of the problem. He said

this is Dan's restaurant and they would like to put in a drive thru window and this window would be occupying public property. He said if that portion is vacated then is would give them room for their drive thru. He said it would take a combination of dedication and vacation so they will have additional properties dedicated on Dal Paso and vacating properties on Midwest. Mr. Hicks said the note on the drawing states dedication on Dal Paso is in exchange for payment of vacated property. Mr. Robinson said as the dedication sits right now their property extends to the edge of the right-of-way on Dal Paso. He said the municipality has a need of the additional right-of-way on Dal Paso. He said they will do a vacation and the owners will do a dedication. Mr. Hicks said it should read on the drawing "in lieu" of payment. Mr. Robinson agreed.

Mr. Kesner asked how they will have enough off street parking. Mr. Robinson said the next item will address that. Mr. Ramirez made a motion, seconded by Mr. Shaw to approve the vacation of a portion of Midwest between Morris and Dal Paso. The vote on the motion was 5-0 and the motion carried.

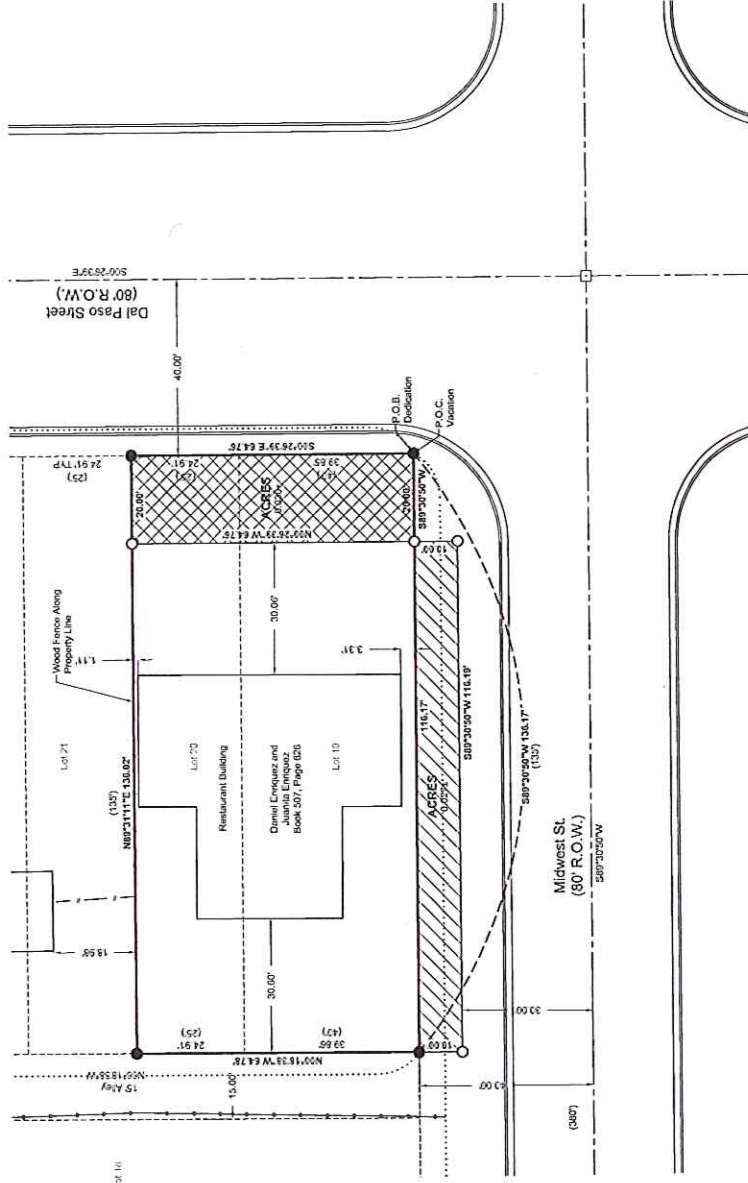
- 7) Review and Consider a variance request from the Municipal Buffering Standards as submitted by Dan's Restaurant, allowing alley access to an employee parking area. As a condition of the granting of a variance the Developer has agreed to improve (chipseal) the Alleyways utilized for access.

Mr. Robinson said the drawing you are looking at is the drive up window. He said within the Buffering Standards commercial businesses are disallowed to use an alleyway for commercial purposes. He said however, in the past we have granted variances. He said part of granting the variance is paving or improving the properties and maintaining them. He said that is what they are proposing and they will improve the alleyways to allow for parking on the west side of the building for employee parking. He said the customers will be using the drive up window through the alleyway entrance. He said currently there is public parking in old city jail area. He said staff is proposing a more formalized parking agreement with Dan's. Mr. Kesner said he thinks we are creating more of a safety hazard by having them exit onto Dal Paso instead of exiting off of Midwest. Mr. Robinson said what staff is attempting to do is keep away from an exit this close to a radius. Mr. Kesner said he would rather have the vehicles separated from the pedestrian walking area. Mr. Robinson said that is why the last parking space is located away from that area.

Mr. Hicks said he agreed with Mr. Kesner about the exit because you are creating one less driveway. He said there is no restricted access to the parking lot anywhere. Mr. Robinson said once they get the vacation they can begin to look at options. He said the municipality has not seen any developmental drawings on how it will lay out. He said staff put this drawing together for a concept ideal. Mr. Shaw said the north/south alleyway is not being used for an alley other than Waste Management grabbing their dumpster. He asked if it made sense to vacate that alley as well? Mr. Hicks said he agreed with Mr. Shaw that it isn't necessary to vacate the 20 foot alley to the north. Mr. Kesner agreed. Mr. Robinson said if the developer chooses to use the L they will have to improve it. Mr. Shaw said he thought they were far enough away from the intersection for an entrance and the parking in front of the old jail makes sense. Mr. Hicks said this is a good use of allowing them to expand and do their business. Mr. Randall said the city is not the only authority on the driveway location

VACATION AND DEDICATION PLAT

LOTS 19 AND 20, BLOCK 57 OF THE NEW HOBBS ADDITION, LEA COUNTY, HOBBS, NEW MEXICO



LEGEND

- Found as noted
- Set 5/8" rebar with red plastic cap marked "HICKS NMPG 12348"
- Lot line
- Building line
- Property line
- Charlisle fence
- Wood fence
- Measured bearing and distance (XXXXXX' XXXX")
- Record bearing and distance (XXXXXX' XXXX")
- Dedication (XXXXXX' XXXX")
- Vacation (XXXXXX' XXXX")



BASIS OF BEARING

The basis of bearing for this survey is Grid North based on the New Mexico State Plane Coordinate System, East Zone, as determined by GPS/GNSS observations. Ground coordinates are modified by scaling about a control point located at N32°40'03.64577", W103°10'44.87982" by a combined scale factor of 0.9998852473. True north can be obtained by applying a convergence angle of 00°39'04.47" at the Point of Beginning and Commencement.

PETTIGREW & ASSOCIATES PA
ENGINEERING | SURVEYING | TESTING
DEFINING QUALITY SINCE 1963
100 E. Navajo - Suite 100, Hobbs New Mexico 88240
T 575 393 9827 F 575 393 1543
Pettigrew.us

PROJECT SURVEYOR: J. BAKER
DRAWN BY: C. MCMAHON



INDEXING INFORMATION FOR COUNTY CLERK

OWNER:
DANIEL ENRIQUEZ
AND
JUANITA ENRIQUEZ
LOCATION:
Located in the NE1/4 of Section 3, T19S,
R39E, N1M.P.M., City of Hobbs,
Lea County, New Mexico.

NO.	DATE	DESCRIPTION

State of New Mexico, County of _____
I here by certify that this instrument was filed for record on:
The _____ Day of _____,
20 _____ A.D.
At _____ O'Clock _____ M.,
Cabinet _____ Slide _____
Book _____ Page _____
By _____ County Clerk
By _____ Deputy

VACATION/DEDICATION PLAT
NEW HOBBS ADDITION
R.O.W. IN BLOCK 57
CITY OF HOBBS,
LEA COUNTY, NEW MEXICO
FOR
ERIKA GARCIA

PROJECT NUMBER:
2016.1146

SHEET: 1 of 2
SU - 101

PETTIGREW & ASSOCIATES PA
 ENGINEERING | SURVEYING | TESTING
 DEFINING QUALITY SINCE 1905
 100 E. Navajo - Suite 100, Hobbs New Mexico 88240
 T 575 393 9827 F 575 393 1543
 Pettigrew.us

PROJECT SURVEYOR: J. BAKER
 DRAWN BY: C. MCARD



INDEXING INFORMATION FOR COUNTY CLERK
 OWNER: DANIEL ENRIQUEZ AND JUANITA ENRIQUEZ
 LOCATION: Located in the NE 1/4 of Section 3, T19S, R38E, N.M.P.M., City of Hobbs, Lea County, New Mexico.

No.	DATE	DESCRIPTION

State of New Mexico, County of _____
 I here by certify that this instrument was filed for record on:
 The _____ day of _____, 20____ A.D.
 At _____ O'Clock _____ M.
 Cabinet _____ Slide _____
 Book _____ Page _____
 By _____ County Clerk
 By _____ Deputy

VACATION/DEDICATION PLAT
 NEW HOBBS ADDITION,
 R.O.W. IN BLOCK 57,
 CITY OF HOBBS,
 LEA COUNTY, NEW MEXICO
 FOR
 ERIKA GARCIA

PROJECT NUMBER:
2016.1146

SHEET: **2** of **2**
SU - 102

OWNERS STATEMENT AND AFFIDAVIT
 State of New Mexico: _____
 County of Lea: _____

The undersigned first duly sworn on oath, state: On behalf of the owners and proprietors we have of our own free will and consent caused this plat with its tracks to be plotted. The property described on this plat lies within the platting jurisdiction of Lea County.

By _____
 City of Hobbs

ACKNOWLEDGMENT
 State of New Mexico: _____
 County of Lea: _____

On this _____ day of _____, 20____, before me, Sam Cobb, to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

Witness my hand and official seal the day and year last above written.
 My Commission Expires: _____
 Notary Public _____

OWNERS STATEMENT AND AFFIDAVIT
 State of New Mexico: _____
 County of Lea: _____

The undersigned first duly sworn on oath, state: On behalf of the owners and proprietors we have of our own free will and consent caused this plat with its tracks to be plotted. The property described on this plat lies within the platting jurisdiction of Lea County.

By Daniel Enriquez
 By Juanita Enriquez

ACKNOWLEDGMENT
 State of New Mexico: _____
 County of Lea: _____

On this _____ day of _____, 20____, before me, Daniel Enriquez and Juanita Enriquez, to me known to be the persons described in and who executed the foregoing instrument and acknowledged that they executed the same as their free act and deed.

Witness my hand and official seal the day and year last above written.
 My Commission Expires: _____
 Notary Public _____

CERTIFICATE OF MUNICIPAL APPROVAL

I, Sam Cobb, Mayor for the City of Hobbs, Lea County, New Mexico, do hereby certify that the Dedication shown hereon was approved by the City of Hobbs on this _____ day of _____, 20____.

Resolution Number _____
 Sam Cobb, Mayor

CERTIFICATE OF MUNICIPAL APPROVAL

I, Sam Cobb, Mayor for the City of Hobbs, Lea County, New Mexico, do hereby certify that the Dedication shown hereon was approved by the City of Hobbs on this _____ day of _____, 20____.

Resolution Number _____
 Sam Cobb, Mayor

RECORD DESCRIPTION - PER DEED BOOK 307, PAGE 026

Surface Title Only:
 Lot, Nineseen (19) and Twenty (20) in Block Fifty-Seven (57) of New Hobbs Addition, now a part of the City of Hobbs, Lea County, New Mexico.
 Subject to restrictions, reservations, and easements of record, together with all improvements thereon, specifically including detached storage building at rear.

Survey Description of Portion of Lots 19 and 20 Being Dedicated

A portion of land being dedicated out of Lots 19 and 20 in Block 57 of the New Hobbs Addition, located in the Northeast Quarter of Section 3, Township 19 South, Range 38 East, N.M.P.M., Lea County, Hobbs, New Mexico, deed to Daniel Enriquez and Juanita Enriquez as recorded in Book 507, Page 626, and more particularly described as follows:

Beginning at a found 5/8-inch rebar with red cap marked "W M HICKS NMPS 12348" being used as the southeast corner of a property deeded to Daniel Enriquez and Juanita Enriquez as recorded in Book 507, Page 626; thence S89°30'50"W along the South boundary line of said property a distance of 20.00 feet to a set 5/8-inch rebar with red cap marked "W M HICKS NMPS 12348"; thence N00°26'39"W a distance of 64.75 feet to a set 5/8-inch rebar with red cap marked "W M HICKS NMPS 12348"; thence N89°31'11"E a distance of 20.00 feet along the North boundary line of said property to a found 5/8-inch rebar with red cap marked "W M HICKS NMPS 12348" being used as the northeast corner of said property; thence S00°26'39"E along the East boundary line of said property a distance of 64.76 feet to the Point of Beginning, and containing 0.030 acres more or less.

Survey Description of Portion of Midwest Street Being Vacated

A portion of land being vacated from Midwest Street (80 feet R.O.W.), South of Lot 19 in Block 57 of the New Hobbs Addition, located in the Northeast Quarter of Section 3, Township 19 South, Range 38 East, N.M.P.M., Lea County, Hobbs, New Mexico, deeded to Daniel Enriquez and Juanita Enriquez as recorded in Book 507, Page 626, and more particularly described as follows:

Commencing at a found 5/8-inch rebar with red cap marked "W M HICKS NMPS 12348" being used as the southeast corner of a property deeded to Daniel Enriquez and Juanita Enriquez as recorded in Book 507, Page 626; thence S89°30'50"W along the South boundary line of said property a distance of 20.00 feet to a Point of Beginning; thence S00°26'39"E a distance of 10.00 feet to a set 5/8-inch rebar with red plastic cap marked "W M HICKS NMPS 12348"; thence S89°30'50"W a distance of 116.19 feet to a set 5/8-inch rebar with red plastic cap marked "W M HICKS NMPS 12348"; thence N00°16'39"W a distance of 10.00 feet to a found 5/8-inch rebar with red cap marked "W M HICKS NMPS 12348"; thence N89°30'50"E along the South boundary line of said property a distance of 116.17 feet to the Point of Beginning, and containing 0.027 acres more or less.

CERTIFICATE OF SURVEY

I, William M. Hicks, III New Mexico Professional Surveyor, hereby certify that this Summary Subdivision Plat was prepared from an actual ground survey performed by me or under my supervision, that this survey is true and correct to the best of my knowledge and belief. That this Summary Subdivision Plat and the field survey upon which it is based meet the Minimum Standards for Surveying in New Mexico.

William M. Hicks, III NMPS #12348 _____ Date _____



CITY OF HOBBS
COMMISSION STAFF SUMMARY FORM

MEETING DATE: September 6, 2016

SUBJECT: RESOLUTION APPROVING THE VACATION OF A PORTION OF THE NORTH\ SOUTH ALLEYWAY LOCATED WITHIN BLOCK 117 OF THE HIGHLAND PARK ADDITION.

DEPT. OF ORIGIN: Planning Division
DATE SUBMITTED: August 26, 2016
SUBMITTED BY: Kevin Robinson - Planning Department

Summary: CASA of Lea County, Court Appointed Special Advocates for Children, has requested a vacation of a portion of the alleyway within Block 117 of the Highland Park Addition. The alleyway is adjacent to CASA's fee simple property comprised of Lots 1-5 and Lot 16 of Block 117 of the Highland Park Addition. The municipality will retain a public utility easement within the proposed vacation for a current and future utility corridor. The vacation is necessary to be compliant with developmental parking regulations for a proposed modular unit to be placed on Lot 16. Also, as per the Vacation Policy, the Commission may elect to waive remuneration for charitable type organizations, as suggested by the City of Hobbs Planning Board. The Planning Board reviewed this issue on August 16, 2016 and voted 5 to 0 to recommend approval.

Fiscal Impact:

Reviewed By: [Signature]
Finance Department

No Fiscal Impact.

Attachments: Resolution, Vacation Plat and Planning Board Minutes.

Legal Review:

Approved As To Form:
[Signature]
City Attorney

Recommendation:

Staff recommends Consideration of the Approval of the Resolution to approve the Vacation Plat, 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. 6477.

A RESOLUTION APPROVING THE VACATION OF A PORTION OF THE NORTH\ SOUTH ALLEYWAY LOCATED WITHIN BLOCK 117 OF THE HIGHLAND PARK ADDITION.

WHEREAS, CASA of Lea County is requesting the vacation of a portion of the North\South alleyway located within Block 117 of the Highland Park Addition; and

WHEREAS, the City Commission has determined that the abandonment of the public right of ways will not adversely affect the interests or rights of persons in contiguous territory or within the subdivision.

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

1. The City of Hobbs hereby approves the Vacation Plat as attached hereto and made a part of this Resolution.
2. The City officials and staff are directed to do any and all acts necessary to carry out the intent of this Resolution.

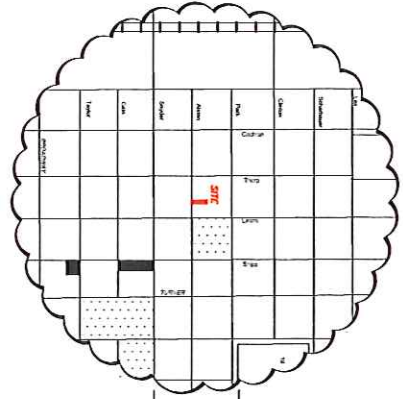
PASSED, ADOPTED AND APPROVED this 6th day of September, 2016.

SAM D. COBB, Mayor

ATTEST:

JAN FLETCHER, City Clerk

**"ALLEY VACATION -
CASA OF LEA COUNTY"
BLOCK 117, HIGHLAND PARK ADDITION,
CITY OF HOBBS, LEA COUNTY, NEW MEXICO**



LEGAL DESCRIPTION - DIVIDED ALLEY
A tract of land being located in Block 117, Highland Park Addition, City of Hobbs, Lea County, New Mexico and being more particularly described as follows: Beginning at a point being the Northwest corner of Lot 16, Thence East 200.00 feet to the Northeast corner of Lot 16, Thence South along the East line of Lot 16, a distance of 140.00 feet to the Southeast corner of Lot 16, Thence West 200.00 feet to the Southwest corner of Lot 16, Thence North along the West line of Lot 16, a distance of 140.00 feet to the point of beginning.
The location and extent of this alley shall not require in any form or fashion any rights new held by existing utility owners.

LEGAL DESCRIPTION - WHITE PASCAGO TO BE RETURNED BY THIS PLAT
Beginning at a point being the Northwest corner of Lot 16, Thence East 200.00 feet to the Northeast corner of Lot 16, Thence South along the East line of Lot 16, a distance of 140.00 feet to the Southeast corner of Lot 16, Thence West 200.00 feet to the Southwest corner of Lot 16, Thence North along the West line of Lot 16, a distance of 140.00 feet to the point of beginning.

CERTIFICATE OF APPROVAL BY THE CITY PLANNING BOARD
The location and extent of this alley is shown on the City of Hobbs, New Mexico, City Planning Board of Hobbs, New Mexico, on the 14th day of August, 2016.

MISSION STATE - Chairman

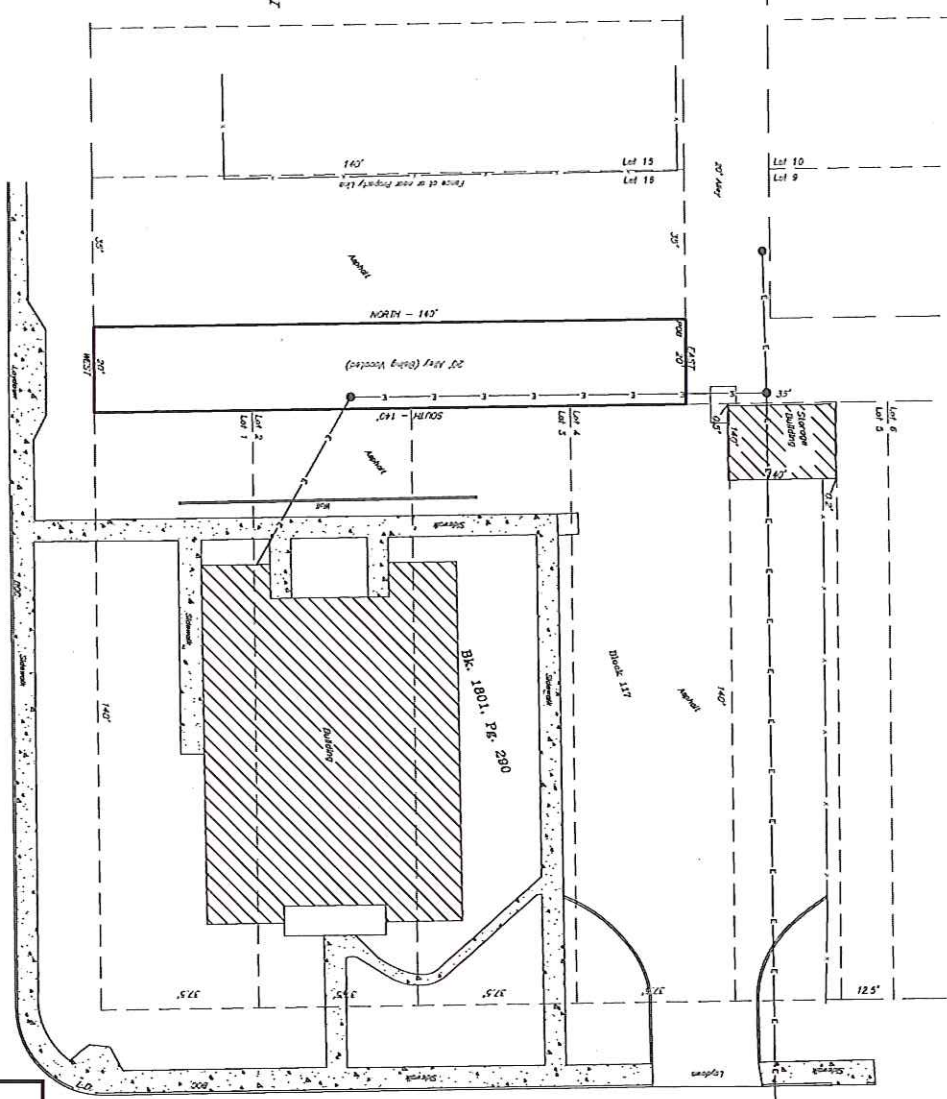
CERTIFICATE OF MUNICIPAL APPROVAL
I, Jan Fletcher, the duly appointed and acting City Clerk for the City of Hobbs, Lea County, New Mexico, do hereby certify that the foregoing plat of a vacation by the City of Hobbs, Lea County, New Mexico, is in accordance with the provisions of the City of Hobbs, Lea County, Resolution No. _____ on the _____ day of _____, 2016.

Jan Fletcher, City Clerk

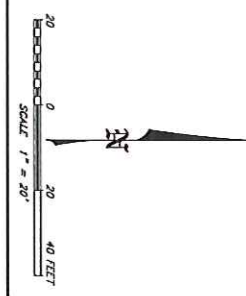
CERTIFICATE OF SURVEY

I hereby certify this plat to be a true copy of a survey made in the field under my supervision, and made in accordance with the requirements of the Statute in that behalf made, and that the same is a true and correct copy of the original survey as approved by Professional Engineers and Surveyors. This is a boundary survey and I do not warrant the accuracy of the same. I hereby set my hand and give my official seal this 14th day of August, 2016.

Gary L. Adams, N.M.L.S. 7171



NOTE: DISTANCE AND BEARING MEASUREMENTS ARE IN FEET AND DECIMAL THEREAFTER.



Prepared by
BASIN SURVEYS
1120 N. Kent County Rd.
Hobbs, New Mexico 88240
Ph. (505)538-7818 Fax (505)538-2286
P.O. Box 11200 Hobbs, NM 88240

STATE OF NEW MEXICO
COUNTY OF LEA
FILED

AT _____ O'CLOCK _____ M
AND RECORDED IN BOOK _____
PAGE _____
PAT CHAPPELL, LEA COUNTY CLERK
BY _____ DEPUTY

Commissioner Buie said that he has had several complaints about parking on the streets with 18 wheelers, gooseneck trucks and other big vehicles in residential areas. He said he understands times are tough and they do not want to pay to have their vehicle or work truck parked somewhere else. He asked if there was anything that could be done. Mr. Hicks said the Board has had that discussion many times over the years. Mr. Robinson said within our current municipal code there is nothing that can be done. He said in the past they have brought particular changes to those codes to disallow what is going on and it has yet to pass this Board up to the Commission. He said they can certainly bring it back to the Board.

Commissioner Buie said it is happening all over the town. He said they are getting more and more complaints over this issue. Mr. Hicks asked if he thought the rest of the Commissioners would support some sort of restriction of parking vehicles over a certain gross weight in residential areas. Commissioner Buie said he thinks the Commissioners would be open to conversation. He said he would be in favor of it. He said the unfortunate reason we have laws and ordinances is because people do not respect their neighbors. Mr. Kesner asked about design standards on roadway and if residential roads could handle that weight. Mr. Randall said it isn't just weight but the number of trucks. He said the roads are designed for Waste Management. He suggested having legal come to the next meeting to describe the ordinances in place.

There were no other communications.

5) Review and Consider vacation of a portion of a T-Alley north of Alston between Thorp and Linam within Block 117 of the Highland Park Addition.

Mr. Robinson said this is a vacation of an existing alleyway. He said it is a T-alley and the south portion of the T will be vacated. He said the building and the lot belong to Casa. He said the municipality will retain an easement for the roadway. Mr. Hicks asked if it complies with the guidelines on value. Mr. Robinson said that has been discussed with the property owner and they do understand that they will be required to purchase that property. He said staff at this point has placed a value on that property of \$1 a square foot which is indicative of properties that we were selling when we had the auction. He said that is about \$2800. He said there are options in the vacation policy allowing for this board and the Commission to allow for nonprofit entities to have the property donated to them instead of a purchase. Mr. Kesner asked what utilities were in the alley. Mr. Robinson said the utilities are the sewer and Xcel and possibility of gas and phone.

Mr. Shaw made a motion, seconded by Mr. Drennan to approve the vacation and recommend that the city donate the land to Casa. The vote on the motion was 5-0 and the motion carried.

6) Review and Consider proposed vacation of a portion of Midwest between Morris and Dal Paso within Block 57 of the New Hobbs Addition.

Mr. Robinson said staff has had numerous conversations about the 80 foot right-of-ways south of town. He said staff has looked at a way to do blanket vacations and turn all the 80 foot right-of-ways into 60 foot right-of-ways. He said this is part of the problem. He said



CITY OF HOBBS
 COMMISSION STAFF SUMMARY FORM
 MEETING DATE: September, 6, 2016

SUBJECT: RESOLUTION APPROVING AN AGREEMENT BETWEEN THE CITY OF HOBBS & THE HOBBS MUNICIPAL SCHOOLS REGARDING MIDDLE SCHOOL ATHLETIC PROGRAMS.

DEPT. OF ORIGIN: PARKS & RECREATION
 DATE SUBMITTED: August 26, 2016
 SUBMITTED BY: Mike Stone, City Attorney

SUMMARY:

Since 1999, the City of Hobbs has funded a community 5th & 6th grade basketball program, which has been operated by the Hobbs Municipal Schools. Prior to that date, the city both operated and funded the league. The Middle School Athletic Program has since been expanded to include both football and volleyball.

The Schools will agree to spend, at a minimum, on an annual basis, the exact amount spent by the City, on capital improvements to facilities that are jointly used by both entities (tennis courts, natatorium, baseball fields, etc)

The City and Schools do not intend for this to be a long term solution to the operation of the middle school sports programs and therefore, this agreement will be reviewed and renewed on a year-to-year basis.

Fiscal Impact:


Reviewed By: 
 Finance Department

\$75,000 FY 16-17. Program related expenses are budgeted in Recreation line item 01-0330-42601 (Professional Services).

Attachments:

- 1) Resolution authorizing agreement
- 2) Agreement with school

Legal Review:

Approved As To Form: 
 City Attorney

Recommendation:

Approve Resolution authorizing the agreement.

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. 6478

A RESOLUTION AUTHORIZING A PROFESSIONAL
SERVICES AGREEMENT BETWEEN THE CITY OF HOBBS
AND THE HOBBS MUNICIPAL SCHOOLS
REGARDING MIDDLE SCHOOL ATHLETIC PROGRAMS.

WHEREAS, the City of Hobbs and the Hobbs Municipal Schools desire to enter into a Professional Services Agreement regarding the Middle School Athletic Programs; and

WHEREAS, the City of Hobbs and the Hobbs Municipal Schools currently work together on community basketball, volleyball and football programs for the Middle School Athletic Program; and

WHEREAS, due to budget constraints on the schools, the City desires to fund the program in exchange for the Schools to spend the same amount on capital improvements to facilities that are jointly used by both entities.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HOBBS, NEW MEXICO, the Mayor be and hereby is, authorized and directed to effectuate this resolution and specifically to execute, on behalf of the City of Hobbs, a Professional Services Agreement with the Hobbs Municipal Schools, a copy of which is attached hereto and incorporated herein.

PASSED, ADOPTED AND APPROVED this 6th day of September, 2016

SAM D. COBB, Mayor

ATTEST:

JAN FLETCHER, City Clerk

PROFESSIONAL SERVICES AGREEMENT

This Agreement is made and entered into on the ____ day of _____, 2016, by and between the CITY OF HOBBS, NEW MEXICO, a municipal corporation, (hereinafter referred to as "CITY") and the local School Board of Hobbs Municipal School District, (hereinafter referred to as "SCHOOLS").

NOW, THEREFORE, THE PARTIES HERETO HEREBY DO COVENANT AND AGREE AS FOLLOWS:

I.

SCHOOLS will act on behalf of CITY to operate football, volleyball, and basketball programs for 6th and 7th grade students (hereinafter referred to as "Middle School Athletic Program"). SCHOOLS shall perform the necessary services toward promoting these activities in the community, and such services shall include, but not be limited to, the following:

- A. Provide facilities to operate the Middle School Athletic Program.
- B. Provide necessary equipment as needed to fulfill requirements of the Middle School Athletic Program. This includes, but is not limited to employee uniforms, balls, helmets, jerseys, pants, protective equipment, whistles and awards associated with the program. Equipment shall be the property of SCHOOLS.
- C. Hire and maintain a program coordinator and adequate staff to service the Middle School Athletic Program. Program coordinator and staff shall be employees of SCHOOLS and shall not be employees of CITY and are not entitled to any City of Hobbs benefits, including, but not limited to, insurance, leave, worker's compensation, and/or retirement.
- D. Design and placement of news releases and advertising in the appropriate media, naming CITY as co-sponsor.
- E. Maintain daily records of activities and the number of participants in the program and submit a report of actual expenses at the conclusion of the program.
- F. The Parks and Recreation Department shall coordinate with the Athletic Department of the SCHOOLS on an as needed basis on any issues arising from program.
- G. Trash and general cleanliness of the facility shall be the sole responsibility of the SCHOOLS. Concession stands, restroom facilities, bleachers and other gym amenities shall be operated and maintained by the SCHOOLS.

H. Perform such other related services as mutually agreed upon by both parties and requiring no additional cost as anticipated by the scope of this Agreement including a final written evaluation of the total program.

I. Provide the program free of charge to all participants, excluding equipment deposits.

II.

CITY shall not be obligated to expend funds in excess of **Seventy-five Thousand Dollars (\$75,000.00)** during the term of this Agreement. The term of this Agreement is one (1) year, commencing September 1, 2016, and terminating August, 31, 2017.

CITY agrees to pay SCHOOLS for approved and accepted expenses in connection with the Middle School Athletic Program, not to exceed **Seventy-five Thousand Dollars (\$75,000.00)** for the term of this Agreement.

III.

SCHOOLS agree to expend, at a minimum, an amount equal to the amount expended by CITY under this agreement, on improvements to facilities that are used jointly by both SCHOOLS and CITY such as Hobbs High School Tennis Courts, Demarious Badger Natatorium, Veterans Memorial Baseball/Softball Complex and others during the term of this agreement.

SCHOOLS agree to maintain documentation regarding the amount expended by SCHOOLS on improvements to facilities that are used jointly by both SCHOOLS and CITY and SCHOOLS further agree to provide said documentation to CITY in a timely manner.

SCHOOLS and CITY shall agree on each project, the scope of the project, and the details of the improvements to be made to the facilities that are used jointly by both SCHOOLS and CITY prior to any expenditure of money by SCHOOLS under this agreement.

IV.

SCHOOLS agree to hold CITY free and harmless from any costs determined ineligible by proper audit and SCHOOLS will not enter into any obligation which purports to be binding on CITY in any manner.

At such times and in such form as the City Manager may require, there shall be furnished to CITY such statements, records, reports, data and information as CITY may request pertaining to matters covered by this Agreement. Furthermore, at any time during normal business hours and as often as CITY may deem necessary, there shall be made available to CITY for examination, all records maintained by SCHOOLS with respect to all matters covered by this Agreement; any requested excerpts of transcripts from such records and audits of all data relating to all matters covered by this Agreement subject to the limitations set out above.

SCHOOLS covenants and agrees that it will hold and save CITY harmless from any and all liability, damage, expense, cause of action, suits, claims or judgments arising from injury to person(s) or damage to property arising out of this Agreement.

SCHOOLS shall maintain general liability insurance in the minimum amount of \$1,000,000.00 covering any liability, damage, expense, cause of action, suits, claims or judgments arising from injury to person(s) or damage to property during the course of execution of this agreement. SCHOOLS shall cause CITY to be named as an additional insured on said policy and shall provide a copy of said coverage to CITY. The parties agree said SCHOOLS policy shall be primary coverage in the event of a claim against SCHOOLS and CITY.

If any part or portion of this Agreement shall be in violation of the laws or Constitution of New Mexico, only such part or portion hereof shall be invalidated thereby, and any monies paid by CITY thereunder shall be repaid to it by SCHOOLS, but all other portions hereof shall remain valid and enforceable.

This Agreement shall not be effective without the written approval of the Hobbs City Commission and the Hobbs ISD School Board.

This Agreement shall continue in force for one (1) year. This Agreement may be canceled by either party after giving sixty (60) days notice to the other. Such notice shall be in writing and shall be considered given when delivered to the Chief Administrative Officer of the other party.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written, effective as aforesaid.

THE CITY OF HOBBS, NEW MEXICO

By: _____
Sam D. Cobb , Mayor

ATTEST:

JAN FLETCHER, City Clerk

APPROVED AS TO FORM:

MICHAEL H. STONE, City Attorney

HOBBS MUNICIPAL SCHOOL DISTRICT

By: _____
GARY EIDSON,
School Board President

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

The foregoing instrument was acknowledged before me this _____ day of _____, 2016, by Gary Eidson, Hobbs Municipal School District School Board President

Notary Public

My Commission Expires:



ACTION ITEMS



CITY OF HOBBS

COMMISSION STAFF SUMMARY FORM

MEETING DATE: September 6, 2016

SUBJECT: To increase investment transfer limit from \$53 million with Public Trust Advisors (US Bank) to \$80 million with Public Trust Advisors (US Bank).
DEPT. OF ORIGIN: Finance Department
DATE SUBMITTED: August 24, 2016
SUBMITTED BY: Deborah Corral, Assistant Finance Director

Summary:

The City Commission established a US Bank trust account on March 17th, 2014 with a transfer limit up to \$40 million dollars. It was increased to \$53 million dollars on October 5th 2015.

The current yield from LGIP (Local Government Investment Pool) is .3949% as compared to .688% with Public Trust Advisors (US Bank) as of July 31, 2016.

Increasing the investment transfer limit to \$80 million establishes more potential earning power for the City of Hobbs investments. All investments are subject to the City of Hobbs current investment policy.

Fiscal Impact:

Reviewed By: _____

Finance Department

The City of Hobbs will wire funds periodically for safekeeping and investing. All investments are subject to the City of Hobbs Investment Policy.

Attachments: Resolution

Legal Review:

Approved As To Form: _____

Michael H. Stee
City Attorney

Recommendation:

Motion to approve the resolution

Approved For Submittal By:

[Signature]
Department Director
[Signature]
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. 6479

A RESOLUTION AUTHORIZING INCREASING
INVESTMENT TRANSFER LIMIT FROM
LGIP (LOCAL GOVERNMENT INVESTMENT POOL)
TO PUBLIC TRUST ADVISORS – US BANK

WHEREAS, the City of Hobbs has previously established a US Bank Trust Account with a transfer limit of \$53 million dollars; and

WHEREAS, the current yield from LGIP is .3949% as compared to .688% Public Trust Advisors; and

WHEREAS, increasing the investment transfer limit to \$80 million dollars establishes more potential earning power for the City of Hobbs investments; and

WHEREAS, all investments are subject to the City of Hobbs current investment policy;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HOBBS, that the Mayor be and hereby is authorized and directed to approve increasing the investment transfer limit to \$80 million dollars.

PASSED, ADOPTED AND APPROVED this 6th day of September, 2016.

SAM D. COBB, Mayor

ATTEST:

JAN FLETCHER, City Clerk



CITY OF HOBBS

COMMISSION STAFF SUMMARY FORM

MEETING DATE: September 6, 2016

SUBJECT: Resolution adopting budgetary adjustment #1 for the Fiscal Year 2016-2017
DEPT. OF ORIGIN: City Manager's Office
DATE SUBMITTED: August 30, 2016
SUBMITTED BY: JJ Murphy, City Manager

Summary:

The fiscal budget of the City of Hobbs is adopted by resolution, and reviewed and approved by the Department of Finance & Administration. The budget is prepared prior to the beginning of the fiscal year, and as such, from time to time it becomes necessary to adjust the budget for items not contemplated at the time of its preparation, or for issues that arise during the fiscal year. Enclosed is a budgetary adjustment #1 for the current year. A summary of the funds adjusted is attached to this resolution. After this adjustment is approved by the Commission, it must be forwarded to the Department of Finance & Administration for their approval.

Fiscal Impact:


Reviewed By: 
Finance Department

Included in this budget adjustment is an increase in both capital and operating expenditures. Total Expenditures increase by \$17,250,000, changing the total expenditures from \$194,779,350.74 to \$212,029,350.74. A cash transfer of \$9,550,000 from General Fund to fund 62 is also included in this adjustment bringing the General Fund reserve balance to 10%.

Attachments:

- Budget Cash Balance Sheet
- Budgeted Adjustments Detail
- Resolution approving Budget Adjustment for the fiscal year 2016-2017

Legal Review:

Approved As To Form: 
City Attorney

Recommendation:

Motion to approve the resolution.

Approved For Submittal By:

Department Director

City Manager

CITY CLERKS USE ONLY
COMMISSION ACTION TAKEN

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

CITY OF HOBBS
RESOLUTION NO. 6480

BUDGETARY ADJUSTMENT
FISCAL YEAR 2016-2017

WHEREAS, the City Commission of the City of Hobbs, New Mexico, has found it necessary to amend certain items within the fiscal year budget in order to provide for additional expenditures and transfers not contemplated at the time of the preparation of the 2016-2017 budget.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HOBBS, NEW MEXICO, that the items of the 2016-2017 fiscal budget be amended.

BE IT FURTHER RESOLVED BY THE GOVERNING BODY of the City of Hobbs, New Mexico, that the budgetary adjustments be subject to the approval of the Director of Public Finance of the State of New Mexico and that a copy of this Resolution be forwarded to his office in Santa Fe, New Mexico, for approval.

PASSED, ADOPTED AND APPROVED this 6th day of September, 2016

SAM D. COBB, Mayor

ATTEST:

JAN FLETCHER, City Clerk

**City of Hobbs Preliminary Budget
FY17 Fund Summary (BAR #1)**

	Beginning Cash	Total Revenue	Interfund Transfer	Total Expenditures	Ending Cash
1 GENERAL	58,340,110.88	49,214,170.66	(13,939,001.99)	84,755,044.77	8,860,234.78
2 LAND ACQUISITION	500,000.00			500,000.00	-
General Fund Subtotal	58,840,110.88	49,214,170.66	(13,939,001.99)	85,255,044.77	8,860,234.78
11 LOCAL GOV CORR	208,018.04	215,338.00		167,000.00	256,356.04
12 POLICE PROTECTION	66,756.22	87,000.00		87,000.00	66,756.22
13 P D N (parif, drug, narcotics)	1,918.75	-			1,918.75
15 COPS GRANT	1,000.00	202,646.66	152,486.88	355,133.54	1,000.00
16 RECREATION	21,855,151.47	36,000,000.00	41,215.31	57,847,866.78	48,500.00
17 OLDER AMERICAN	1,000.00	211,088.00	737,140.70	948,228.70	1,000.00
18 GOLF	1,000.00	857,612.88	2,158,497.11	3,016,109.99	1,000.00
19 CEMETERY	1,000.00	168,690.00	359,891.00	528,581.00	1,000.00
20 AIRPORT	295,033.20	38,300.00		36,000.00	297,333.20
23 LODGERS' TAX	188,954.74	951,200.00		855,491.05	284,663.69
27 PUBLIC TRANSPORTATION	1,000.00	805,731.18	439,770.99	1,245,502.17	1,000.00
28 FIRE PROTECTION	567,070.62	385,430.00		223,800.00	728,700.62
29 EMER MEDICAL SERV	11.00	20,000.00		20,000.00	11.00
Special Revenue Subtotals	23,187,914.04	39,943,036.72	3,889,001.99	65,330,713.23	1,689,239.52
37 COMM DEVE CONST	1,000.00	500,000.00	500,000.00	1,000,000.00	1,000.00
46 BEAUTIFICATION IMPROVEMENT	1,732,739.94			1,126,179.46	606,560.48
48 STREET IMPROVEMENTS	1,555,269.56	1,838,112.22		2,965,473.28	427,908.50
49 CITY COMM. IMPROVEMENTS	1,000.00	2,126,582.00	(2,018,982.00)		108,600.00
Capitol Project Subtotals	3,290,009.50	4,464,694.22	(1,518,982.00)	5,091,652.74	1,144,068.98
51 UTILITY BOND	-		307,004.50	307,004.50	-
53 WASTEWATER BOND	1,989,842.96		2,093,121.54	2,093,121.54	1,989,842.96
Debt Service Subtotals	1,989,842.96	-	2,400,126.04	2,400,126.04	1,989,842.96
10 SOLID WASTE	1,149,697.45	6,050,000.00		6,050,000.00	1,149,697.45
44 JOINT UTILITY EXTENSIONS CAPITAL PT	3,159,027.63	1,300,000.00		4,352,654.37	106,373.26
60 JOINT UTILITY	3,908,278.93		3,606,880.04	5,470,566.94	2,044,592.03
61 JOINT UTILITY CONST	-	238,000.00	3,327,192.28	3,565,192.28	-
62 WASTE WATER PLANT CONST	1,946,302.44	5,311,330.24	15,067,481.80	22,325,114.48	-
63 JOINT UTILITY - WASTEWATER	7,308,981.80		(1,889,407.16)	2,435,994.66	2,983,579.98
65 JOINT UTILITY INCOME - WASTEWATER	-	5,988,291.00	(5,988,291.00)		-
66 JOINT UTILITY INCOME	-	5,504,000.00	(5,504,000.00)		-
68 METER DEPOSIT RES	714,835.12	400,000.00		150,000.00	964,835.12
69 INTERNAL SUPPLY	-	550,000.00	549,000.00	550,000.00	549,000.00
Utility Subtotals	18,187,123.37	25,341,621.24	9,168,855.96	44,899,522.73	7,798,077.84
64 MEDICAL INSURANCE	203,976.07	6,571,129.19	-	6,571,129.19	203,976.07
67 WORKERS COMP TRUST	946,447.33	602,830.35		602,830.35	946,447.33
Internal Service Subtotal	1,150,423.40	7,173,959.54	-	7,173,959.54	1,150,423.40
70 MOTOR VEHICLE	1,346.72	720,000.00		720,000.00	1,346.72
71 MUNI JUDGE BOND FUND	175,016.84				175,016.84
72 RETIREE HEALTH INSURANCE TRUST FI	9,000,000.00	1,029,331.65	-	1,029,331.65	9,000,000.00
73 CRIME LAB FUND	74,570.55	125,000.04		125,000.04	74,570.55
75 FORECLOSURE TRUST FUND	71.88				71.88
76 RECREATION TRUST	103,032.51	-			103,032.51
77 LIBRARY TRUST	5,029.12	1,000.00		1,000.00	5,029.12
78 SENIOR CITIZEN TRUST	8,053.05	1,500.00		1,500.00	8,053.05
79 PRAIRIE HAVEN MEM	5,353.80	-			5,353.80
80 COMMUNITY PARK TRUST	1,432.05				1,432.05
82 EVIDENCE TRUST FUND	122,464.85	-			122,464.85
83 HOBBS BEAUTIFUL	22,684.49				22,684.49
86 CITY AGENCY TRUST	5,247.38	1,500.00		1,500.00	5,247.38
Trust & Agency Subtotals	9,524,303.24	1,878,331.69	-	1,878,331.69	9,524,303.24
Grant Total All Funds	116,169,727.39	128,015,814.07	-	212,029,350.74	32,156,190.72

10%

17,250,000.00

Fund	Org	Object	Project	DESCRIPTION	FY17 Revised Budget	New Request	FY17 New Budget
1	010320	44901	00184	Taylor Ranch Park	5,021,809.59	2,000,000.00	7,021,809.59
1	010206	44901	00xxx	New Jail Project	-	5,200,000.00	5,200,000.00
1	010202	43006		Equipment over \$5000	500,000.00	500,000.00	1,000,000.00
62	624062	44901	00097	Sewer Line Replacement	6,464,473.50	9,550,000.00	16,014,473.50
					11,986,283.09	17,250,000.00	29,236,283.09

Transfers:			
		FROM GENERAL FUND	(9,550,000.00)
		TO FUND 62	9,550,000.00



CITY OF HOBBS
COMMISSION STAFF SUMMARY FORM

MEETING DATE: September 6, 2016

SUBJECT: 2016 NM Water Trust Fund; City of Hobbs Effluent Reuse Project (3555-WTB)
DEPT. OF ORIGIN: Utilities
DATE SUBMITTED: August 23, 2016
SUBMITTED BY: Tim Woomer, Utilities Director

Summary:

The New Mexico Finance Authority (NMFA) has approved the 2016 Water Trust Funding of the City of Hobbs Effluent Reuse Project, Phase II, NE Distribution Pipeline, in the amount of \$586,400. This funding is designated for design of a reclaimed water pipeline from the treatment facility to Jack Gomez Blvd, including a feasibility study of elevated storage tank alternatives.

The funding structure consists of a 40% loan component in the amount of \$234,560, and a 60% grant in the amount of \$351,840. The agreement requires a local match of 15% of the loan/grant amount, or \$87,960.

The loan is a 20 year term at a net interest rate of 0.25% (administrative fee of ¼ of 1%). Average annual debt service incurred by the City Enterprise Fund upon approval of funding will be \$12,339.14.

Adoption of a resolution is required by the City Commission to enter into NMFA #3555-WTB Water Project Fund Loan/Grant Agreement. A notice of the adopted Resolution will be published in the Hobbs News Sun for a 30-day public comment period with a tentative closing date of October 14, 2016 having been set for 3555-WTB.

Fiscal Impact:

Reviewed By: 
Finance Department

Upon final closing of 3555-WTB Water Project Fund Loan/Grant Agreement, average annual debt service to the Enterprise Fund beginning June 1, 2017 will be \$12,339.14. The local match of \$87,960 is budgeted under Fund 62.

Attachments:

Resolution authorizing the Mayor to enter into an agreement with the New Mexico Finance Authority for Water Trust Fund Loan/Grant #3555-WTB in the amount of \$586,400.

#3555-WTB Water Project Fund Loan/Grant Agreement between the City of Hobbs and the New Mexico Finance Authority

Detailed Debt Service, Effluent Reuse Project, Phase II

Legal Review:


Approved As To Form: 
City Attorney

Recommendation:

Staff recommends that a resolution be adopted authorizing the Mayor to execute an agreement between the City of Hobbs and NMFA on #3555-WTB Water Project Fund Loan/Grant Agreement in the amount of \$586,400.

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, NEW MEXICO
RESOLUTION NO. 6481

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A WATER PROJECT FUND LOAN/GRANT AGREEMENT BY AND BETWEEN THE NEW MEXICO FINANCE AUTHORITY ("FINANCE AUTHORITY") AND THE CITY OF HOBBS, NEW MEXICO (THE "BORROWER/GRANTEE"), IN THE TOTAL AMOUNT OF \$586,400, EVIDENCING AN OBLIGATION OF THE BORROWER/GRANTEE TO UTILIZE THE LOAN/GRANT AMOUNT SOLELY FOR THE PURPOSE OF FINANCING THE COSTS OF AN EFFLUENT REUSE PROJECT, AND SOLELY IN THE MANNER DESCRIBED IN THE LOAN/GRANT AGREEMENT; PROVIDING FOR THE PLEDGE AND PAYMENT OF THE LOAN AMOUNT AND AN ADMINISTRATIVE FEE SOLELY FROM NET SYSTEM REVENUES; 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 Resolution unless the context requires otherwise.

WHEREAS, the Borrower/Grantee is a legally and regularly created, established, duly organized and existing municipality under and pursuant to the laws of the State and more specifically, Section 3-1-1 through 3-66-11, NMSA 1978, as amended, is a qualifying entity under the Water Project Finance 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 the Act; 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, the Governing Body has determined and hereby determines that the Project may be financed with amounts granted and loaned pursuant to the Loan/Grant Agreement, that the Loan/Grant Amount, together with the Additional Funding Amount and other moneys available to the Borrower/Grantee, is sufficient to complete the Project, and that it is in the best interest of the Borrower/Grantee and the constituent public it serves that the Loan/Grant Agreement be executed and delivered and that the funding of the Project take place by executing and delivering the Loan/Grant Agreement; 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, based upon the Finance Authority's evaluation of the Application dated February 3, 2016, of the Borrower/Grantee and dealing with the Project, the Finance Authority approved that the Borrower/Grantee receive financial assistance in the form of the Loan/Grant; and

WHEREAS, pursuant to the Board Rules the Water Trust Board has recommended the Project for funding as a Qualifying Project to the Legislature; and

WHEREAS, the Loan/Grant Agreement shall not constitute a general obligation of the Borrower/Grantee, the Water Trust Board or the Finance Authority or a debt or pledge of the full faith and credit of the Borrower/Grantee, the Water Trust Board, the Finance Authority or the State; and

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

WHEREAS, the Governing Body hereby determines that (i) the Additional Funding Amount is now available to the Borrower/Grantee to complete the Project; or (ii) that the Governing Body will take such steps as are necessary to obtain the Additional Funding Amount within six (6) months after the Closing Date; and

WHEREAS, the Borrower/Grantee acknowledges that, in the event that it 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; and

WHEREAS, the Borrower/Grantee has met or will meet prior to the first disbursement of any portion of the Loan/Grant Amount, the Conditions and readiness to proceed requirements established for the portion of the Loan/Grant Amount disbursed or caused to be disbursed by the Finance Authority, including but not limited to the requirements of Executive Order 2013-006; and

WHEREAS, the Water Trust Board has recommended that the Finance Authority enter into and administer the Loan/Grant Agreement in order to finance the Project; and

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

WHEREAS, the execution and performance of the Loan/Grant 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.

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 Resolution, have been obtained or are reasonably expected to be obtained.

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

Section 1. Definitions. As used in this Resolution, 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 Resolution, all as amended and supplemented.

“Additional Funding Amount” means the amount to be provided by the Borrower/Grantee which includes the total value of hard or of the soft match, 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 \$87,960.

“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, Utilities Director 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, New Mexico in Lea County, New Mexico.

“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.

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

“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 Resolution and held by the Finance Authority to pay the Expenses incurred by the Finance Authority in connection with the Loan/Grant Agreement and the Loan/Grant.

“Expenses” means the costs of the Finance Authority 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 other applicable statutes, rules and policies.

“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 Finance Authority establishing accounting principles applicable to the Borrower/Grantee.

“Governing Body” means the duly organized City Commission of the Borrower/Grantee, or any 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 in the maximum amount of \$351,840.

“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 or other services or facilities, or any other service, commodity or facility or any combination thereof furnished by the System. In the event there is a conflicting description of Gross Revenues in any Ordinance or Resolution of the Borrower/Grantee, the language of such Ordinance or Resolution shall control.

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 Resolution and not solely to the particular section or paragraph of this Resolution in which such word is used.

“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 in the maximum amount of \$234,560.

“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 in the maximum amount of \$586,400.

“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 Resolution.

“Net System Revenues” means the Gross Revenues of the water and wastewater utility system owned and operated by the Borrower/Grantee 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. In the event there is a conflicting description of Operation and Maintenance Expenses in any Ordinance or Resolution of the Borrower/Grantee, the language of such Ordinance or Resolution shall control.

"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 Resolution 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) water conservation or 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.

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

“State” means the State of New Mexico.

“System” means the joint water and wastewater utility system of the Borrower/Grantee, owned and operated by the Borrower/Grantee, and of which the Project, when completed, will form part. The System consists of all properties, real, personal, mixed or otherwise, now owned or hereafter acquired by the Borrower/Grantee through purchase, condemnation, construction or otherwise, including all expansions, extensions, enlargements and improvements of or to the water and wastewater utility system, and used in connection therewith or relating thereto, and any other related activity or enterprise of the Borrower/Grantee designated by the Governing Body as part of the water and wastewater utility system, whether situated within or without the limits of the Borrower/Grantee.

“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 Resolution) 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 and the other documents related to the transaction are hereby authorized and ordered. The Project is for the benefit and use of the Borrower/Grantee and the public whom 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 whom 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, convenient and in furtherance of the governmental purposes of the Borrower/Grantor and in the interest of the public health, safety, and welfare of the constituent 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, or is expected to become available to the Borrower/Grantee within six (6) months after the Closing Date, and, in combination with the Loan/Grant Amount, the Additional Funding Amount and other amounts available to the Borrower/Grantee, will be sufficient to complete the Project and pay Expenses.

F. The Finance Authority shall maintain on behalf of the Borrower/Grantee a separate Project Account as a book account only on behalf of the Borrower/Grantee and financial records in accordance with Generally Accepted Accounting Principles during the construction or implementation of the Project.

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 Resolution has been adopted by the affirmative vote of at least a majority 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 constituent 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 \$351,840 and borrowing the Loan Amount of \$234,560 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 Resolution was adopted. The Grant shall be in the amount of \$351,840.

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 Resolution 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. Finance Authority 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 the priority of which is consistent with that shown on the Term Sheet.

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 Resolution, 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 Resolution and the Loan/Grant Agreement for the full, punctual and complete performance of all the terms, covenants and agreements contained in this Resolution 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 Resolution. This Resolution 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. Resolution Irrepealable. After the Loan/Grant Agreement has been executed and delivered, this Resolution 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 Resolution 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 Resolution.

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. Effective Date. Upon due adoption of this Resolution, 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 Resolution 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 Resolution, this Resolution shall be effective upon adoption of this Resolution 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 Resolution shall be published in substantially the following form:

[Remainder of page intentionally left blank.]

RECORD OF PROCEEDINGS RELATING TO THE ADOPTION OF
RESOLUTION NO. ____ OF THE CITY COMMISSION
OF THE CITY OF HOBBS, LEA COUNTY, NEW MEXICO

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

The City Commission (the ‘‘Governing Body’’) of the City of Hobbs, New Mexico (the ‘‘Borrower/Grantee’’) met in a regular session in full conformity with the law and the rules and regulations of the Governing Body at City Hall, City Commission Chamber, 200 E. Broadway, 1st Floor Annex, Hobbs, New Mexico, being the meeting place of the Governing Body for the meeting held on the 6th day of September, 2016 at the hour of 6:00 p.m. Upon roll call, the following members were found to be present:

Present:

Mayor:	
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City Commission:	

Absent:	

Also Present:	

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

\$586,400

WATER PROJECT FUND
LOAN/GRANT AGREEMENT

dated

October 14, 2016

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") dated October 14, 2016, is entered into by and between the NEW MEXICO FINANCE AUTHORITY (the "Finance Authority" or "Lender/Grantor"), and the CITY OF HOBBS in LEA COUNTY, NEW MEXICO (the "Borrower/Grantee").

WITNESSETH:

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 (the "Finance Authority Act"); and

WHEREAS, the Finance Authority 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, duly organized and existing municipality under and pursuant to the laws of the State and more specifically, Sections 3-1-1 through 3-66-11, NMSA 1978, as amended, is a qualifying entity under the Water Project Finance 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 the Act; 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 \$234,560 from the Lender/Grantor and to accept a grant in the amount of \$351,840 from the Lender/Grantor to finance the costs of the Project, this Project being more particularly described in the Term Sheet; and

WHEREAS, the Borrower/Grantee submitted an Application dated February 3, 2016, for the Project; and

WHEREAS, pursuant to the Board Rules, the Water Trust Board recommended the Project for funding as a Qualifying Water Project to the Legislature; and

WHEREAS, Chapter 52, being Senate Bill 106 of the 2016 Regular New Mexico Legislative Session, authorized the funding of the Project from the Water Project Fund; and

WHEREAS, the Water Trust Board has recommended that the Finance Authority enter into and administer this Agreement in order to finance the Project; and

WHEREAS, the Finance Authority approved on May 26, 2016, that the Borrower/Grantor receive financial assistance in the form of the Loan/Grant; 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 Agreement; 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, for and in consideration of the premises and the mutual promises and covenants herein contained, the parties hereto agree:

ARTICLE I DEFINITIONS

Capitalized terms defined in the foregoing recitals shall have the same meaning when used in this Agreement unless the context clearly requires otherwise. Capitalized terms not defined in the recitals and defined in this Article I shall have the same meaning when used in this Agreement including the foregoing recitals, unless the context clearly requires otherwise.

["ACH Authorization" means the authorization for direct payment to the Finance Authority by ACH made by the Borrower/Grantee on the form required by the bank or other entity at which the account is held, from which the Pledged Revenues will be paid.]

"Act" means the general laws of the State, particularly the Water Project Finance Act, NMSA 1978, §§ 72-4A-1 through 72-4A-10, and enactments of the Governing Body relating to this Agreement, including the Resolution, 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 4.2 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 \$87,960.

“Administrative Fee” or “Administrative Fee Component” 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 February 3 2016, 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, Utilities Director and City Clerk thereof; with respect to the Finance Authority, the Chairman, Vice-Chairman and Secretary of the Board of Directors and the Chief Executive Officer or any other officer or employee of the Finance Authority designated in writing by an Authorized Officer.

“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 and delivery 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 to the submission of a request for payment or the 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.

“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 Resolution and held by the Finance Authority to pay the Expenses incurred by the Lender/Grantor in connection with the 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.

“Final Debt Service Schedule” means the schedule of Loan Payments due on this Agreement following the Final Requisition, as determined on the basis of the Loan Amount.

“Final Requisition” means the final requisition of moneys to be submitted by the Borrower/Grantee, which shall be submitted by the Borrower/Grantee on or before the date provided for in Section 4.1(b) of this Agreement.

“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 of the Borrower/Grantee may hereafter establish for the Borrower/Grantee as its fiscal year.

“Force Majeure” means acts of God and natural disasters; strikes or labor disputes; war, civil strife or other violence; an order of any kind of the Government of the United States or of the State or civil or military authority or any court of competent jurisdiction; or any other act or condition that was beyond the reasonable control of, without fault or negligence of, or not reasonably foreseeable by the party claiming the Force Majeure event; except for (i) general economic conditions; or (ii) an inability of a party claiming the Force Majeure event to pay any debts when due.

“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 duly organized City Commission of the Borrower/Grantee, or any 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 in the maximum amount of \$351,840.

“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 or other services or facilities, or any other service, commodity or facility or any combination thereof furnished by the System. In the event there is a conflicting description of Gross Revenues in any Ordinance or Resolution of the Borrower/Grantee, the language of such Ordinance or Resolution shall control.

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.

“Hardship Waiver” means a determination by the finance Authority pursuant to Section 5.1(a)(iii) herein that the annual principal payment by the Borrower/Grantee should be forgiven because such payment would cause undue hardship for the Borrower/Grantee or the public it serves.

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

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

“Interim Debt Service Schedule” means the anticipated schedule of Loan Payments due on this Agreement following the Final Requisition, assuming disbursement of the entire Loan Amount within twenty four (24) months of the Closing Date. The Interim Debt Service Schedule is attached hereto as Exhibit “B”.

“Interim Period” means the period no greater than twenty four (24) months, unless a longer period is approved by the Finance Authority as provided in Section 5.3 of this Agreement, beginning on the Closing Date, during which the Finance Authority will disburse moneys to the Borrower/Grantee to pay costs of the Project, unless extended pursuant to Section 5.2(b) of this Agreement.

“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 in the maximum amount of \$234,560.

“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 in the maximum amount of \$586,400.

“Loan Payments” means, collectively, the Principal Component and the Interest Component, if any, to be paid by the Borrower/Grantee as payment of this 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. In the event there is a conflicting description of Operation and Maintenance Expenses in any Ordinance or Resolution of the Borrower/Grantee, the language of such Ordinance or Resolution shall control.

"Parity Obligations" means this Agreement, and any other obligations, now outstanding or hereafter issued or incurred, payable from or secured by a lien or pledge of the Pledged Revenues and issued with a lien on the Pledged Revenues on a parity with this Agreement, as shown on the Term Sheet.

"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 Resolution and this 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 Agreement as shown on Exhibit "C" hereto.

"Project" means the project(s) described on 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) water conservation or 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.

“Resolution” means the Borrower/Grantee Resolution No. _____ adopted by the Governing Body on September 6, 2016, authorizing the acceptance of the Loan/Grant, approving this Agreement and pledging the Pledged Revenues to the payment of the Loan Payments as shown on the Term Sheet.

“Senior Obligations” means the 2011 New Mexico Environment Department Loan No. CWSRF 001 maturing in 2030 in the outstanding principal amount of \$24,689,720.03 as of January 27, 2016, and the 2005 New Mexico Finance Authority Drinking Water Loan No. 1510-DW maturing in 2030 in the outstanding principal amount of \$3,944,784 as of January 27, 2016, and any other obligations hereafter issued with a superior lien on the Pledged Revenues as defined in the Term Sheet, and meeting the requirements of the Agreement applicable to the issuance of Senior Obligations.

“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 of the Borrower/Grantee, owned and operated by the Borrower/Grantee, and of which the Project, when completed, will form part. The System consists of all properties, real, personal, mixed or otherwise, now owned or hereafter acquired by the Borrower/Grantee through purchase, condemnation, construction or otherwise, including all expansions, extensions, enlargements and improvements of or to the water and wastewater utility system, and used in connection therewith or relating thereto, and any other related activity or enterprise of the Borrower/Grantee designated by the Governing Body as part of the water and wastewater utility system, whether situated within or without the limits of the Borrower/Grantee.

“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 for the benefit of the Finance Authority as follows:

(a) Binding Nature of Covenants; Enforceability. All representations, covenants, stipulations, obligations and agreements of the Borrower/Grantee contained in this Agreement shall be deemed to be the representations, covenants, stipulations, obligations and agreements of the Borrower/Grantee to the full extent authorized or permitted by law, and such representations, 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 representations, 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 Resolution 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, and this Agreement and the other documents related to the transaction to which the Borrower/Grantee is a party constitute legal, valid and binding special obligations of the Borrower/Grantee enforceable against the Borrower/Grantee in accordance with their respective terms.

(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 of proceeds representing the Loan Amount and the Grant Amount on a *pro rata* basis from the maximum Loan Amount and 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, except when a Hardship Waiver is obtained pursuant to Section 5(a)(iii) of 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 completion of an Environmental Assessment and design of an 8.5 miles reclaimed water transmission line (Northeast Distribution Segment), including a Feasibility Study and cost benefit analysis of utilizing an existing elevated water tower versus construction of a new elevated reclaimed water tower, 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) Lien. The Loan Payments constitute an irrevocable lien on the distribution on the Pledged Revenues, the priority of which is consistent with that shown on the Term Sheet.

(h) 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.

(i) 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.

(j) No Breach or Default Caused by Agreement. Neither the execution and delivery of this Agreement and the other documents related to the transaction, nor the fulfillment of or compliance with the terms and conditions in this Agreement and the other documents related to the transaction, nor the consummation of the transactions contemplated herein and therein, 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.

(k) Irrevocable Enactments. While this Agreement remains outstanding and unpaid, any ordinance, resolution or other enactment of the Governing Body applying the Pledged Revenues for the payment of this Agreement, including the Resolution 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.

(l) 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 or deliver this Agreement and the other documents related to the transaction or to comply with its obligations under this Agreement and the other documents related to the transaction. Neither the execution and delivery of this Agreement and the other documents related to the transaction by the Borrower/Grantee nor compliance by the Borrower/Grantee with the obligations under this Agreement and the other documents related to the transaction, 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.

(m) No Event of Default. No event has occurred and no condition exists which, with the giving of notice or the passage of time or upon the execution and delivery of this Agreement and the other documents related to the transaction, would constitute an Event of Default on the part of the Borrower/Grantee under this Agreement and the other documents related to the transaction.

(n) Pledged Revenues Not Budgeted. The portion of the Pledged Revenues necessary to pay the Loan Payments, as and when due, is not needed or budgeted to pay current or anticipated Operation and Maintenance Expenses or other expenses of the Borrower/Grantee.

(o) Expected Coverage Ratio. The Pledged Revenues are reasonably expected to equal or exceed—from the Fiscal Year in which the Closing Date occurs and, on an ongoing basis during each Fiscal year of the Agreement Term—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.

(p) Right to Inspect. The Finance Authority shall have the right to inspect at all reasonable times all records, accounts and data relating to the System and to inspect the System and all properties comprising the System, and the Borrower/Grantee shall supply such records, accounts, and data as are requested by the Finance Authority, within thirty (30) days of receipt of such request, written or oral.

(q) Financial Capability; Budgeting of Pledged Revenues. 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.

(r) Rate Covenant. The Borrower/Grantee covenants that it will at all times fix, charge and collect such rates and charges as 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.

(s) 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.

(t) 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 so long as this Agreement is outstanding; 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.

(u) 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, 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.

(v) 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 Finance Authority a copy of any review or audit, report of agreed upon procedures, or any other document prepared pursuant to or required by the State Audit Act.

(w) 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.

(x) Efficient Operation. The Borrower/Grantee will operate the System so long as this 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.

(y) Records. So long as the 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 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.

(z) 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. Water and sanitary sewer utility services may be billed jointly with each other, provided that each such joint bill shall show separately the water and sanitary sewer utility charges.

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

(bb) Readiness 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

(cc) Other Liens. Other than as provided in the Term Sheet, there are no liens or encumbrances of any nature, whatsoever, on or against the System or the revenues derived from the operation of the same.

Section 2.2 Representations and Warranties of the Finance Authority. The Finance Authority represents as follows:

(a) Authorization of Agreement. The Finance Authority is a public body politic and corporate separate and apart from the State, constituting a governmental instrumentality, and 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 the submission of any request for payment or 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) 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

(c) 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 request for payment shall be made, 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 in its sole and absolute discretion that such disbursement is for payment of Eligible Items, and that the request for payment 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 request for payment 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.

Section 4.3 Condition to Closing. Notwithstanding anything in this Agreement to the contrary, the Finance Authority shall not be obligated to execute the Agreement and may not make the Loan/Grant until the Borrower/Grantee has provided to the Finance Authority the documents listed on Exhibit "F" attached hereto, all of which must be in form and content acceptable to the Finance Authority.

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 on the first payment date following the completion of the Project or exhaustion of all Loan/Grant Amounts as set out in Section 5.3 hereof, 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 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 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

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should be forgiven because such payment would cause undue hardship for the Borrower/Grantee or the public it serves. The Borrower/Grantee shall submit such application to the Finance Authority for determination with sufficient documentation of the existence of such undue hardship as is reasonably required by the Finance Authority to make a determination, and the Borrower/Grantee shall promptly respond to additional requests for information from the Finance Authority. Such application for Hardship Waiver shall be executed by the Authorized Officers of the Borrower/Grantee. An "undue hardship" exists if the Finance Authority determines that the Borrower/Grantee is facing unforeseen events or an emergency that has caused the Borrower/Grantee to be unable to pay on a timely basis the annual principal payment on the Loan Amount. The Finance Authority may consult the Department of Finance and Administration in determining whether to grant the Hardship Waiver. The Finance Authority shall make a 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 its determination. Upon receipt of written notice of the 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 the principal payment shall remain outstanding and due and payable on June 1 (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.

(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 in its sole and absolute discretion that the Conditions to the disbursement of the Loan/Grant Amount have been satisfied, the Finance Authority shall:

(a) transfer from monies available for that purpose 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 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 Final Requisition. The Final Requisition shall be submitted by the Borrower/Grantee within the Interim Period. The Interim Period may be extended only as

approved in writing by an Authorized Officer of the Finance Authority, based on the Borrower/Grantee's demonstration, to the reasonable satisfaction of the Authorized Officer of the Finance Authority, that unanticipated circumstances beyond the control of the Borrower/Grantee resulted in delaying the acquisition and completion of the Project, and submission of the Borrower/Grantee's Final Requisition.

Section 5.4 Investment of Monies. Money in the Water Project Fund, representing proceeds of this Agreement, held and administered 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 Loan to the Borrower/Grantee; Payment Obligations Limited to Pledged Revenues; Pledge of Pledged Revenues. The Finance Authority hereby lends to the Borrower/Grantee and the Borrower/Grantee hereby borrows from the Finance Authority an amount not to exceed the Loan Amount. The Borrower/Grantee promises to pay, but solely from the sources pledged herein, the Loan Payments and the Administrative Fees and other amounts owed by the Borrower/Grantee as herein provided. Subject to any outstanding Parity Obligations and Senior Obligations, the Borrower/Grantee does hereby grant a lien on and a security interest in and does hereby convey, assign and pledge 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 pay 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); (ii) the Loan/Grant Amount including the Project Account; and (iii) all other rights hereinafter granted, for the securing of the Borrower/Grantee's obligations under this Agreement, including payment of the Loan Payments, Administrative Fees and other amounts owed by the Borrower/Grantee as herein provided, however, that if the Borrower/Grantee, its successors or assigns, shall pay, or cause to be paid, all Loan Payments and Administrative Fees at the time and in the manner contemplated by this Agreement, or shall provide as permitted by Section 6.5 of this Agreement for the payment thereof, and shall pay all other amounts due or to become due under this Agreement in accordance with its terms and provisions then, upon such final payment, this Agreement and the rights created thereby shall terminate; otherwise, this Agreement shall remain in full force and effect.

The schedule of Loan Payments, assuming the disbursal of the entire Loan/Grant Amount within twenty-four (24) months after the Closing Date, identified as the Interim Debt Service Schedule, is attached to this Agreement as Exhibit "B". Within thirty (30) days after the Final Requisition is made, the Finance Authority shall provide a Final Debt Service Schedule, reflecting the amount of the Loan/Grant Amount actually disbursed to the Governmental Unit pursuant to this Agreement. Such Final Debt Service Schedule shall supersede the schedule attached hereto as Exhibit "B". The Finance Authority shall additionally calculate the amount of

the Administrative Fee that has accumulated during that twenty-four (24) month period from the Closing Date, and shall include such amount in the first Loan Payment due from the Governmental Unit on the Final Debt Service Schedule.

The pledge of the Pledged Revenues and the lien thereon shall be effective upon the Closing Date. The Borrower/Grantee and the Finance Authority 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 Fee and other amounts owed by the Borrower/Grantee as herein provided, and that the Agreement 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 or the State 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 any class or source of Borrower/Grantee 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 moneys other than the Pledged Revenues. In addition, to the extent not required for the payment of obligations of the Borrower/Grantee hereunder, the Pledged Revenues 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 and Administrative Fee shall be payable by the Borrower/Grantee to the Lender/Grantor in annual installments on June 1 beginning in the year 2017 and continuing through the year 2036 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 or by electronic debit of the account identified in the ACH Authorization. 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. 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 any time, without penalty.

Section 6.6 Lender/Grantor's Release of Lien and Further Assurances. Upon payment in full of the Loan Amount, Administrative Fee 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 Complete and Maintain the Project.

(a) The Borrower/Grantee hereby agrees that in order to effectuate the purposes of this Agreement and to complete the Project it shall take such steps as are necessary and appropriate to complete and maintain the Project lawfully and efficiently. The plans and specifications shall incorporate available technologies and operational design features for increased water use efficiency. 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 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 "C" 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 request for payment 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 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 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 next March 31, June 30, September 30, or December 31 falling 1 month or more after Closing Date, 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, (c) a description of the percentage of completion of the Project; and (d) a timeline of projected milestones.

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 expiration of the Interim Period.

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 and shall dispose of such unexpended proceeds in accordance with law;

(b) In the event that a portion of the Loan/Grant Amount remains unexpended after the expiration of the Interim Period, the Finance Authority shall dispose of such funds in accordance with law.

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 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 Non-Discrimination in Employment. Except as otherwise specifically provided in the laws, statutes, ordinances or regulations of the Borrower/Grantee, the Borrower/Grantee shall require in any contract or subcontract executed in connection with the Project to which the Borrower/Grantee is a party that 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.

Section 8.5 Little Miller Act. To the extent NMSA 1978, § 13-4-1 et seq., (the "Little Miller Act") is applicable to the Project, the Borrower/Grantee shall comply with the requirements of the "Little Miller Act". If bonding requirements of the Little Miller Act are not applicable to the Project, the Borrower/Grantee will require that the contractor to whom is given any contract for construction appertaining to the Project supply a performance bond or bonds satisfactory to the Borrower/Grantee. Any sum or sums derived from said performance bond or bonds shall be used within six (6) months after such receipt for the completion of said construction, and if not so used within such period, shall be treated as Gross Revenues.

Section 8.6 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.

(c) Any contractor or subcontractor providing construction services in connection with the Project shall comply with the prevailing wage laws in accordance with the requirements of NMSA 1978, § 13-4-11, as amended.

Section 8.7 Application of Act and Board Rules. While this Agreement is outstanding, 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.

Section 8.8 Continuing Disclosure. The Borrower/Grantee shall provide continuing disclosure to the Finance Authority, as the Finance Authority may require, that shall include, but not be limited to: annual audits and notification of any event deemed material by the Finance Authority, including but not limited to, any event which may or does affect the Pledged Revenues, the ability of the Borrower/Grantee to repay the loan, and the default of the Borrower/Grantee in performance or observance of any covenant, term, or condition contained in any other loan agreement.

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;

(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

Loan/Grant Agreement
City of Hobbs, Loan/Grant No. 3555-WTB

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 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.

(g) Default by the Borrower/Grantee in performance or observance of any covenant contained in any other loan agreement, document or instrument of any type whatsoever evidencing or securing obligations of the Borrower/Grantee to the Finance Authority.

Section 10.2 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 any or all of the following actions as may appear necessary or desirable to collect the payments then due and to become due or to enforce performance of any obligations 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;

(f) Intervene in judicial proceedings that affect this Agreement or the Pledged Revenues; or

(g) Cause the Borrower/Grantee to account as if it were the trustee of an express trust for all of the Pledged Revenues;

(h) Take whatever other action at law or in equity may appear necessary or desirable to collect amounts then due and thereafter to become due under this Agreement or to enforce any other of its rights hereunder; or

(i) Apply any amounts in the Project Account toward satisfaction of any and all fees and costs incurred in enforcing the terms of this Agreement.

Section 10.3 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 10.4 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.: Utilities Director
200 East 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 an 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 by 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 11.10 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State.

Section 11.11 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.

Section 11.12 Further Assurances and Corrective Instruments. The Finance Authority and the Borrower/Grantee 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, or for otherwise carrying out the intention hereof.

Section 11.13 Finance Authority and Borrower/Grantee Representatives. Whenever under the provisions hereof the approval of the Finance Authority or the Borrower/Grantee is required, or the Borrower/Grantee or the Finance Authority is required to take some action at the request of the other, such approval or such request shall be given for the Finance Authority or for

the Borrower/Grantee by an Authorized Officer of the Finance Authority 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 11.14 CONSENT TO JURISDICTION. THE BORROWER/GRANTEE IRREVOCABLY AGREES THAT ALL ACTIONS OR PROCEEDINGS IN ANY WAY ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE DOCUMENTS SIGNED IN CONNECTION WITH THIS TRANSACTION WILL BE LITIGATED IN THE FIRST JUDICIAL DISTRICT COURT, SANTA FE COUNTY, NEW MEXICO, PURSUANT TO SECTION 6-21-26, NMSA.

[Signature pages follow]

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Finance Authority, on behalf of itself, has executed this Agreement, which was approved by the Water Trust Board on May 11, 2016 and by the Finance Authority's Board of Directors on May 26, 2016, in its corporate name by its duly authorized officer; and the Borrower/Grantee has caused this Agreement to be executed in its corporate name and the seal of the Borrower/Grantee affixed and attested by its duly authorized officers. All of the above are effective as of the date first above written.

LENDER/GRANTOR:

NEW MEXICO FINANCE AUTHORITY

By: _____
Robert P. Coalter, Chief Executive Officer

PREPARED FOR EXECUTION BY OFFICERS OF THE
NEW MEXICO FINANCE AUTHORITY:

SUTIN, THAYER & BROWNE
A PROFESSIONAL CORPORATION
As Loan/Grant Counsel

By: _____
Suzanne Wood Bruckner

APPROVED FOR EXECUTION BY OFFICERS OF THE
NEW MEXICO FINANCE AUTHORITY:

Daniel C. Opperman
General Counsel
New Mexico Finance Authority

BORROWER/GRANTEE:

CITY OF HOBBS, LEA COUNTY NEW
MEXICO

By _____
Sam D. Cobb, Mayor

ATTEST:

By _____
Jan Fletcher, City Clerk

3971336_2.docx

EXHIBIT "A"

EXHIBIT A

TERM SHEET

\$586,400 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 completion of an Environmental Assessment and design of an 8.5 miles reclaimed water transmission line (Northeast Distribution Segment), including a Feasibility Study and cost benefit analysis of utilizing an existing elevated water tower versus construction of a new elevated reclaimed water tower, 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: \$351,840

Loan Amount: \$234,560

Pledged Revenues: Net System Revenues

Outstanding Senior Obligations for Pledged Revenues: 2011 New Mexico Environment Department Loan No. CWSRF 001; and 2005 New Mexico Finance Authority Drinking Water Loan No. 1510-DW

Outstanding Parity Obligations: 2013 New Mexico Finance Authority Water Trust Board Loan No. 0250-WTB maturing June 2033; 2015 New Mexico Finance Authority Water Trust Board Loan No. 0316-WTB maturing June 2035; and 2015 New Mexico

Finance Authority Water Trust Board Loan No. 0339-WTB
maturing June 2035

Authorizing Legislation: Borrower/Grantee Resolution No. _____, adopted
September 6, 2016

Additional Funding Amount: \$87,960

Closing Date: October 14, 2016

Project Account Amount: \$586,400

Expense Account Deposit: \$0

Administrative Fee: .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 Resolution was adopted and at which this Agreement, the Resolution 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 defined in the Agreement.

EXHIBIT B

PAYMENT PROVISIONS OF THE LOAN

The Loan Amount and Administrative Fee 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, 2017 and ending June 1, 2036. The Loan Amount shall be prepayable 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.

[ATTACH DEBT SERVICE SCHEDULE]

SOURCES AND USES OF FUNDS

City of Hobbs
 3555-WTB, City of Hobbs Water Project

Sources:

Bond Proceeds:	
Par Amount	234,560.00
Other Sources of Funds:	
Water Trust Board Grant Funds	351,840.00
	<hr/> 586,400.00 <hr/>

Uses:

Project Fund Deposits:	
Project Fund	234,560.00
Other Uses of Funds:	
Water Trust Board Grant Funds	351,840.00
	<hr/> 586,400.00 <hr/>

BOND SUMMARY STATISTICS

City of Hobbs
3555-WTB, City of Hobbs Water Project

Dated Date	10/14/2016
Delivery Date	10/14/2016
Last Maturity	06/01/2036
Arbitrage Yield	0.249997%
True Interest Cost (TIC)	0.249997%
Net Interest Cost (NIC)	0.250000%
All-In TIC	0.249997%
Average Coupon	0.250000%
Average Life (years)	10.389
Duration of Issue (years)	10.223
Par Amount	234,560.00
Bond Proceeds	234,560.00
Total Interest	6,092.31
Net Interest	6,092.31
Total Debt Service	240,652.31
Maximum Annual Debt Service	12,259.49
Average Annual Debt Service	12,259.07
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life
Loan Component	234,560.00	100.000	0.250%	10.389
	234,560.00			10.389

	TIC	All-In TIC	Arbitrage Yield
Par Value	234,560.00	234,560.00	234,560.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense			
- Other Amounts			
Target Value	234,560.00	234,560.00	234,560.00
Target Date	10/14/2016	10/14/2016	10/14/2016
Yield	0.249997%	0.249997%	0.249997%

DETAILED BOND DEBT SERVICE

City of Hobbs
 3555-WTB, City of Hobbs Water Project

Loan Component (LOAN)

Period Ending	Principal	Coupon	Interest	Debt Service
06/01/2017	7,360	0.250%	369.76	7,729.76
06/01/2018	11,691	0.250%	568.00	12,259.00
06/01/2019	11,720	0.250%	538.77	12,258.77
06/01/2020	11,750	0.250%	509.47	12,259.47
06/01/2021	11,779	0.250%	480.10	12,259.10
06/01/2022	11,808	0.250%	450.65	12,258.65
06/01/2023	11,838	0.250%	421.13	12,259.13
06/01/2024	11,867	0.250%	391.54	12,258.54
06/01/2025	11,897	0.250%	361.87	12,258.87
06/01/2026	11,927	0.250%	332.13	12,259.13
06/01/2027	11,957	0.250%	302.31	12,259.31
06/01/2028	11,987	0.250%	272.42	12,259.42
06/01/2029	12,017	0.250%	242.45	12,259.45
06/01/2030	12,047	0.250%	212.41	12,259.41
06/01/2031	12,077	0.250%	182.29	12,259.29
06/01/2032	12,107	0.250%	152.10	12,259.10
06/01/2033	12,137	0.250%	121.83	12,258.83
06/01/2034	12,168	0.250%	91.49	12,259.49
06/01/2035	12,198	0.250%	61.07	12,259.07
06/01/2036	12,228	0.250%	30.57	12,258.57
	234,560		6,092.31	240,652.31

BOND SOLUTION

City of Hobbs
3555-WTB, City of Hobbs Water Project

Period Ending	Proposed Principal	Proposed Debt Service	Existing Debt Service	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
06/01/2017	7,360	7,730	2,412,770	2,420,500	4,153,892	1,733,392	171.61296%
06/01/2018	11,691	12,259	2,412,783	2,425,042	4,153,892	1,728,850	171.29155%
06/01/2019	11,720	12,259	2,412,796	2,425,055	4,153,892	1,728,837	171.29062%
06/01/2020	11,750	12,259	2,412,810	2,425,070	4,153,892	1,728,822	171.28960%
06/01/2021	11,779	12,259	2,412,823	2,425,082	4,153,892	1,728,810	171.28870%
06/01/2022	11,808	12,259	2,412,837	2,425,095	4,153,892	1,728,797	171.28779%
06/01/2023	11,838	12,259	2,412,851	2,425,110	4,153,892	1,728,782	171.28674%
06/01/2024	11,867	12,259	2,412,866	2,425,125	4,153,892	1,728,767	171.28572%
06/01/2025	11,897	12,259	2,412,880	2,425,138	4,153,892	1,728,754	171.28474%
06/01/2026	11,927	12,259	2,412,895	2,425,154	4,153,892	1,728,738	171.28362%
06/01/2027	11,957	12,259	2,412,911	2,425,170	4,153,892	1,728,722	171.28252%
06/01/2028	11,987	12,259	2,093,121	2,105,381	4,153,892	2,048,511	197.29885%
06/01/2029	12,017	12,259	2,093,121	2,105,381	4,153,892	2,048,511	197.29887%
06/01/2030	12,047	12,259	2,093,121	2,105,381	4,153,892	2,048,511	197.29885%
06/01/2031	12,077	12,259	171,632	183,892	4,153,892	3,970,000	2258.88142%
06/01/2032	12,107	12,259	171,632	183,891	4,153,892	3,970,001	2258.89042%
06/01/2033	12,137	12,259	103,880	116,139	4,153,892	4,037,753	3576.66826%
06/01/2034	12,168	12,259	103,880	116,139	4,153,892	4,037,753	3576.64801%
06/01/2035	12,198	12,259	103,880	116,139	4,153,892	4,037,753	3576.66095%
06/01/2036	12,228	12,259		12,259	4,153,892	4,141,633	33885.6163%
	234,560	240,652	33,475,489	33,716,141	83,077,840	49,361,699	

EXHIBIT "C"

FORM OF REQUISITION

RE: \$586,400 Loan/Grant Agreement by and between the Finance Authority, as Lender/Grantor, and the City of Hobbs, New Mexico, as Borrower/Grantee (the "Loan/Grant Agreement")

Loan/Grant No. 3555-WTB

Closing Date: October 14, 2016

TO: NEW MEXICO FINANCE AUTHORITY

You are hereby authorized to disburse from the Project Account – City of Hobbs, New Mexico, 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, New Mexico. 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, 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 "D"

WATER TRUST BOARD PROJECT STATUS REPORT
PREPARED FOR THE
NEW MEXICO FINANCE AUTHORITY

Fund Recipient Names: City of Hobbs, New Mexico	WTB Project Number:3555-WTB WTB Project Name: Effluent Reuse Project, Northeast Distribution Pipeline	
Recipient Contact:	Project Type: Design	
Phone Number:		
Quarterly Project Report <input type="checkbox"/> Final <input type="checkbox"/> Other <input type="checkbox"/>		
Report Period: From - ___ / ___ / ___	To - ___ / ___ / ___	
Contract Expiration: _____		
Total WTB Award: \$586,400 Current Balance: \$ _____		
Loan 40%	Grant 60%	Match 15%
Expected WTB Award Expenditure Next Quarter: \$ _____		
Additional Funding Amount Expended to Date: \$ _____		
Expected Additional Funding Amount 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 Officer: <i>(Print)</i> Date: _____	Authorized Officer Signature:
--	-------------------------------

EXHIBIT "E"
FORM OF CERTIFICATE OF COMPLETION

RE: \$586,400 Loan/Grant Agreement by and between the Finance Authority, as Lender/Grantor, and the City of Hobbs, New Mexico, as Borrower/Grantee (the "Loan/Grant Agreement")

Loan/Grant No. 3555-WTB

Closing Date: October 14, 2016

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: _____

EXHIBIT "F"

DOCUMENTS

1. Open Meetings Act Resolution No. 6393 adopted by the Borrower/Grantee on January 4, 2016
2. Resolution No. 6480 adopted on September 6, 2016, Agenda, and Affidavit of Publication of Notice of Adoption of Resolution in the *Hobbs Daily News-Sun*
3. Loan/Grant Agreement
4. General and No Litigation Certificate of the Borrower/Grantee
5. Delivery, Deposit and Cross-Receipt Certificate
6. Borrower's Counsel Opinion
7. Approving Opinion of Sutin, Thayer & Browne A Professional Corporation, Loan/Grant Counsel to the Finance Authority
8. Finance Authority Application and Project Approval (informational only)



CITY OF HOBBS
COMMISSION STAFF SUMMARY FORM

MEETING DATE: September 6, 2016


SUBJECT: BLOCK 8 LEASES--FIRST READING OF AN ORDINANCE TO APPROVE TWO MONTH TO MONTH LEASES OF MUNICIPAL PROPERTY AND AUTHORIZE PUBLICATION OF ORDINANCE.

DEPT. OF ORIGIN: Planning Division
DATE SUBMITTED: August 26, 2016
SUBMITTED BY: Kevin Robinson – Planning Department

Summary: The municipality is in the process of closing on property consisting of Lots 1-12, Block 8 of the Original Hobbs Addition, as a potential future site for new Municipal Detention Facilities. The current owner has two active month to month leases on the property, one to Dallas Carpets a local retail carpet company and one to Pace Oilfield Services also a local company. Adoption of this Ordinance would continue the current fair market leases on a month to month basis for a period not to exceed one year, upon conveyance of the property to the municipality.

The Commission must authorize publication of the Ordinance to lease public property. Final review and adoption of the Ordinance would occur in October.

Fiscal Impact:

Reviewed By: 

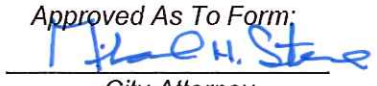
Finance Department

Proceeds of lease payments, valued at \$27,600.00 at term,

Attachments: Ordinance authorizing the leases; Leases.

Legal Review:

Approved As To Form:


City Attorney

Recommendation:

Staff recommends that the Commission consider approval of the Publication of the Ordinance to lease public property.

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, NEW MEXICO

ORDINANCE NO. _____

AN ORDINANCE APPROVING TWO REAL ESTATE LEASES COMPRISED OF LOTS 1 THROUGH 12, BLOCK 8 OF THE ORIGINAL HOBBS ADDITION, VALUE OF LEASES AT TERM IS \$27,600.00.

WHEREAS, the City of Hobbs, a municipal corporation, shall be the owner of real property comprised of lots 1-12, block 8 of the Original Hobbs Addition; and

WHEREAS, the property is currently encumbered by two fair market month to month leases by local companies; and

WHEREAS, the municipality desires to continue such leases on a month to month basis for a period certain of one year; and

WHEREAS, unless a referendum election is held, the Ordinance authorizing the lease of this property shall be effective forty-five (45) days after its adoption.

WHEREAS, inclusive in this Ordinance are the following:

1. **Terms of Leases:** The City proposes to lease real property comprised of lot 1-12, block 8 of the Original Hobbs Addition, lease proceeds at term will be \$27,600.00.

The Lease of the City owned Real Property must be approved by City Ordinance pursuant to NMSA Section 3-54-1 et. seq., as amended.

Lease Agreements concerning terms of the lease for the property are part of the Proposed Ordinance.

2. **Appraised Value of Municipally Owned Real Property:** The property has a new appraisal placing value at \$255,000.

3. **Schedule of Payments:** The lease payments are to be paid on a month to month basis as follows:

Dallas Carpets: \$ 1,500.00

Pace Oilfield Services \$ 800.00
Total Payments \$ 2,300.00

4. The Amount of Leases at Term: \$ 27,600.00

5. Lessors of Property:

Dallas Carpet
219 N. Turner
Hobbs, NM 88240

Pace Oilfield Services
3504 W. Smith Lane
Hobbs, NM 88240

6. Purpose of Municipal Lease: Allow local businesses additional time to relocate.

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

(I)

That the City of Hobbs hereby approves the lease of the Property as described as follows:

LEGAL DESCRIPTION

A parcel of land comprised of lot 1-12, block 8 within the Original Hobbs Addition.

(II)

That this Ordinance has been published prior to its adoption and shall be published at least once after adoption, pursuant to Sections 3-2-1, et. seq., and 3-54-1, et. seq., NMSA 1978, as amended.

(III)

That the effective date of this Ordinance shall be forty-five (45) days after its adoption by the governing body of the City of Hobbs, unless a referendum election is held.

(IV)

That City staff and officials are hereby authorized and directed to do all acts and deeds necessary in the accomplishment of the above.

PASSED, APPROVED AND ADOPTED this ____ day of _____, 2016.

CITY OF HOBBS, NEW MEXICO

By _____
Sam D. Cobb, Mayor

ATTEST:

By _____
JAN FLETCHER, City Clerk

LEASE

THIS LEASE, hereinafter called "LEASE", made and entered into this 1st day of September, 2016 by and between the City of Hobbs, a municipal corporation in the State of New Mexico, (hereinafter called "City") and Dallas Carpets, (hereafter called "Lessee").

RECITALS:

A. The City is the owner of certain leasehold property referred to hereafter as the "Leasehold Property", within the City Limits of Hobbs within Lea County, State of New Mexico, as specifically described in Lease Description below.

B. The Lessee desires to lease the leasehold property, as specifically described in Lease Description below, for the purpose of operating a retail carpet store.

Lease Descriptions:

Those structures occupying Lot 1 – Lot 5, Block 8 of the Original Hobbs Addition including the parking lot located south of the storefront within the same block.

C. The City is willing to lease the leasehold property to Lessee, and the parties desire to execute a written Lease.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and for other good and valuable consideration, the following is agreed:

TERMS AND CONDITIONS:

1. Leasehold Property Description.

The City hereby leases to the Lessee, the land described above, (hereinafter called "Leasehold Property") under the terms and conditions of this Lease.

2. Leasehold Term, Rent Adjustments, Commencement Date And Possession.

A. The term of this Lease shall be month to month commencing on the "Commencement Date," as hereinafter defined. The Commencement Date shall be September 1, 2016, or upon final conveyance of the property to the City of Hobbs. Possession of the Leasehold Property shall be on the Commencement Date.

B. Lessee shall and may peaceably and quietly have, hold and enjoy the Leasehold property for the term of the Lease, as long as Lessee is in compliance with the terms of the Lease Agreement.

C. Lessee acknowledges that it has fully inspected the leased premises and Lessee hereby accepts the leased premises, buildings and improvements, if any, and each appurtenance thereto as is, in their present state and condition, as suitable for the purpose for which the same are leased and will allow for changes in such condition occurring by reasonable deterioration, normal wear and tear excepted. Any improvements and or maintenance to the leasehold properties are the sole responsibility

of the Lessee. If at any time in the future the premises become unsuitable or unsafe, at either parties discernment, for habitation this lease shall immediately terminate.

3. **Rent Payments.**

A. Beginning on the Commencement Date, the Lessee shall pay the City a fixed monthly rental fee ("Rent"). The amount of the monthly rent payment shall be \$1,500.00 per month.

B. In exchange for payment of the rent, possession of the Leasehold Property will be granted on the Commencement Date of the Lease.

C. The Lessee will pay all charges made against said Leasehold Property, including but not limited to, on-going monthly utility fees for water, waste water, natural gas, electricity, telecommunications, or any other utility furnished to the premises during the continuance of this lease, as the same shall become due. Lessee shall be responsible for paying or putting up any bonds or deposits required by any entity furnishing utility services to the Leasehold Property which is the subject matter of this lease agreement. City shall not be liable in damages or otherwise for failure, stoppage or interruption of any such service, nor shall the same be construed as an eviction of Lessee, or work as an abatement of rent, or relieve Lessee from the operation of any covenant or agreement; but in the event of any failure, stoppage or interruption thereof, Lessee shall use reasonable diligence to resume service promptly.

4. **Permitted Use.**

A. Lessee shall have use of the Leasehold Property granted in this Lease for the purpose of operating a retail carpet store.

B. Lessee shall use the Leasehold Property for the above stated purposes only.

C. No other activities will be allowed on the leasehold property.

5. **Lessee's Warranties**

Lessee shall maintain the Leasehold Property and any improvements, fixtures or equipment on the Leasehold Property in good condition. Reasonable maintenance and repairs to structures on the Leasehold Property will be performed by Lessee at its sole cost.

6. **Insurance**

The Lessee shall maintain general public liability and casualty insurance insuring against such claims, and shall annually furnish to the City a certificate or other evidence and proof of maintenance of such comprehensive public liability insurance, including a copy of the policy, with the City named as an additional insured to the extent of Lessee's indemnity obligations hereunder, such insurance shall have minimum limits of at least the sum of One Million Dollars (\$1,000,000) for general liability and casualty coverage arising out of a single occurrence. Such insurance shall be with a company licensed and authorized to do business in the State of New Mexico and to provide general liability and casualty coverage of the type required herein, which policy shall include fire and

extended coverage liability. The Lessee shall provide the City with notice of any change thereof, and shall furnish to the City evidence of acquirement of a substitute therefore, and payment of the premium thereof.

7. **Assignment And Sublease**

Lessee may not assign or sublease the Leasehold Property granted by this Lease or the improvements on the Leasehold Property to any person or entity, unless the Lease is amended by the City to permit such assignment. The City may place any necessary condition or restriction on its consent of a sublease or assignment.

8. **Default And Cancellation**

A. The violation by Lessee of any of the terms, conditions or covenants of this Lease or the nonpayment by Lessee of any rent due under this Lease shall be considered a default and may cause this Lease to be cancelled and terminated at the City's sole discretion, following at least fifteen (15) days advance written notice of such default from City to the Lessee; provided, however, said cancellation shall not be made if, within the fifteen (15) day notice period, Lessee cures or remedies said default or otherwise complies with any demand contained within such written notice which cures or remedies the default.

B. If Lessee defaults in the performance of this Lease prior to the Commencement Date, City may terminate this Lease and retain the earnest money deposit, or may waive default, enforce performance of this contract, and seek such other relief as may be provided by law.

9. **Relinquishment**

At any time, upon fifteen (15) days prior written notice, provided all rents then due and owing have been fully paid and Lessee is not in default under this Lease, Lessee may cancel and relinquish the Leasehold Property to the City whereupon Lessee shall be relieved of any further liabilities and obligations under this Lease. Lessee shall not be entitled to a refund of any rent paid. The parties may mutually agree in writing that this lease may be terminated within fifteen (15) days after said mutual agreement is signed.

10. **Notice**

All notices given pursuant to or in connection with this Lease shall be made in writing and posted by certified mail, postage prepaid, to the City of Hobbs, 200 E Broadway, Hobbs, NM 88240 ATTN: City Manager and to Lessee at Dallas Carpet, 219 N. Turner, Hobbs, NM 88240 or to such other address as requested by either party. Notice shall be deemed to be received on the fifth day following posting.

11. **Attorney's Fees and Costs**

If either party is found by a court to have breached this Lease, the other party may recover reasonable attorney's fees and cost of litigation. Prior to the institution of

any litigation, the parties have the contractual duty to in good faith attempt to resolve any controversy hereunder at the least possible expense.

12. **Counterparts**

This Lease may be executed in one or more identical counterparts, and all counterparts so executed shall constitute one agreement which shall be binding on all of the parties.

13. **Compliance with Statutes**

The City states that it has complied with the requirements of New Mexico Statutes and the Hobbs Municipal Code and has authorization to lease the property.

14. **Governing Laws**

This Lease shall be subject to the laws of the State of New Mexico and any litigation shall occur in Lea County, New Mexico, only.

15. **Indemnification**

Lessee shall save and hold harmless, indemnify and defend the City of Hobbs, its elected officials, employees and agents, in their official and individual capacities, and from any and all liabilities, claims, losses, or damages arising out of or alleged to arise out of or indirectly connected with the negligent operations of Lessee under this Lease, or arising out of the negligence of any agent, contractor or subcontractor of Lessee.

16. **Conditions Precedent**

The City Commission must have approved the Lease as specified in NMSA 1978 Section 3-54-1 et. seq., as amended, prior to Lessee having any liability pursuant to the Lease.

17. **Termination**

This agreement shall be a month-to-month agreement, subject to termination by mutual agreement as provided under Section 10 Relinquishment herein, or by a 30 day notice of termination from City to Lessee.

18. **Entire Agreement**

This Lease represents the entire agreement and there are no other agreements or understandings oral or otherwise that are binding the parties concerning this 1.60 acre Leasehold Property.

IN WITNESS WHEREOF, City and Lessee have executed this Lease as of the date first written above.

City Of Hobbs

Dallas Carpet

J.J. Murphy – City Manager

By: Jesus Gamez

Its: _____
President

(SEAL)

ATTEST:

APPROVED AS TO FORM:

Jan Fletcher, City Clerk

Mike H. Stone, City Attorney

LEASE

THIS LEASE, hereinafter called "LEASE", made and entered into this 1st day of September, 2016 by and between the City of Hobbs, a municipal corporation in the State of New Mexico, (hereinafter called "City") and Pace Oilfield Services, (hereafter called "Lessee").

RECITALS:

A. The City is the owner of certain leasehold property referred to hereafter as the "Leasehold Property", within the City Limits of Hobbs within Lea County, State of New Mexico, as specifically described in Lease Description below.

B. The Lessee desires to lease the leasehold property, as specifically described in Lease Description below, for the purpose of operating a retail carpet store.

Lease Descriptions:

Property comprised of Lot 6 – Lot 12, Block 8 of the Original Hobbs Addition including any non-habitable structures thereon.

C. The City is willing to lease the leasehold property to Lessee, and the parties desire to execute a written Lease.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and for other good and valuable consideration, the following is agreed:

TERMS AND CONDITIONS:

1. Leasehold Property Description.

The City hereby leases to the Lessee, the land described above, (hereinafter called "Leasehold Property") under the terms and conditions of this Lease.

2. Leasehold Term, Rent Adjustments, Commencement Date And Possession.

A. The term of this Lease shall be month to month commencing on the "Commencement Date," as hereinafter defined. The Commencement Date shall be September 1, 2016, or upon final conveyance of the property to the City of Hobbs. Possession of the Leasehold Property shall be on the Commencement Date.

B. Lessee shall and may peaceably and quietly have, hold and enjoy the Leasehold property for the term of the Lease, as long as Lessee is in compliance with the terms of the Lease Agreement.

C. Lessee acknowledges that it has fully inspected the leased premises and Lessee hereby accepts the leased premises, buildings and improvements, if any, and each appurtenance thereto as is, in their present state and condition, as suitable for the purpose for which the same are leased and will allow for changes in such condition occurring by reasonable deterioration, normal wear and tear excepted. Any improvements and or maintenance to the leasehold properties are the sole responsibility

of the Lessee. If at any time in the future the premises become unsuitable or unsafe, at either parties discernment, for habitation this lease shall immediately terminate.

3. **Rent Payments.**

A. Beginning on the Commencement Date, the Lessee shall pay the City a fixed monthly rental fee ("Rent"). The amount of the monthly rent payment shall be \$800.00 per month.

B. In exchange for payment of the rent, possession of the Leasehold Property will be granted on the Commencement Date of the Lease.

C. The Lessee will pay all charges made against said Leasehold Property, including but not limited to, on-going monthly utility fees for water, waste water, natural gas, electricity, telecommunications, or any other utility furnished to the premises during the continuance of this lease, as the same shall become due. Lessee shall be responsible for paying or putting up any bonds or deposits required by any entity furnishing utility services to the Leasehold Property which is the subject matter of this lease agreement. City shall not be liable in damages or otherwise for failure, stoppage or interruption of any such service, nor shall the same be construed as an eviction of Lessee, or work as an abatement of rent, or relieve Lessee from the operation of any covenant or agreement; but in the event of any failure, stoppage or interruption thereof, Lessee shall use reasonable diligence to resume service promptly.

4. **Permitted Use.**

A. Lessee shall have use of the Leasehold Property granted in this Lease for the purpose of operating a retail carpet store.

B. Lessee shall use the Leasehold Property for the above stated purposes only.

C. No other activities will be allowed on the leasehold property.

5. **Lessee's Warranties**

Lessee shall maintain the Leasehold Property and any improvements, fixtures or equipment on the Leasehold Property in good condition. Reasonable maintenance and repairs to structures on the Leasehold Property will be performed by Lessee at its sole cost.

6. **Insurance**

The Lessee shall maintain general public liability and casualty insurance insuring against such claims, and shall annually furnish to the City a certificate or other evidence and proof of maintenance of such comprehensive public liability insurance, including a copy of the policy, with the City named as an additional insured to the extent of Lessee's indemnity obligations hereunder, such insurance shall have minimum limits of at least the sum of One Million Dollars (\$1,000,000) for general liability and casualty coverage arising out of a single occurrence. Such insurance shall be with a company licensed and authorized to do business in the State of New Mexico and to provide general liability and casualty coverage of the type required herein, which policy shall include fire and

extended coverage liability. The Lessee shall provide the City with notice of any change thereof, and shall furnish to the City evidence of acquirement of a substitute therefore, and payment of the premium thereof.

7. **Assignment And Sublease**

Lessee may not assign or sublease the Leasehold Property granted by this Lease or the improvements on the Leasehold Property to any person or entity, unless the Lease is amended by the City to permit such assignment. The City may place any necessary condition or restriction on its consent of a sublease or assignment.

8. **Default And Cancellation**

A. The violation by Lessee of any of the terms, conditions or covenants of this Lease or the nonpayment by Lessee of any rent due under this Lease shall be considered a default and may cause this Lease to be cancelled and terminated at the City's sole discretion, following at least fifteen (15) days advance written notice of such default from City to the Lessee; provided, however, said cancellation shall not be made if, within the fifteen (15) day notice period, Lessee cures or remedies said default or otherwise complies with any demand contained within such written notice which cures or remedies the default.

B. If Lessee defaults in the performance of this Lease prior to the Commencement Date, City may terminate this Lease and retain the earnest money deposit, or may waive default, enforce performance of this contract, and seek such other relief as may be provided by law.

9. **Relinquishment**

At any time, upon fifteen (15) days prior written notice, provided all rents then due and owing have been fully paid and Lessee is not in default under this Lease, Lessee may cancel and relinquish the Leasehold Property to the City whereupon Lessee shall be relieved of any further liabilities and obligations under this Lease. Lessee shall not be entitled to a refund of any rent paid. The parties may mutually agree in writing that this lease may be terminated within fifteen (15) days after said mutual agreement is signed.

10. **Notice**

All notices given pursuant to or in connection with this Lease shall be made in writing and posted by certified mail, postage prepaid, to the City of Hobbs, 200 E Broadway, Hobbs, NM 88240 ATTN: City Manager and to Lessee at Pace Oilfield Services, 3504 W. Smith Lane, Hobbs, NM 88240 or to such other address as requested by either party. Notice shall be deemed to be received on the fifth day following posting.

11. **Attorney's Fees and Costs**

If either party is found by a court to have breached this Lease, the other party may recover reasonable attorney's fees and cost of litigation. Prior to the institution of

any litigation, the parties have the contractual duty to in good faith attempt to resolve any controversy hereunder at the least possible expense.

12. **Counterparts**

This Lease may be executed in one or more identical counterparts, and all counterparts so executed shall constitute one agreement which shall be binding on all of the parties.

13. **Compliance with Statutes**

The City states that it has complied with the requirements of New Mexico Statutes and the Hobbs Municipal Code and has authorization to lease the property.

14. **Governing Laws**

This Lease shall be subject to the laws of the State of New Mexico and any litigation connected herewith shall occur in Leas County, New Mexico, only.

15. **Indemnification**

Lessee shall save and hold harmless, indemnify and defend the City of Hobbs, its elected officials, employees and agents, in their official and individual capacities, of and from any and all liabilities, claims, losses, or damages arising out of or alleged to arise out of or indirectly connected with the negligent operations of Lessee under this Lease, or arising out of the negligence of any agent, contractor or subcontractor of Lessee.

16. **Conditions Precedent**

The City Commission must have approved the Lease as specified in NMSA 1978 Section 3-54-1 et. seq., as amended, prior to Lessee having any liability pursuant to the Lease.

17. **Termination**

This agreement shall be a month-to-month agreement, subject to termination by mutual agreement as provided under Section 10 Relinquishment herein, or by a 30 day notice of termination from City to Lessee.

18. **Entire Agreement**

This Lease represents the entire agreement and there are no other agreements or understandings oral or otherwise that are binding the parties concerning this 1.60 acre Leasehold Property.

IN WITNESS WHEREOF, City and Lessee have executed this Lease as of the date first written above.

City Of Hobbs

Pace Oilfield Services

J.J. Murphy – City Manager

By:

Its: _____

(SEAL)

ATTEST:

APPROVED AS TO FORM:

Jan Fletcher, City Clerk

Mike H. Stone, City Attorney



CITY OF HOBBS
COMMISSION STAFF SUMMARY FORM

MEETING DATE: September 6, 2016

SUBJECT: Staffing for Adequate Fire & Emergency Response Grants (SAFER) Award

DEPT. OF ORIGIN: Fire Department

DATE SUBMITTED: August 29, 2016

SUBMITTED BY: Barry Young, Deputy Fire Chief

Summary:

The Department of Homeland Security and the Federal Emergency Management Agency is responsible for the implementation and administration of the SAFER Grant. On August 26, 2016, the Hobbs Fire Department was notified of being awarded the funding for seven (7) firefighter positions through the SAFER grant.

Fiscal Impact:

Reviewed By: 

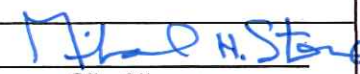
Finance Department

There is a two-year period of performance for the grant awarded to the Hobbs Fire Department. The grant will fund \$412,272 (salaries and benefits) for two 12-month periods for a total of \$824,544 (salaries and benefits) for the seven (7) positions. Furthermore, should the actual salary and benefits costs exceed the awarded Federal funds, the City will be obligated to pay the exceeded costs.

Attachments:

- 1. Award Email

Legal Review:

Approved As To Form: 

City Attorney

Recommendation:

Approval to accept the SAFER grant funding from the Department of Homeland Security and the Federal Emergency Management Agency.

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. 6482

A RESOLUTION AUTHORIZING THE APPROVAL TO ACCEPT
THE SAFER GRANT FUNDING FROM THE
DEPARTMENT OF HOMELAND SECURITY
AND THE FEDERAL EMERGENCY MANAGEMENT AGENCY

WHEREAS, the Department of Homeland Security and the Federal Emergency Management Agency is responsible for the implementation and administration of the Staffing for Adequate Fire & Emergency Response Grant ("SAFER"); and

WHEREAS, the SAFER grant provides two-year grants to assist fire departments by paying the salaries and benefits of the SAFER-funded position; and

WHEREAS, the Hobbs Fire Department has been notified of being awarded funding for seven (7) firefighter positions through the SAFER Grant;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HOBBS, NEW MEXICO, that the Mayor hereby authorizes the acceptance of the SAFER Grant funding from the Department of Homeland Security and the Federal Emergency Management Agency.

PASSED, ADOPTED AND APPROVED this 6th day of September, 2016.

SAM D. COBB, Mayor

Attest:

JAN FLETCHER, City Clerk

Manny Gomez

From: firegrants@dhs.gov
Sent: Friday, August 26, 2016 3:02 AM
To: Manny Gomez
Subject: Award Notification (Application Number: EMW-2015-FH-00163)

Congratulations!

Your grant application submitted under The Department of Homeland Security (DHS) Federal Emergency Management Agency's (FEMA) Grant Programs

Directorate FY 2015 Staffing for Adequate Fire and Emergency Response (SAFER) Grant Program has been approved for award. Please go to the Assistance to Firefighters eGrants system at [" >](#) to accept or reject your award. Enter the same User Name and Password used to complete the online application as requested on the login screen.

Once you are in the system, the Status page will be the first screen you see. On the right side of the Status screen, you will see

a column entitled Action. In this column, please select View Award Package from the drop down menu; click Go to view your Award Package. After review of your award package, you will need to indicate either your acceptance or rejection of award. NOTE: If you wish to accept the award, you should do so immediately as the applicable recruitment period has begun. When you have finished, please print your award package for your records.

As a reminder, awards made under the **Hiring of Firefighters Category** require the support of your governing body

prior to acceptance of the award. Therefore, by accepting this award you are confirming that you have discussed this application with your local officials and that there is a clear understanding of the long-term obligations of a SAFER grant and that both the department and governing body are committed to fulfilling the requirements of this grant immediately upon acceptance.

If you choose to decline the award, you waive all future rights to this award.

If you accept your award, you will now see a link on the left side of the screen that says Update 1199A in the Action column. Click this link as it will take you to the SF-1199A Direct Deposit Sign-up Form. **Note:** If you have been awarded in the past, the SF-1199A link will be located under the action column of the first award your organization has received. If you have not done so already, please complete the SF-1199A on-line. When you have finished, you must submit the form electronically. Then, using the Print 1199A button, print a copy and take it to your bank to have the bottom portion completed. Make sure your application number is on the form. After your bank has filled out their portion of the form, you must fax a copy of the form to FEMA's SF-1199 Processing Staff at 301-998-8699. You should keep the original form in your grant files. After the faxed version of your SF 1199A has been reviewed, you will receive an email indicating the form is approved. After which you will be able to request payments online.

If you have any questions regarding your SF-1199A, please call 1-866-274-0960.