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 - 1. Recommendation and Findings of the Economic Development Finance Review Committee.
 - 2. Resolution #16-17-24, Approving Execution of the Project Participation Agreement between the City of Portales and Ambience Hospitality, LLC for the Use of Economic Development Tax Revenues to Support Economic Assistance in Portales, New Mexico and Project Participation Agreement.
- K. Other Business/Citizens to be Heard.
- L. Executive Session/Closed Meeting:
 - 1. Action to Convene in a Closed Meeting to Discuss Matters as Provided for under New Mexico Statutes Pertaining to Open Meetings Referencing Section 10-15-1 H.(8), Related to the Purchase, Acquisition, or Disposal of Real Property or Water Rights.
 - 2. Action to Convene in Open Meeting.
 - 3. Action Required as a Result of the Closed Session.

THE CITY COUNCIL OF THE CITY OF PORTALES met in regular session Tuesday, November 15, 2016, at 6:30 p.m., in the Council Chambers of the Memorial Building, 200 E. 7th Street, Portales, NM in full conformity with the rules and regulations. Mayor King called the meeting to order and asked City Clerk Martinez-Terry to call roll. Those present and constituting a quorum were:

MAYOR: Sharon L. King

MAYOR PRO-TEM: Michael G. Miller

COUNCIL MEMBERS: Veronica A. Cordova Oscar H. Robinson
Chadrick H. Heflin Antonio O. Salguero
Jim Lucero Jessica J. Smith
Dianne Y. Parker

STAFF PRESENT: Sammy Standefer, City Manager Randy Knudson, City Attorney
Joan Martinez-Terry, City Clerk John DeSha, Public Works Dir.
Pat Gallegos, Police Chief Dennis Hales, I.T. Director
Chris Valdez, Police Sgt. Susan Baysinger, Public Works Proj. Admin.

	Nickolas Laurenz, Police Officer	Anthony Sanford, Police Officer
	Jacob Montgomery, Police Officer	David Haack, Police Officer
OTHERS PRESENT:	Eamon Scarborough, Press	Brad Mauldin, ENMU Police Chief
	Holly Laurenz	Melissa Haack
	Gayla Brumfield, ENMWUA Chair	David Lansford, Clovis City Mayor
	Duward Dixon, Elida Village Mayor	

Mayor King asked Susan Baysinger, Public Works Project Administrator, to give the invocation, and Emma Mitchell to lead the Pledge of Allegiance and the Salute to the New Mexico flag.

(A) MINUTES OF PREVIOUS MEETING(S):

1. Regular Meeting of November 1, 2016.

Mayor King asked the Council to consider the minutes of the Regular Meeting of November 1, 2016. She asked for corrections or action on the minutes. Mayor King asked the pleasure of the Council. ***Councilor Parker made the motion to approve the minutes of the regular meeting of November 1, 2016 as presented. Councilor Smith seconded the motion. All Council members present voted in favor of the motion. No abstentions. Motion carried.***

(B) PRESENTATION/RECOGNITION OF AWARDS – POLICE DEPARTMENT:

- 1. Honoree David B. Haack, Police Officer - Medal of Valor and Meritorious Service Award.**
- 2. Honoree Nickolas W. Laurenz, Police Officer - Purple Heart and Meritorious Service Award.**

Mayor King asked Chief Gallegos to make the medal presentations to Police Officers Haack and Laurenz. Chief Gallegos, Sergeant Valdez, Police Officers Haack and Laurenz came forward for the presentation. Chief Gallegos told the Council and audience that on April 11, 2016, he heard the call come in of an "officer down" and he said that his heart dropped. He reported that Officer Laurenz was in field training with another officer and was assisting with a traffic stop when it turned into a foot pursuit with several people trying to escape. When Officer Laurenz caught up with one of the people it turned into a fight with Officer Laurenz being struck with brass knuckles a couple of times and Laurenz' handgun discharged shooting Laurenz in the leg. The Chief told the Council that the fight was so bad that he was shot within the first 10 minutes of exiting the vehicle. He stated that Laurenz continued to struggle and fight after being shot. He reported that Officer Haack was off-duty at the time and witnessed the foot pursuit which passed in front of his home. Chief Gallegos said that Officer Haack ran toward the gunfire in shorts and a T-shirt, and took down the suspect and then rendered first aid to Officer Laurenz. Chief Gallegos presented the Medal of Valor and Meritorious Service Award to Officer Haack. He presented the Purple Heart and Meritorious Service Award to Officer Laurenz. The officers received a standing ovation from those present and handshakes from the Council and Mayor.

(C) RATIFICATION OF FINANCE DEPARTMENT'S ACTION ON BILLS FOR OCTOBER 2016

Mayor King asked Finance Director Marilyn Rapp to report on the bills for October 2016. Ms. Rapp told the Council that the amount of the bills for October was \$1,744,000.91. She stated that large one-time

purchases were in the Waste Water Department, but are within budgeted limits. She asked for questions and ratification of the bills by the Council.

October 2016

Pooled Cash Fund	999	1,744,000.91
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Mayor King asked the pleasure of the Council. **Mayor Pro-Tem Miller made the motion to approve the bills for October 2016. Councilor Smith seconded the motion. All Council members present voted in favor of the motion. No abstentions. Motion carried.**

(D) RESOLUTION #16-17-20, A RESOLUTION MODIFYING RESOLUTION #16-17-12, UTILITIES ADMINISTRATIVE POLICIES

Mayor King asked City Manager Standefer to introduce Resolution #16-17-20, A Resolution Modifying Resolution #16-17-12, Utilities Administrative Policies. City Manager Standefer told the Council that the resolution modifies the way that customers are billed. He stated that the changes include making accounts subject to cutoff after the 20th—actual cutoff (disconnect) would be on the 10th of the following month, which is 30 days before an account becomes delinquent. He commented that this would remove cutoff from the end of the month and eliminates having to cutoff service on Thanksgiving and Christmas. He told the Council that cutoff could be 2 months behind so the deposit was proposed to be raised to \$150.00 from \$100.00. He commented that the minimum bill is about \$75.00. Standefer told the Council that the second part of the changes is to require applications for commercial and industrial accounts and those using more than 100,000 gallons a month would be taken to the Council for approval. He stated that it would be beneficial for the Council to see the amounts being requested prior to use of the water. Councilor Lucero asked about the reasoning for setting the 100,000 gallon limit. Public Works Director DeSha stated that it was established by reviewing current accounts and commented that the Cattle Baron uses about 100,000 gallons of water a month. He commented that carwashes and laundromats would have to come before the Council. City Manager Standefer stated that the Utilities Administrative Policies was taken to the Public Works Committee and they recommended approval by the Council. Councilor Robinson stated that he had a concern with section 3.1 where it states that the City Manager would be able to change the permit limits. He asked, if the Council approves the permit, would the City Manager be able to change the limits. City Manager Standefer commented that the section establishes the process for dealing with any situation and allows the Council to see the permit. City Attorney suggested that wording be added to the effect that "In the event such modification should be administratively granted, the permit application as modified will be brought back before the City Council at the next regularly scheduled Council meeting for its consideration, approval, further modification or denial." City Manager Standefer stated that it applies to new users not existing users. He added that the process established in the resolution is to make sure the Council is informed; it is for beneficial use to the community; and so as not to squander use of water. Councilor Heflin asked if the resolution would have to go back to the Public Works Committee. City Manager Standefer responded that the Council could make the change. DeSha explained the process to the Council and spoke about reviewing the usage of water by the commercial and industrial users. He commented that the City must know where the water is going. Mayor King asked the pleasure of the Council. **Councilor Robinson made the motion to adopt Resolution #16-17-20, modifying Resolution #16-17-12, Utilities Administrative Policies with the change recommended by City Attorney Knudson. Councilor Parker seconded the motion. Roll call vote by all Council members present resulted in unanimous support of the motion. No abstentions. Motion carried.**

(E) RESOLUTION #16-17-21, A RESOLUTION DECLARING THE ELIGIBILITY AND INTENT OF THE CITY OF PORTALES TO SUBMIT AN APPLICATION TO THE NEW MEXICO DEPARTMENT OF TRANSPORTATION (NMDOT) FOR FEDERAL FISCAL YEAR 2018/2019 TRANSPORTATION ALTERNATIVES PROGRAM (TAP)

Mayor King asked Public Works Director John Desha to present Resolution #16-17-21, declaring the eligibility and intent of the City of Portales to submit an application to the New Mexico Department of Transportation (NMDOT) for federal fiscal year 2018/2019 Transportation Alternatives Program. Mr. DeSha told the Council that this application for funding is for improvements to 9th Street from Globe to Chicago. He commented that the project application is for federal funds in the amount of \$203,787.00 and the local match is \$35,963.00. He stated that, if funded, the project is for next year's fiscal year. He asked for Council approval. Mayor King asked the pleasure of the Council. ***Councilor Lucero made the motion to adopt Resolution #16-17-21, authorizing City staff to submit the application for funding through the NMDOT Transportation Alternatives Program as presented. Mayor Pro-Tem Miller seconded the motion. Roll call vote by all Council members present resulted in unanimous support of the motion. No abstentions. Motion carried.***

(F) RESOLUTION #16-17-22, ADOPTION OF REQUIRED COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ANNUAL CERTIFICATIONS AND COMMITMENTS

Mayor King asked Public Works Projects Administrator Susan Baysinger to present Resolution #16-17-22, adoption of required Community Development Block Grant (CDBG) annual certifications and commitments. Ms. Baysinger told the Council that the City received a CDBG grant No. 16-C-NR-I-01-G-10 for Lift Station Rehabilitations from the Department of Finance and Administration/Local Government Division. She told the Council that the City is required to adopt the resolution and plans and policies annually. These are as follows:

- Citizen Participation Plan, which reaffirms that the City will encourage public involvement in CDBG programs by disseminating information;
- Fair Housing, Ordinance No. 542 which reaffirms the community's commitment to further the fair housing amendments act of 1988 and Civil Rights Act of 1968;
- Residential Anti-Displacement & Relocation Assistance, which reaffirms the City's commitment to follow one-on-one replacement requirements for lower income housing units, provide relocation assistance and have a plan in place to minimize displacement if a CDBG project would displace residents;
- Section 3 Plan, which reaffirms the City's commitment to providing beneficial services to residents, continued community infrastructure improvements, employment opportunities for citizens; and
- CDBG Procurement Policy, which reaffirms the City's commitment to follow the principles of the Federal and State procurement codes and policies as well as acceptable procurement practices.

Ms. Baysinger asked the Council to adopt the resolution. Mayor King asked the pleasure of the Council. ***Councilor Heflin made the motion to adopt Resolution #16-17-22, adopting the required CDBG annual certifications and commitments as presented. Councilor Parker seconded the motion. Roll call vote by all Council members present resulted in unanimous support of the motion. No abstentions. Motion carried.***

(G) APPROVAL OF CONTRACT FOR ADMINISTRATIVE SERVICES WITH EASTERN PLAINS COUNCIL OF GOVERNMENTS FOR COMMUNITY DEVELOPMENT GRANT (CDBG) PROJECT NO. 16-C-NR-1-01-G-10 CONTINGENT UPON FUNDING AGENCY APPROVAL

Mayor King asked Susan Baysinger, Public Works Projects Administrator and Sandy Chancey, EPCOG Executive Director, to explain the request for approval of a contract for Administrative Services with Eastern Plains Council of Governments (EPCOG) for CDBG Project No. 16-C-NR-I-01-G-10 contingent upon funding agency approval. Ms. Baysinger told the Council that funding is approved for a contract for administrative services with EPCOG to relieve staff of administering the project. She told the Council that the City had great success with working with Ms. Chancey in the past. City Manager Standefer commented that it is greatly needed. Councilor Lucero asked if it is budgeted. Ms. Baysinger responded that it is budgeted. Councilor Parker asked how the contract would be paid. Ms. Baysinger stated that EPCOG would invoice the City and then the City would request a reimbursement for funds from Local Government Division. Sandy Chancey stated that the contract cannot exceed 3% of the total amount of the grant for the total for two years. City Manager Standefer compared the cost of engineering for the Senior Citizens Center roof, which is \$15,000.00 for handling the paperwork to the cost of this contract with EPCOG, which is \$13,799.00. He stated that he felt that this would be beneficial to the City. Councilor Parker expressed her opinion that it would be a big help to the City and well worth it. Mayor King asked the pleasure of the Council. ***Councilor Smith made the motion to approve the contract for administrative services with EPCOG for CDBG project No. 16-C-NR-I-01-G-10 contingent upon funding agency approval for \$13,799.00 as presented. Councilor Parker seconded the motion. All Council members present voted in favor of the motion. No abstentions. Motion carried.***

(H) RESOLUTION #16-17-23, A RESOLUTION APPROVING AND RATIFYING LOANS OF THE EASTERN NEW MEXICO WATER UTILITY AUTHORITY (THE "AUTHORITY") BY AND BETWEEN THE AUTHORITY AND THE NM FINANCE AUTHORITY TO EXECUTE AND DELIVER LOANS TO FINANCE IMPROVEMENTS TO THE AUTHORITY'S OUTSTANDING DEBT; PLEDGING A PORTION OF THE CITY OF PORTALES (THE "CITY") JOINT UTILITY SYSTEM TO THE AUTHORITY FOR PAYMENT OF THE AUTHORITY'S OUTSTANDING LOANS AND FUTURE LOANS; REPEALING ALL ACTION INCONSISTENT WITH THE AUTHORITY'S DEBT AND THE PLEDGE OF THE NET REVENUES OF THE CITY'S JOINT UTILITY SYSTEM CREATED HEREBY

Mayor King read the title of Resolution #16-17-23 aloud as "A Resolution Approving and Ratifying Loans of the Eastern New Mexico Water Utility Authority (The "Authority") by and between the Authority and the NM Finance Authority to Execute and Deliver Loans to Finance Improvements to the Authority's Outstanding Debt; Pledging; Pledging a Portion of the City of Portales (The "City") Joint Utility System to the Authority for Payment of the Authority's Outstanding Loans and Future Loans; Repealing all Action Inconsistent with the Authority's Debt and the Pledge of the Net Revenues of the City's Joint Utility System Created Hereby." She commented that Justin Howalt, ENMWUA Executive Director is listed to present the resolution, but is out of town. Mayor King said that the presentation would be made by ENMWUA Chair Gayla Brumfield, Elida's Mayor Dixon and Clovis' Mayor Lansford and her. She stated that the ENMWUA had taken a resolution to the City Council's previous meeting for consideration. She told the Council that a different version of the resolution was placed in front of them tonight. She stated that Gayla Brumfield, Justin Howalt and she had met with Mayor Pro-Tem Miller last week and discussed possible remedies to get the resolution approved. She commented that this resolution is the result of one of the things Mayor Pro-Tem Miller had suggested to them. Mayor Pro-Tem Miller corrected the Mayor's statement by saying that Mr. Howalt had called him the day after the meeting and suggested this particular resolution and that he had asked Mr. Howalt to take it to the Finance/ Administration Committee. Mayor King stated that the Authority had asked for a compromise and that they had hoped that this was it. She told the Council that the new resolution stated that the City would be responsible for the old loans and the 2 new loans that are being closed out now. She asked Mayor Pro-Tem Miller for a report on the meeting of the Finance/Administration Committee (the Committee).

Mayor Pro-Tem Miller stated that Mr. Howalt had sent the resolution last Friday afternoon and that the City Attorneys had reviewed it. He reported that the Committee had reviewed it this morning and saw problems with it. Mayor Pro-Tem Miller stated that the Committee had met to discuss the resolution and had voted unanimously not to recommend this resolution, or the resolution in the packet, to the Council. He asked City

Attorney Knudson to talk about problems in the resolution. Mr. Knudson stated that there are a number of problems with the resolution including that the resolution talks about the City getting 20.87% water, but that the water is from the Ute Pipeline Project and that it is no longer going forward. He stated that what is in this resolution is for drilling wells in Curry County and piping that water to the City of Clovis and Cannon Air Force Base for a number of years, for the City of Portales to pay for it before there is any water delivered to Portales. Mayor Pro-Tem Miller interjected that he understood that Cannon was no longer interested in that water and that there had been discussion about bringing some of that water here if possible. Mr. Knudson stated that it was his understanding that the City's contribution could be automatically adjusted at the desire of the Authority in this resolution. City Manager Standefer commented that another issue is in the operation and maintenance costs, which do not include allowance for depreciation; payment of taxes, franchise fees, or other transfers to the City's General Fund. He stated that some of those transfers to the General Fund are operation and maintenance. He added that the Water Department does not have a supporting staff for payroll or financial services, which is justification for General Fund transfers. Mr. Standefer commented that the City would not approve that language in the resolution. He explained that the transfer occurs in lieu of franchise fees. The City does not charge when the Water Department digs in City streets. City Attorney Knudson commented that the language in the resolution seems to limit the number of loans to those mentioned, but goes on to say that the City will be responsible for all reasonable and necessary expenses of the system for any particular fiscal year. He added that there are other expenses that the City has other responsibilities and are a great concern. He commented that there are expenses imposed on the City of Portales and that there will not be any direct benefit until 2037.

Mayor King stated that Clovis has already approved a resolution. She asked Clovis' Mayor Lansford to address some of the concerns expressed by City Attorney Knudson, and to talk about how he was comfortable with passing the resolution in Clovis. Mayor Lansford spoke about the last BRAC, when Cannon was in jeopardy, and now it is almost 10 years since it received its new mission. He stated that Clovis wants to work with Portales every chance it gets. He told the Council that the City of Clovis purchased 1.8 million dollars' worth of water rights immediately north of Cannon and that the Authority was not involved in that transaction. He added that they had measured the water after turning it off for two years and that the saturated thickness had increased by almost 2 feet. He told the group that the purchase of those water rights was made because of the Trinity report that came out in 2012; and recommendations in that report was about making Cannon Air Force Base sustainable economically and from a resource standpoint. He said that he had taken that report to heart when he was re-elected Mayor and that it suggested two things: to secure water around Cannon by purchasing or reserving water so that Cannon would have water until the Ute Water Pipeline was built; and that it would be advisable to have a redundant line to the City of Clovis so that their private water utility could be connected to the base for redundancy there as well. He stated that his focus has been the Ute water pipeline, and that Cannon has been the one economic driver in the area that sustains both communities in a big way, and that every decision that the City Commission has made has been in the best interest of sustaining Cannon Air Force Base with water. Mayor Lansford stated that the engineers with CH2M Hill will do a cursory look at putting in that redundant line between Clovis and Cannon's water utility. He stated that it will increase the sustainability of Cannon Air Force Base. He commented that this is exactly what the Trinity Report asked to be done. He commented that all of that is to help Clovis and Portales. He added that there is nothing there just for Clovis. He stated that the ultimate goal is for the pipeline to take and bring water to Cannon and also take it to Texico, down to Melrose and on down to Portales and Elida. Mayor Lansford stated that there will be no choice about our groundwater supply—that community members will have to become massive stewards of the groundwater supply. He commented that Portales is being a good steward with its 30 million dollar loan for their aquifer recovery and storage program in order to increase the re-use system and extend the current supply. He stated that, in Clovis, the consumption of water is about 50% so Portales will only be able to recycle about half the water that is delivered to homes and businesses. He stated that the communities will always have to have a new supply and that the communities will have to expand their supply through groundwater purchases or reservations or will have to get water from the surface water system at Ute. He said that, until the pipeline is built, the Authority will have to do something about groundwater. He stated that his goal is that, when the interim system is built, when Portales needs water from Curry County, they will have it. He stated that

he believes that everything possible is being done to advance the project. He commented that he doesn't like the idea of having to sign onto a half a billion dollar project either, but a 100 million dollar project is more easily undertaken. He told the council that the interim groundwater project is necessary to take care of Curry and Roosevelt Counties. Mayor Lansford said that he is committed to the project and to doing everything possible to mitigate the declining aquifer through conservation measures that incentivize Ag producers to convert from irrigation farming to dryland. He stated that he was all for that, but the interim groundwater project must be built and cannot be done without Portales. He told the Council that the message that would be sent to the Department of Defense is that we are balking on the efforts to advance this project; he further said that he didn't know what the ramifications would be to this action. He added that the U.S. Military, in particular the AFSOC, has been saying that they support the project and are committed to it and want to see it happen. He expressed concern about what this says to Cannon when another BRAC process is initiated in 2019. He stated that he does not know what the resolution needs to say to satisfy the Council, but said that he wants Portales to stay involved. Mayor Lansford stated that the Authority needs Portales—needs a cohesive effort in eastern New Mexico for economic and water security. He stated that it won't happen unless the City of Clovis and the City of Portales work together. He told the group that there must be trust, respect and a common goal. He told the Council that he was all for it; Gayla Brumfield is all for it; Mayor King is all for it; and that Orlando Ortega is all for it as well. He ended his comments by thanking Mayor King for allowing him to speak to the Council.

Mayor King commented on a statement that Mr. Knudson had said about the pipeline project not moving forward. She told the group that she thought that the Authority had made it clear how the interim pipeline would fit into the overall project. She said that it would get pipeline into the ground to use while the rest of the project is being completed and that it is definitely part of the Ute water pipeline—adding that it is not an independent project. City Attorney Knudson asked why some of the funds that the City is paying couldn't be used right here to bring underground water into our community instead of using it all in Curry County. He said that he understands the importance of Cannon to the area, but that the interim pipeline will be bringing water to Cannon and Clovis from a limited supply of groundwater while Portales gets nothing. He added that the resolution would limit the City and its citizens to explore and diversify their water resources. He stated that Portales is in the predicament that it will be out of water while we could be using our resources or at least part of them to help develop our well fields. He said that this is his concern. Mayor Pro-Tem Miller commented this is the Council's debate. He stated that approval or disapproval of this resolution is not a statement that the Council is done with the pipeline project. He commented that this was part of the discussion in the Finance/Administration Committee this morning and that the City's ultimate goal is to bring Ute water to Portales. He added that this is the Council's responsibility. He told the group that, in the meantime, the City has its own issues to handle for the community. He said that there are problems with the language in the resolution that could interfere with Portales' projects or potential projects. He stated that the financial concerns of the City and the ambiguity of the language in the resolution were the focus of the Committee meeting this morning. He commented that the results of the discussion were that we all need to go back to the drawing board and discuss how this is going to work for everybody—Cannon, Clovis, Elida, Melrose, Texico, Grady, everybody that's involved. He reiterated that, at this particular time, the Finance/Administration Committee was not comfortable with approving this resolution as written and dedicating funds, even for these particular loans, which could tie up the City's borrowing power against those same net revenues. **Mayor Pro-Tem Miller made a motion to table the resolution indefinitely.** Before Mayor King could ask for discussion of the motion, Mayor Pro-Tem Miller stated that a "motion to table" is not debatable. **Councilor Heflin seconded the motion.** Mayor King asked for clarification from the City Attorney regarding parliamentary procedure related to this action. She asked if discussion has to stop based on the motion. City Attorney Knudson commented that he was not an expert on Robert's Rules of Orders—adding that he had always followed relaxed rules of parliamentary procedure. Mayor Pro-Tem Miller reiterated his statement that a motion to table is not debatable, and that, if the motion fails, the issue is back up for debate. Clovis Mayor Lansford interposed that Mayor Pro-Tem Miller was correct in stating that the motion to table is not debatable. Mayor King called for a roll call vote on the motion. **Motion carried with 7 votes in favor and Councilor Lucero voting Nay. Motion carried.**

Clovis Mayor Lansford asked the Council for an explanation for taking this action. He asked why they would indefinitely table the resolution since it has already been voted upon by the City's own representative on the Authority. He stated that this second resolution is not asking for anything other than previous and current commitments. City Attorney Knudson again expressed his concerns with the resolution. Clovis Mayor Lansford corrected the City Attorney about his role in the matter. Mayor Pro-Tem Miller commented that "you never question another man's vote." Mayor Lansford stated that he simply wanted an explanation. Mayor Pro-Tem Miller restated that the ambiguity of this resolution is what the Council is concerned with—not that Portales wants out of the Authority adding that everyone needs to go back to the drawing board. He added that this is what the Finance Committee has said, and that's what this Council has said. Mayor Lansford asked if there would be an effort to rework the language of the resolution and to get it resolved. Mayor Pro-Tem Miller said that he hoped that this would be done. He stated that it wasn't the desire of the Committee or the Council to scrap the resolution. He went on to suggest that everyone go back to the drawing board to see if the questions can be answered. He commented that the vote tonight was upon counsel of City Attorney Doerr that the ambiguity of the resolution might be to commit to something that's beyond just the language of the resolution presented. Mayor King asked Mayor Pro-Tem Miller, as Chair of the Finance/Administration Committee, if it was even possible to compromise since it has gone to the Committee five (5) times. The Mayor Pro-Tem responded that the language of the resolution had not changed much each time. Mayor King asked how often that had come up. Mayor Pro-Tem Miller responded that it had come up every time and that it has been shared with the Authority. Mayor Lansford stated that Mr. Howalt had gone to the NM Finance Authority and obtained approval from them regarding readjusting the language of the resolution to their satisfaction. He stated that the NM Finance Authority wants security on the money they are loaning and that this is a security document any borrower would have to sign with a lending institution. He urged everyone not to lose focus, to keep moving this forward, to keep the spirit of the microplex alive. He concluded by saying that he didn't want to make enemies, that he wanted to make friends. Mayor Lansford said that he cared about eastern New Mexico just like everyone here and wants the right decisions to be made. He apologized for being lengthy and thanked them for their time.

Gayla Brumfield addressed the Council as Chair of the Authority to speak on the resolution. She told the Council that she took the position of supporting the Ute water project as Mayor and then later as Chair of the Authority because Mayor Ortega and Mayor Lansford were such strong proponents of the project. She said that, when she became Mayor, she felt the responsibility not to let them or the citizens down. She told the Council that Ute is the only source of water that is sustainable. She commented that Portales can think all day long that it can go out and buy more well fields—the water is not there. She stated that the City's own consultant, Charlie Wilson, had said Portales has 16 years of water left. She said that she is convinced that Ute is the answer. Ms. Brumfield stated that she was disappointed in statements made by City Attorney Knudson about the resolution and that all the other entities have approved the resolution. She did say that they had to go back and forth with some of the wording, but that every one of them has approved it. She said that the Authority has asked for two (2) extensions from the Water Trust Board and that the Water Trust Board and the NM Finance Authority are the ones requiring that the resolution be adopted by the members of the Authority. Ms. Brumfield said that in the past the Authority was able to go out and get these loans without security. She said that the money has been used for building the Intake Structure—the Interstate Stream Commission only wants one intake structure—she said that Logan and Tucumcari can use that intake structure at any time they want. She further stated that the Authority is one of two (2) approved large water projects in the State. She told the Council that they had received 30 million dollars from the State because the State supports and wants this project. She stated that when she first testified in Washington about the project, the Bureau of Reclamation did not support the project. She told the Council that now the Authority is their favorite and that they are working tirelessly to fund the project. She commented that about two years ago, the Ute water pipeline was in the President's budget for \$47,000.00, which is not very much. She stated that the Authority had moved that amount to a million dollars through the hard work of the group. She said that she did not understand the concerns of the Portales City Council regarding the resolution, and that she did not agree with City Attorney Knudson. She said that the statement by Mr. Knudson, that it would only benefit Clovis, is not true. She told the group that the first engineering design was to go from Ute all the way down to Elida and that they had gone to Washington with

that plan. She said that the Authority was told that they would end up with a "bridge to nowhere." She stated that they were instructed by the Office of Management & Budget (OMB), the legislative delegation and the Bureau of Reclamation to come up with a phased plan. She told the Council that this is how the interim pipeline came into being. She told the group that the Authority looked at all the reports about locations of good water and where there is no water. She said that, where the pipeline is running from Cannon to Portales, there is no water. She commented that, when they have been in D.C., they take them Charlie Wilson's report. She stated that they have talked more about Portales than any other community so, to hear that it's all about Clovis, is painful to her. She told the Council that Authority is concerned because there will be another BRAC in 2019. She stated that she had met with all the wing commanders at Cannon and that they are totally in support of the project. Ms. Brumfield stated that, after the City of Clovis bought their water rights, the Authority designed the pipeline to go from north of Cannon to hook up into the Clovis water system; however, that will probably not happen because the Authority will not be able to meet the state's timeline. She said that the next design, leaving off Texico and Melrose, would have connected to Portales. She commented that completing the Clovis pipeline will help Portales, that it's not all about Clovis and that the Authority has worked diligently to make sure that Portales' needs are met. She told the Council that Cannon may not need the water right now, but that they are on board with the Authority's plan. Ms. Brumfield stated that businesses looking at the area are concerned about area resources and that the Council's actions regarding the resolution will send a negative message to them. She said that everyone else has signed and understand the resolution. She ended by thanking the Council.

Duward Dixon, Elida's Mayor, asked to be recognized to clarify the statement made by City Attorney Knudson that the project had changed in scope and is no longer moving forward. He stated that the Authority has not bought any wells nor drilled any wells nor is the Authority is going to buy any water rights. He commented that the funds are going into the pipeline and that obtaining easements are already in process along with the design. He stated that the part about the Authority already putting in wells is absolutely not true.

Orlando Ortega, RCCDC Executive Director, asked to be recognized to speak about the Ute pipeline Project since his name was mentioned a few times in the discussion. He went on to state that he had been involved in the issue of water for at least 20 years along with Mayor Pro-Tem Miller. He commented that there has been a lot of effort put into the Ute pipeline, which was a great idea back in the 50's and 60's when they built the reservoir, and a great idea to build the pipeline back in the 70's. He stated that this didn't happen. He told the group that the project had fallen into the bureaucracy, and into people's hands who didn't care about doing anything with it. He added that all they wanted was to get a little bit of funding so they could provide a job for themselves. Mr. Ortega stated that we all lose out today because of that. He told the Council that what has happened has happened and over the years and the price tag for that pipeline project has grown so much that it is at around 600 million dollars today. He said that he applauded the Authority for their efforts in trying to get funding from the feds, but if you get 1 million dollars a year from the federal government, it would take 450 years to get their 75% portion of the funding needed to build this project in today's dollars. He commented that, if the Authority was to get 15 million dollars a year, it would take 30 years for the feds to meet their 75%. He said that the thought of this pipeline ever being built at this price tag was scary. He stated that there is a lot of value in the water at Ute that needs to be protected, because that is the renewable source that we all need, but we need to find a better way to get that water to our communities and for a lot less than 600 million dollars. He stated that at 600 million dollars, in his opinion, it is never going to happen—that water is never going to flow down here unless we figure out a less expensive way to get it. He stated that we need it, every bit we can get. He applauded the City Council and Mayor for doing everything possible on the project—he said that the community has great needs related to water and everything else. He stated that he understands the difficulties of their decision. He stated that the Council must make good decisions for the community and that there was nothing wrong with what they had done tonight. He said that he had hope, but that there has to be much more discussion on this in the big picture. He commented that we have to figure out how to get it here and that even 500 or a 1000 gallons a minute is better than nothing. He told the group that he understood the concerns of the City of Clovis and Curry County and that he respected their leaders. He commented that the group needs to get together and think

about the project and figure out a better way to make it happen, if it is going to happen. Mr. Ortega told the Council that he appreciated their time and ended by stating that he wished them all the very best.

(I) REQUEST FOR APPROVAL OF JOINT USE AGREEMENT BETWEEN THE CITY OF PORTALES AND EASTERN NEW MEXICO UNIVERSITY FOR A FIRING RANGE

Mayor King asked Police Chief Gallegos to present the Joint Use Agreement between the City of Portales and Eastern New Mexico University for a firing range. Chief Gallegos told the Council that the current firing range has a couple of issues—security and weather issues. He told the Council that an agreement was developed and reviewed by the Attorneys for ENMU to provide the labor and the City of Portales to provide the land for a firing range. He stated that the range is intended for law enforcement purposes only. He commented that the agreement was agreed upon by the ENMU Police Department, adding that the relationship with them is the best it's ever been. Chief Gallegos praised ENMU Police Chief Mauldin. He told the Council that Officers must qualify at least once a year. Chief Mauldin spoke in support of the Joint Use Agreement for the firing range citing improving professional development in both departments. He stated that it is a needed resource in order to maintain required qualifications. He stated that ENMU is willing to put out the manpower if it has a place to put it. Councilor Robinson asked about reaching out to the County. Chief Gallegos stated that there would have to be a separate agreement for the County. He commented that the Department would entertain other participants if the Council wished. He commented that he is glad that ENMU offered to build the range. ENMU Police Chief Mauldin said that they had looked at the old firing range and it does not work--that there are many requirements as it relates to law enforcement. He commented that the County is contracted with a private company. He commented that he is simply trying to accommodate officers and their needs. Councilor Lucero commented that this is a great opportunity for something beneficial for both entities. Chief Gallegos asked for questions. Mayor King asked the pleasure of the Council. ***Councilor Parker made the motion to approve the Joint Use Agreement between the City of Portales and ENMU for a Firing Range as presented. Mayor Pro-Tem Miller seconded the motion. All Council members present voted in support of the motion. No abstentions. Motion carried.***

Mayor Pro-Tem Miller thanked Chief Gallegos and Chief Mauldin for their cooperation in working out issues with the first year of tailgating at the new stadium.

(J) RECOMMENDATION FROM ECONOMIC DEVELOPMENT FINANCE REVIEW COMMITTEE FOR A REQUEST FOR ECONOMIC DEVELOPMENT FUNDS FROM AMBIENCE HOSPITALITY, LLC.

1. Recommendation and Findings of the Economic Development Finance Review Committee.

Mayor King asked Orlando Ortega, RCCDC Executive Director, to present the recommendation from the Economic Development Finance Review Committee (the Committee) for a request for economic development funds for Ambience Hospitality, Inc. Mr. Ortega told the Council that the application for funding went to the Committee to receive first right of refusal to obtain the Portales Inn for purposes of a project evaluation by a flagship chain for review and feasibility study for redevelopment and rehabilitation to create a hotel. Mr. Ortega told the Council that Dinesh Kumar is the CEO of the company that proposes a 40 to 45 room inn and suite hotel. He stated that this is potentially a positive development to the downtown as a whole. He talked about the financial benefits to Portales with gross receipts from construction and then added lodger's tax plus the benefit of at least 20 employees by the 3rd year. Mr. Ortega stated that the hotel would spur economic growth in the City. He commented that a hotel is a great anchor for other businesses. He stated that the RCCDC has been working diligently on the project for over a year. He commented that Ambience Hospitality, Inc. has a great reputation in the state. City Attorney Knudson commented that the company wants a chain to come look at the project and asked for the Council's approval of a Project Participation

Agreement giving Ambience Hospitality, Inc. their approval. City Manager Standefer stated that the company did ask for \$500,000.00 as well, but that this will be brought back to the Council at a later date. He told the Council that Resolution #16-17-24 is needed for the hotel flagship chain to confirm that the City intends to move on with the project.

2. Resolution #16-17-24, Approving Execution of the Project Participation Agreement between the City of Portales and Ambience Hospitality, LLC for the Use of Economic Development Tax Revenues to Support Economic Assistance in Portales, New Mexico and Project Participation Agreement.

Mayor King asked the pleasure of the Council regarding Resolution #16-17-24, approving the execution of the Project Participation Agreement with Ambience Hospitality, LLC for use of economic development tax revenues to support economic assistance in Portales. ***Mayor Pro-Tem Miller made the motion to adopt Resolution #16-17-24, approving execution of the Project Participation Agreement between the City of Portales and Ambience Hospitality, LLC for the use of Economic Development Tax Revenues to support Economic Assistance. Councilor Heflin seconded the motion. Roll call vote by all Council members present resulted in unanimous support of the motion. No abstentions. Motion carried.***

(K) OTHER BUSINESS/CITIZENS TO BE HEARD

Mayor King asked for items of Other Business.

There was no further business.

(L) EXECUTIVE SESSION/CLOSED MEETING:

1. Action to Convene in a Closed Meeting to Discuss Matters as Provided for under New Mexico Statutes Pertaining to Open Meetings Referencing Section 10-15-1 H.(8), Related to the Purchase, Acquisition, or Disposal of Real Property or Water Rights.

Mayor King asked for a motion to convene in closed session as provided for under NMSA pertaining to open meetings relating to Section 10-15-1 H.(8) related to the purchase, acquisition or disposal of real property or water rights. ***Councilor Parker made the motion to enter into Closed Session to discuss matters as provided for under state statutes pertaining to open meetings referencing Section 10-15-1 H.8, related to the purchase, acquisition or disposal of real property or water rights. Councilor Robinson seconded the motion. Roll call vote of all Councilors present resulted in unanimous support of the motion. No abstentions. Motion carried.***

2. Action to Convene in Open Meeting.

Mayor King asked for a motion to convene in open meeting. ***Mayor Pro-Tem Miller made the motion to Convene in Open Meeting. Councilor Robinson seconded the motion. All Councilors present voted in favor of the motion. No abstentions. Motion carried.***

3. Action Required as a Result of the Closed Session.

Mayor King stated that only those items mentioned in the motion to close the session were discussed by the Council and that no action was taken during the closed session nor required as a result of the closed session.

ADJOURNMENT:

There being no further business, Mayor King adjourned the meeting at 8:35 p.m.

Joan Martinez-Terry, City Clerk