

A G E N D A
City of Aztec
CITY COMMISSION MEETING
August 9, 2016
201 W. Chaco, City Hall
6:00 p.m.

I. CALL TO ORDER

II. INVOCATION

III. PLEDGE OF ALLEGIANCE

IV. ROLL CALL

V. AGENDA APPROVAL

VI. CITIZEN RECOGNITION

VII. EMPLOYEE RECOGNITION

VIII. CONSENT AGENDA

- A. Commission Meeting Minutes, July 26, 2016
- B. Travel Requests
- C. Destruction of Utility Administration Records (Delain)
- D. Resolution 2016-1013 Surplus
- E. Resolution 2016-1014 Define Scope and Financial Support of New Mexico Department of Transportation Local Government Road Fund Cooperative Funding for 2016/2017, Project No. SP-5-17 (187)

Items placed on the Consent Agenda will be voted on with one motion. If any item proposed does not meet the approval of all Commissioners, a Commissioner may request that the item be heard under "Items from Consent Agenda"

IX. ITEMS FROM CONSENT AGENDA

X. CITIZENS INPUT (3 Minutes Maximum)

(Citizens who wish to speak will sign up prior to the meeting – this section is for items not otherwise listed on the agenda)

XI. BUSINESS ITEMS

- A. RFP 2016-540 Utility Cost of Service & Rate Study Award

XII. CITY MANAGER/COMMISSIONERS/ATTORNEY REPORTS

XIII. DEPARTMENT REPORTS

(When this item is announced, all Department Heads who wish to give a report will move to the podium)

XIV. ADJOURNMENT

1 CITY OF AZTEC
2 COMMISSION MEETING MINUTES
3 July 26, 2016
4

5 **I. CALL TO ORDER**

6 Mayor Burbridge called the Meeting to order at 6:00 pm at the Aztec City
7 Commission Room, City Hall, 201 W. Chaco, Aztec, NM.
8

9 **II. INVOCATION**

10 The Invocation was lead by City Attorney Larry Thrower
11
12

13 **III. PLEDGE OF ALLEGIANCE**

14 The Pledge of Allegiance was led by Boy Scouts Attendees
15
16

17 **IV. ROLL CALL**

18
19 Members Present: Mayor Sally Burbridge; Commissioner Katee McClure;
20 Commissioner Austin Randall; Mayor Pro-Tem Sherri
21 Sipe; Commissioner Sheri Rogers
22

23 Members Absent: None
24

25 Others Present: City Clerk Karla Saylor; Project Manager Ed Kotyk
26 (see attendance sheet)
27

28 **V. AGENDA APPROVAL**

29
30 MOVED by Commissioner McClure, SECONDED by Mayor Pro-Tem Sipe to
31 Approve the Agenda as Presented
32

33 **VI. CITIZEN RECOGNITION**

34
35 Mayor Burbridge recognized Boy Scouts Will Ballew and Trini Ballew who were
36 in attendance.
37

38 **VII. EMPLOYEE RECOGNITION**

39
40 Mayor Burbridge and Commissioners recognized Chief Mike Heal and his staff
41 for the National Night Out event.
42

43 **VIII. CONSENT AGENDA**

44
45 MOVED by Commissioner Randall, SECONDED by Mayor Pro-Tem Sipe to
46 Approve the Consent Agenda with the Exception of Item B, Travel Requests and G,

1 Northwest New Mexico Council of Governments Membership Agreement and Board of
2 Directors Appointment

3
4 A. Commission Meeting Minutes, July 12, 2016

5 B. Pulled

6 C. Lodger's Tax Advisory Board Appointments

7 D. Library Advisory Board Member Appointment

8 E. Resolution 2016-1008 Surplus

9 F. Airport Advisory Board Member Appointments

10 G. Pulled

11 H. City of Aztec / Western Area Power Network Operating Agreement

12 I. Economic Development Advisory Board Appointment

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14 **IX. ITEMS FROM CONSENT AGENDA**

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16 B. Travel Request

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18 Commissioner McClure has a concern on cost of travel for Visitor Center to
19 attend a conference in Vancouver, Canada. She asked how this conference will be
20 beneficial for the City of Aztec. Kathy Lamb, Finance Director mentioned that it is for
21 marketing the City and Ed Kotyk, Project Manager mentioned that this would be a one
22 time shot at maybe getting contacts, memorabilia, and information on how to get a
23 travel tour in the Aztec area and that we would be the only City in New Mexico that will
24 be in attendance. The cost will be split between Lodgers Tax and Visitor Center travel
25 budget.

26
27 **MOVED** by Mayor Pro-Tem Sipe, **SECONDED** by Commissioner Rogers to
28 Approve Employee/Public Official Travel Requests

29
30 Motion Passed Four to One; Commissioner McClure voted Nay

31
32 G. Northwest New Mexico Council of Governments Membership Agreement
33 and Board of Directors Appointment

34
35 Commissioner McClure asked if it is beneficial for the City to enter into this
36 agreement for the cost of \$3,000. The benefit of being a member of the COG is that
37 they can assist City's by helping them get federal grants, grants that would come from
38 department of labor directly through the economic development administration and
39 mentioned that the City of Aztec is currently working on a grant that would require the
40 COG to sign off on it for approval for the waste energy project.

41
42 **MOVED** by Commissioner Randall, **SECONDED** by Mayor Pro-Tem Sipe to
43 Approve The Agreement With Northwest New Mexico Council of Governments With The
44 Changes Made

45 All Voted Aye; Motion Passed Five to Zero

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X. CITIZENS INPUT

NONE

XI. BUSINESS ITEMS

A. Resolution 2016-1009 FY16 Year End Budget Adjustments

Kathy mentioned that this is for yearend budget adjustments for fy16 and mentioned that we try not to have any adjustments and the one thing that is new is the requirement to make an adjustment for our investments DFA wants a formal acknowledgment on what happens to the investment through the course of the year by adopting a resolution. Kathy mentioned that some of the investments we currently have are accruing interest on a monthly basis. She mentioned that there are two funds that need funds transferred which are the Airport Fund and Golf Course Fund which amounts to \$85,000. Commissioner McClure has a concern both on the timeliness and accuracy of information provided of golf course operations.

MOVED by Commissioner Randall, SECONDED by Commissioner Rogers to Approve Resolution 2016-1009 Year End Budget Adjustment

Motion Passed Four to One; Commissioner McClure voted Nay

B. Resolution 2016-1010 Approval of Fy16 4th Quarter Financial Report

Kathy mentioned that is the formal process that DFA requires a resolution to be passed for the approval of the financial reports. The report submittal has been a requirement of the annual budget approval process for several years and requires the yearend financial report to include many estimates as the complete year end process has not been completed.

MOVED by Commissioner Rogers, SECONDED by Mayor Pro-Tem Sipe the Approve Resolution 2016-1010 Approval of FY16 4th Quarter Financial Report

All Voted Aye; Motion Passed Five to Zero

C. Resolution 2016-1011 FY17 Annual Budget Adoption

1 Kathy mentioned that DFA requires by formal resolution that the governing body
2 accepts the annual budget. She mentioned that after the resolution is approved it has to
3 be submitted to DFA by July 31st and they have until the 1st of September to provide
4 approval for the annual budget. She mentioned that there are some significant
5 adjustments to this budget from the preliminary budget most significantly is the
6 reduction of the gross receipts and multiple funds.

7
8 MOVED by Mayor Pro-Tem Sipe SECONDED by Commissioner Randall to
9 Approve Resolution 2016-1011 FY17 Annual Budget

10
11 All Voted Aye; Motion Passed Five to Zero

12
13 D. Resolution 2016-1012 Sunday Sales of Alcoholic Beverages at Public
14 Celebrations

15
16 Delain George, Utility Director mentioned that his is a resolution to allow Local
17 Wine Growers and Brewers only to sale alcohol on Sunday at public events and
18 celebrations in the City. She mentioned that the current resolution needs to be corrected
19 to Aztec Municipal Code 4-13-3 (8). Permits will be \$25 for each public celebration
20 permit. Each year a new resolution will be presented to Commission to approve events
21 that would be allowed to sale alcohol on Sundays for public celebrations only.

22
23 MOVED by Commissioner McClure, SECONDED by Mayor Pro-Tem Sipe to
24 Approve Resolution 2016-1012 as Corrected Allowing Recognized Public Celebrations
25 To Sell Beer and Wine on Sundays During The Specific Event

26
27 All Voted Aye; Motioned Passed Five to Zero

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29 **XII. CITY MANAGER/COMMISSIONERS/ATTORNEY REPORTS**

30
31 Mayor Burbridge mentioned that she attended NMML meetings last week one
32 being a tax committee meeting. She reported that Senator Sharer is proposing a flat
33 2% tax in San Juan County which will impact gross receipts tax.

34
35
36 Mayor Pro-Tem Sipe recognized the Police Department for the efforts put in for
37 the NNO event. She mentioned that she will be attending a NWNM Seniors meeting in
38 the next two weeks and that she did not attend the EDAB meeting. Mayor Pro-Tem Sipe

1 mentioned that Connie Mack World Series and San Juan County Fair will begin the
2 weekend of August 5th.

3
4 Commissioner Rogers apologized for lack of participation at the NNO event. She
5 was late attending due to other conflicts.

6
7 Commissioner Randall mentioned that Lodgers Tax will have 2 new members
8 after tonight with the approval of appointments in the consent agenda and that he will be
9 attending a COG meeting next Wednesday in Farmington. The speaker will be Rick
10 Sebenoler, Regional Economic Development Administration Representative for our
11 region.

12
13 Commissioner McClure mentioned that she volunteered at the NNO event. She
14 attended the 4th Friday event downtown and mentioned that the Blues and Brews event
15 was well attended. She thanked the Parks Department especially Jeff Blackburn and
16 Matt Graves and the Electric Department for their help with the event. She invited
17 everybody to attend the next 4th Friday event in August. Commissioner McClure
18 mentioned that she will be attending the next ECHO meeting and they should have a
19 new director by then.

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23 **XIII. DEPARTMENT REPORTS**

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25 Chief Heal thanked Commission for allowing the National Night Out event and
26 thanked volunteers for helping with the event.

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28 **XIV. CLOSED SESSION**

29
30 Commission went into closed session at 7:06 pm pursuant to state law, section
31 10-15-1 (h-2) limited personnel matters, city manager evaluation

32
33 Mayor Burbridge Voted Aye, Mayor Pro-Tem Sipe Voted Aye, Commissioner
34 Rogers Voted Aye, Commissioner Randall Voted Aye, Commissioner McClure Voted
35 Aye

36 Commission came out of closed session pursuant to state law, section 10-15-1
37 (h-2) limited personnel matters, city manager evaluation at 8:48pm and mentioned that
38 there were no other items discussed.

39

1 Mayor Burbridge Voted Aye, Mayor Pro-Tem Sipe Voted Aye, Commissioner
2 Rogers Voted Aye, Commissioner Randall Voted Aye, Commissioner McClure Voted
3 Aye

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6 **XV. ADJOURMENT**

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8 Moved by Commissioner Rogers, SECONDED by Mayor Burbridge to adjourn
9 the meeting at 8:48 p.m.

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Mayor, Sally Burbridge

19 ATTEST:

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22 _____
Karla Sayler, City Clerk

23

24 MINUTES PREPARED BY:

25

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27 _____
Karla Sayler, City Clerk

Staff Summary Report

MEETING DATE:	August 09, 2016
AGENDA ITEM:	VIII. CONSENT AGENDA (B)
AGENDA TITLE:	Travel Requests

ACTION REQUESTED BY:	Courts and General Service
ACTION REQUESTED:	Approval of Employee/Public Official Travel Requests
SUMMARY BY:	Kathy Lamb

PROJECT DESCRIPTION / FACTS (Leading Department)

- Resolution 2003-603 identifies the requirement for employee/public official travel requests to be pre-approved by the commission. All travel requests will be submitted to the commission for approval prior to the travel occurring except in unusual circumstances when the City Manager may approve as provided in resolution 2003-603.
- The attached log is sorted by dates of travel and then by department.
- The Municipal Courts is requesting approval of attendance at the Washington DC Justice Systems 2016 Conference. This travel request will train our Court Administrator on the upgrades and software changes we need to run effectively. All costs associated with the travel and training will be reimbursed to the City through court automation funding.
- The General Services Department is requesting approval for the following:
 - The Director is requesting approval of attendance at the NRPA 2016 Annual Conference in St. Louis, MO. This conference will allow the director opportunity to obtain CEU's necessary to maintain his National Recreation and Parks Association (NRPA) certification as a Certified Park and Recreation Professional (CPRP). The conference will also provide the opportunity to keep up with changing trends in the parks and recreation field; research products for parks, playgrounds and athletic fields; learn about potential grant/funding sources; and exchange ideas with other professionals in the Parks and Recreation field.
 - The Park Supervisor is requesting approval of attendance at the Rocky Mountain Regional Turf Grass Conference in Denver, CO. This conference will provide the opportunity to attend educational sessions and seminars presented by industry leaders on the development and maintenance of turf grass areas which will benefit him in the development and maintenance of our City parks and athletic fields. It will also provide the opportunity to keep current with changing techniques/trends, products and procedures in the industry and allow for interaction with other turf grass managers and vendors.

- If travel/training is to be reimbursed or some of the costs will be paid by another entity, those notes have been included on the log.

FISCAL INPUT (Finance Department)

- All departments requesting travel have sufficient funds budgeted within their travel/training budgets

SUPPORT DOCUMENTS: Travel Log August 9, 2016

DEPARTMENT'S RECOMMENDED MOTION: Approve Employee/Public Official Travel Requests

**EMPLOYEE/PUBLIC OFFICIAL TRAVEL REQUESTS FOR COMMISSION APPROVAL
MEETING DATE: AUGUST 9, 2016**

Dates of Travel	Department	Employee	Purpose of Travel/Location	Over- night	Out of State	Costs	Explanation of Cost	FY17 Budget Available
08/29-09/01/16	Courts	Theresa Archuleta	Justice Systems 2016 Conference Washington, DC.	Yes	Yes	216.00 385.00 770.20 600.00	Meal & Gratuity Allowance Registration Airfare Lodging ** All Costs Reimbursed	Yes
10/04-08/16	General Service	Steve Mueller	National Recreation & Parks Association Annual Conference St. Louis, MO.	Yes	Yes	270.00 509.00 350.00 75.00 740.00	Meal & Gratuity Allowance Registration Airfare Estimated Cost for Shuttle Lodging	Yes
12/05-08/16	General Service	Jeff Blackburn	Rocky Mountain Regional Turf Grass Conference Denver, CO.	Yes	Yes	198.60 305.00 375.00	Meal & Gratuity Allowance Registration Lodging	Yes

Staff Summary Report

MEETING DATE:	August 9, 2016
AGENDA ITEM:	VIII. CONSENT AGENDA (C)
AGENDA TITLE:	Destruction of Utility Administration Records

ACTION REQUESTED BY:	Delain George
ACTION REQUESTED:	Approval of Utility Administration Record Destruction
SUMMARY BY:	Delain George

PROJECT DESCRIPTION / FACTS (Leading Department)

- The Utility Administration Department has taken inventory of records ready for destruction using the guidelines outlined under the Records Management Program.
- Commission approved Resolution 2008-776 “Approving and Establishing a Records Management Program” for the City of Aztec on October 21, 2009.
- Once the destruction of records has been approved by Commission, a Commercial Document Shredding Company will be contacted to destroy the identified records on-site.

TECHNICAL INPUT (Supporting Departments)

- Documentation providing identification/proof of shredded records will be signed by the Utility Office Business Office Director, certified and held by the City Clerk.

FISCAL INPUT (If applicable, Finance Department)

- FY2016 expense is expected to be \$200.00.

SUPPORT DOCUMENTS:	Document list of records to be destroyed, Destruction of City Documents
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DEPARTMENT’S RECOMMENDED MOTION: Move to Approve the Destruction of Utility Administration Records as inventoried on 7/21/2016.

Utility Administration
List of Records Ready for Destruction
as of July 21, 2016

RECORD TYPE	DOCUMENT DESCRIPTION	DATE	RETENTION PERIOD	DESTRUCTION METHOD	COMMENTS
Courts/Finance	Court Summary Reports/Receipts	FY13	3 yrs after close of fiscal year	Shred	Available electronically
Finance	Daily Utility Cash Reports and receipts	FY13	3 yrs after close of fiscal year	Shred	Available electronically
Finance	Cash Receipt Tapes	FY13	3 yrs after close of fiscal year	Shred	
Finance	Voucher for Utility Assistance Program	FY13	3 yrs after close of fiscal year	Shred	
Finance	Collection files	FY13	3 yrs after close of fiscal year	Shred	
Finance	Budget Work Papers	FY13	3 yrs after close of fiscal year	Shred	Departmental copies
Finance	Quotes for Purchases	FY13	3 yrs after close of fiscal year	Shred	Available electronically
Municipal Clerk	Business License/Registration Records	FY13	3 yrs after close of fiscal year	Shred	Available electronically
Municipal Clerk	Liquor License Records	FY13	3 yrs after close of fiscal year	Shred	Available electronically
Parks & Recreation	Park Reservation Contracts	FY13	6 yrs after close of fiscal year	Shred	
Planning	Copies of issued Permits	FY13	3 yrs after final inspection	Shred	
Public Utility	Budget Billing Applications	FY13	3 yrs after close of fiscal year	Shred	
Public Utility	LIHEAP reports and correspondence	FY13	4 yrs after close of fiscal year	Shred	
Public Utility	Customer Payment arrangements	Expired	Until superseded or obsolete	Shred	
Public Utility	Bank Draft applications	Expired	Until superseded or obsolete	Shred	
Public Utility	Work Orders	FY13	3 yrs after close of fiscal year	Shred	Available electronically
Public Utility	Various Service Files,logs, service requests	FY13	3 yrs after close of fiscal year	Shred	Available electronically
Public Utility	Meter Reading Files, consumption reports	FY13	3 yrs after close of fiscal year	Shred	Available electronically
Public Utility	Listing of Disconnect Notices and Delinquents	FY13	3 yrs after close of fiscal year	Shred	Available electronically
Public Utility	Customer applications, correspondence	Expired	Until superseded or obsolete	Shred	Available electronically
Public Utility	Utility Billing Registers	FY13	3 yrs after close of fiscal year	Shred	Available electronically
Solid Waste	Work Orders/Job Tickets	FY13	3 yrs after close of fiscal year	Shred	

Staff Summary Report

MEETING DATE:	August 9, 2016
AGENDA ITEM:	VIII. CONSENT AGENDA (D)
AGENDA TITLE:	Resolution 2016-1013 Surplus

ACTION REQUESTED BY:	Electric, Library
ACTION REQUESTED:	Approval
SUMMARY BY:	Kathy Lamb

PROJECT DESCRIPTION / FACTS

- General Services, Senior Center and Electric Departments have identified items no longer necessary to daily operations. Approved surplus items will be listed on the Public Surplus website.
- The Library, during the normal course of operations, reviews circulation of all materials. Materials which are not circulating or are out of date are pulled from the shelves and become surplus material. These items would have been purchased with city or state library funds or donated to the library. Materials pulled include a large collection of adult and youth books, several DVDs and music CDs.
- Approved library surplus items will be disposed of in a variety of ways to best serve the library and the community. Materials which may have use to Good Sam's, local pre-schools, and/or veteran's programs will be donated. Materials which may have public interest will be packaged and available for sale at the library. Other materials may be packaged and sent to book outlets at no cost to the city. The Public Surplus website has not resulted in interest library materials, although it will continue to be utilized as well.
- If the items are not sold they will be donated or disposed of according to NM Statute Section 3-54-2 and Procurement Statute 13-6-1. Disposition of obsolete, worn-out or unusable tangible personal property.

FISCAL INPUT / FINANCE DEPARTMENT (if applicable)

- Revenues from auction to be applied to General Fund / Joint Utility Fund

SUPPORT DOCUMENTS:	Resolution 2016-1013 Surplus List
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DEPARTMENT'S RECOMMENDED MOTION:	Move to Approve Resolution 2016-1013 Declaring Certain Municipal Property Not Essential For Municipal Purpose and Directing It Be Sold or Disposed.
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CITY OF AZTEC RESOLUTION 2016-1013

A RESOLUTION DECLARING CERTAIN MUNICIPAL PROPERTY NOT ESSENTIAL FOR MUNICIPAL PURPOSE AND DIRECTING IT BE SOLD, OR IF THE PROPERTY HAS NO VALUE, DONATE THE PROPERTY TO ANY ORGANIZATION DESCRIBED IN SECTION 501(c)3 OF THE INTERNAL REVENUE CODE OF 1986 OR DISPOSED.

WHEREAS, Sections 3-54-2 and 13-6-1 of NMSA, 1978 Compilation authorizes municipalities to sell personal property which is not essential for a municipal purpose or if the property has no value, donate the property to any organization described in Section 501(c)3 of the Internal Revenue Code of 1986; and

WHEREAS, the City of Aztec owns certain personal property which is obsolete and/or surplus and no longer needed or useful to the City; and

WHEREAS, the Governing Body wishes to declare this property not essential for a municipal purpose so that it can be sold or donated according to statute.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY of the City of Aztec, New Mexico that the personal property below described which is owned by the City is surplus and not essential for a municipal purpose.

PASSED, APPROVED AND SIGNED this 9th day of August, 2016.

MAYOR SALLY BURBRIDGE

ATTEST:

CITY CLERK KARLA SAYLER

SURPLUS RESOLUTION 2016-1013

August 9, 2016

SURPLUS LIST

Department	Item/Model	Condition	Reason for Surplus	Location
<p align="center">Library</p>	 <p align="center">LeapPad Plus Writing Books included Reading, Writing & Math I know my short vowels 1st grade multi-subject 2nd grade reading Collection from the Leap pad library (book only) Bounce, Tigger, Bounce</p>	<p align="center">Good (needs batteries)</p>	<p align="center">No Circulation</p>	<p align="center">Library</p>
<p align="center">General Services</p>	 <p align="center">Steel Desk Removed from building at Riverside Park</p>	<p align="center">Poor</p>	<p align="center">No Use</p>	<p align="center">General Services</p>

SURPLUS RESOLUTION 2016-1013

August 9, 2016

SURPLUS LIST

Department	Item/Model	Condition	Reason for Surplus	Location
Senior Center	 <p data-bbox="435 779 857 842">Florescent Light Fixtures – 84 units 4' F34 Bulbs</p>	Poor	Replaced	Senior Center
Electric	 <p data-bbox="435 1234 862 1297">1997 GMC CSR 2 Man Bucket Truck 16,741 odometer</p>	Fair	Replaced, does not meet current certification requirements for electric work; too large for other city departments	Electric

SURPLUS RESOLUTION 2016-1013

August 9, 2016

SURPLUS LIST

LIBRARY TITLES

Adult Fiction:

A harvest of bones	Galenorn, Yasmine
Murder under a mystic moon	Galenorn, Yasmine
One Hex of a wedding	Galenorn, Yasmine
Dead until dark	Harris, Charlain
Successor	Frey, Stephen
Forced out	Frey, Stephen
Mission to Paris	Furst, Alan
Victory at Yourktown	Gingrich, Newt
Never call retreat	Gingrich, Newt
To try men's souls	Gingrich, Newt
Valley Forge	Gingrich, Newt
Heaven's fury	Frey, Stephen
The summer we read Gatsby	Ganek, Danielle
An unexpected Christmas	George, Denise
West of Babylon	Garrigues, Eduardo
Day of absolution	Gardner, John
Zero history	Gibson, William
The dirty secrets club	Gardiner, Meg
Robert Ludlum's The Janson command	Garrison, Paul
For Juana's second dream	de Alba, Gaspar
Pearl Harbor	Gingrich, Newt
The battle of the crater	Gingrich, Newt
Days of infamy	Gingrich, Newt
Mrs. Pollifax and the second thief	Gilman, Dorothy
Mrs. Pollifax pursued	Gilman, Dorothy
Mrs. Pollifax unveiled	Gilman, Dorothy
Mrs Pollifax, innocent tourist	Gilman, Dorothy
Golden country	Gilmore, Jennifer
A virtuous woman	Gibbons, Kaye
Drop & magnify	Fredrick, Michael
Different	Fredrick, Michael
Zed	Fredrick, Michael
The paper man	Fredrick, Michael
Never send flowers	Gardner, John
SeaFire	Gardner, John
The memory collector	Gardiner, Meg
Decider	Francis, Dick

SURPLUS RESOLUTION 2016-1013

August 9, 2016

SURPLUS LIST

Longshot	Francis, Dick
Wild horses	Francis, Dick
A harvest of bones	Galenorn, Yasmine
Murder under a mystic moon	Galenorn, Yasmine
One Hex of a wedding	Galenorn, Yasmine
Dead until dark	Harris, Charlain
Successor	Frey, Stephen
Forced out	Frey, Stephen
Mission to Paris	Furst, Alan
Victory at Yourktown	Gingrich, Newt
Never call retreat	Gingrich, Newt
To try men's souls	Gingrich, Newt
Valley Forge	Gingrich, Newt
Heaven's fury	Frey, Stephen
The summer we read Gatsby	Ganek, Danielle
An unexpected Christmas	George, Denise
West of Babylon	Garrigues, Eduardo
Day of absolution	Gardner, John
Zero history	Gibson, William
The dirty secrets club	Gardiner, Meg
Robert Ludlum's The Janson command	Garrison, Paul
For Juana's second dream	de Alba, Gaspar
Pearl Harbor	Gingrich, Newt
The battle of the crater	Gingrich, Newt
Days of infamy	Gingrich, Newt
Mrs. Pollifax and the second thief	Gilman, Dorothy
Mrs. Pollifax pursued	Gilman, Dorothy
Mrs. Pollifax unveiled	Gilman, Dorothy
Mrs Pollifax, innocent tourist	Gilman, Dorothy
Golden country	Gilmore, Jennifer
A virtuous woman	Gibbons, Kaye
Drop & magnify	Fredrick, Michael
Different	Fredrick, Michael
Zed	Fredrick, Michael
The paper man	Fredrick, Michael
Never send flowers	Gardner, John
SeaFire	Gardner, John
The memory collector	Gardiner, Meg
Decider	Francis, Dick
Longshot	Francis, Dick
Wild horses	Francis, Dick

SURPLUS RESOLUTION 2016-1013

August 9, 2016

SURPLUS LIST

The unnatural inquirer	Green, Simon R.
Live and let drood	Green, Simon R.
For heaven's eyes only	Green, Simon R.
The bride who wore black leather	Green, Simon R.
Sarah	Halter, Marek
Starbound	Haldeman, Joe
Marsbound	Haldeman, Joe
Earthbound	Haldeman, Joe
The hunted	Haig, Brian
Private sector	Haig, Brian
The kingmaker	Haig, Brian
Touched	Haines, Carolyn
Irish cream	Greeley, Andrew M.
A Christmas wedding	Greeley, Andrew M.
Irish love	Greeley, Andrew M.
Wages of sin	Greeley, Andrew M.
Summer at the lake	Greeley, Andrew M.
Irish tweed	Greeley, Andrew M.
Dinner with a perfect stranger	Gregory, David
Our holocaust	Gutfreund, Amir
Monday mornings	Gupta, Sanjay
Life goes one	Gulley, Philip
A change of heart	Gulley, Philip
Gump & Co.	Groom, Winston
Dope	Gran, Sara
The best is yet to come	Gould, Judith
Immediate family	Gould, Judith
Blessing in disguise	Gould, Judith
Stanger in paradise	Gould, Judith
The second silence	Gould, Judith
One last dance	Gould, Judith
Cry of the wind	Harrison, Sue
Song of the river	Harrison, Sue
Speak of the devil	Hawke, Richard
In sunlight and in shadow	Helprin, Mark
The dead detective	Heffernan, William
Secret life of Damian Spinelli	Hennesy, Carolyn
Dead North	Henry, Sue
Deadfall	Henry, Sue
Death trap	Henry, Sue
The end of the road	Henry, Sue

SURPLUS RESOLUTION 2016-1013

August 9, 2016

SURPLUS LIST

The Refuge	Henry, Sue
The serpents trail	Henry, Sue
Affliction	Hamilton, Laurell K.
Bloody bones	Hamilton, Laurell K.
Burnt offerings	Hamilton, Laurell K.
Danse Macabe	Hamilton, Laurell K.
Dead ice	Hamilton, Laurell K.
Incubus dreams	Hamilton, Laurell K.
Skin trade	Hamilton, Laurell K.
Seduced by moonlight	Hamilton, Laurell K.
Nightseer	Hamilton, Laurell K.
Hit list	Hamilton, Laurell K.
The harlequin	Hamilton, Laurell K.
Kiss the dead	Hamilton, Laurell K.
Bullet	Hamilton, Laurell K.
A caress of twilight	Hamilton, Laurell K.
a kiss of shadow	Hamilton, Laurell K.
Holy fools	Harris, Joanne
The stargazey	Grimes, Martha
The winds of change	Grimes, Martha
The old silent	Grimes, Martha
The horse you came in on	Grimes, Martha
The old comtemptibles	Grimes, Martha
The lamornawink	Grimes, Martha
Hotel Paradise	Grimes, Martha
Rainbow's end	Grimes, Martha
First 48	Green, Tim
Last call	Grippando, James
The firm	Grisham, John
Divine Misdemeanor	Hamilton, Laurell K.
A lick of frost	Hamilton, Laurell K.
Mistral's kiss	Hamilton, Laurell K.
Strange candy	Hamilton, Laurell K.
Swallowing darkness	Hamilton, Laurell K.
a stroke of midnight	Hamilton, Laurell K.
Skeleton Coast	Cussler, Clive Large Print
Hundred-foot journey	Morais, Richard C
Set sail for Murder	Hart, Carolyn
Painted ponies	Harte, Amanda
Archangel	Harris, Robert
Taking Eve	Johansen, Iris

SURPLUS RESOLUTION 2016-1013

August 9, 2016

SURPLUS LIST

The switch

Brown, Sandra

Junior Nonfiction:

Dog

How to draw Batman

Eyewitness title

Staff Summary Report

MEETING DATE:	August 9, 2016
AGENDA ITEM:	VIII. CONSENT AGENDA (E)
AGENDA TITLE:	Resolution 2016-1014 Define Scope and Financial Support of New Mexico Department of Transportation Local Government Road Fund Cooperative Funding for 2016/2017, Project No. SP-5-17(187)

ACTION REQUESTED BY:	Kathy Lamb
ACTION REQUESTED:	Approval of Resolution 2016-1014
SUMMARY BY:	Kathy Lamb

PROJECT DESCRIPTION / FACTS

- This agenda item was presented to Commission on July 12, 2016 and the resolution, which authorized to the City Manager to execute funding agreements, was submitted to NMDOT on July 13, 2016.
- Funding agreements were received on August 2, 2016 and require the Mayor's signature. NMDOT has asked that a new resolution be submitted with the signed agreements authorizing the Mayor to sign the agreements.

From July 12, 2016 staff summary:

- Commission approved the submittal of funding application to NM DOT Local Government Road Fund on March 8, 2016 (Consent Item E). The application identified Western Drive for reconstruction due to the recent gas line relocation and the schedule sewer interceptor line construction beginning this summer. The total estimate for the project was \$452,929 including GRT.
- The City received notice of funding award from NM DOT in June 2016 in the amount of \$150,615 plus a required city match of \$50,205.
- To secure the funding, the City must approve a support resolution and submit to NM DOT to begin the process of generating an agreement. Once the agreement is fully executed, NM DOT will encumber the funds. NM DOT must be able to encumber funds by October 31, 2016.

FISCAL INPUT / FINANCE DEPARTMENT

- The FY17 Adopted Annual Budget includes the Western Drive project, both funds for construction and the revenue provided by NMDOT.

SUPPORT DOCUMENTS: Resolution 2016-1014
NMDOT Cooperative Agreement C/N L500226

DEPARTMENT'S RECOMMENDED MOTION: Move to Approve Resolution 2016-1014
Defining Project Scope and Financial Support of New Mexico Department of Transportation
Local Government Road Fund Cooperative Funding for 2016/2017, Project No. SP-5-17(187)

CITY OF AZTEC
Resolution 2016-1014

A Resolution Defining Project Scope and Financial Support For Approved Funding Assistance Through The New Mexico Department of Transportation's Cooperative Funding Program, Project No.SP-5-17(187)

WHEREAS, the State of New Mexico Legislature has allocated funds to Local Government for the purpose of construction and improvement of public highways and roads; and

WHEREAS, the City of Aztec has been approved for this assistance on its public roads for the 2016/2017 Program identified as Project No. SP-5-17(187); and

WHEREAS, the project scope for the 2016/2017 CO-OP Program is **RECONSTRUCTION AND PAVEMENT REHABILITATION/RECONSTRUCTION OF VARIOUS LOCAL STREETS** in Aztec, San Juan County, New Mexico; and

WHEREAS, funding assistance will be utilized for the reconstruction of Western Drive (from the 610 Western Drive to the intersection with Swire Avenue), preliminary estimated project cost of \$452,929; and

WHEREAS, the Local Government Road Fund program has approved funding for this project in the amount of \$150,615.00 and requires a minimum twenty-five percent (25%) match or \$50,205.00; and

WHEREAS, the City of Aztec has the financial resources for its share of the twenty-five percent (25%) match and remaining \$252,109

NOW, THEREFORE, be it resolved, as follows:

1. Staff is instructed to pursue an Agreement with the New Mexico Department of Transportation to fund the reconstruction and rehabilitation/reconstruction to various City roads.
2. The Mayor is authorized to execute the above Agreement.
3. The City agrees to contribute the twenty-five (25%) match as provided in the FY17 Budget.

ADOPTED and APPROVED this 9th day of August 2016.

Mayor Sally Burbridge

ATTEST:

City Clerk Karla Sayler

Contract No. _____
Vendor No. 0000054308
Project No. SP-5-17(187)
Control No. L500226

COOPERATIVE AGREEMENT

THIS COOPERATIVE AGREEMENT entered into this _____ day of _____, 2016 between the **NEW MEXICO DEPARTMENT OF TRANSPORTATION** (“Department”) and the **CITY OF AZTEC**, (“Public Entity”).

In consideration of the covenants contained herein and pursuant to Sections 67-3-28 and 67-3-28.2 NMSA 1978 and Commission Policy No. 44-12, THE PARTIES AGREE AS FOLLOWS:

SECTION ONE – PURPOSE:

The purpose of this Agreement is to provide Local Government Road Funds to **Public Entity** for the **RECONSTRUCTION, DRAINAGE IMPROVEMENTS, AND PAVEMENT REHABILITATION/IMPROVEMENTS OF VARIOUS LOCAL STREETS**, as described in Project No. **SP-5-17(187)**, Control No. **L500226**, and the Public Entity’s resolution attached as Appendix C ("Project"). The Project is a joint and coordinated effort for which the Department and the Public Entity each have authority or jurisdiction. This Agreement shall specify and delineate the rights and duties of the Parties hereto.

SECTION TWO – PROJECT FUNDING BY PARTIES:

1. The estimated total cost for the Project is **TWO HUNDRED THOUSAND EIGHT HUNDRED TWENTY DOLLARS (\$200,820.00)** to be funded in proportional share by the parties hereto as follows:
 - a. **Department’s share shall be 75%** **\$150,615.00**
RECONSTRUCTION, DRAINAGE IMPROVEMENTS, AND PAVEMENT/REHABILITATION IMPROVEMENTS OF VARIOUS LOCAL STREETS

- b. The **Public Entity's** required proportional matching
Share shall be **25%** **\$50,205.00**
For purpose stated above
- c. **Total Project Cost** **\$200,820.00**

2. The **Public Entity** shall pay all Project costs, which exceed the total amount of **TWO HUNDRED THOUSAND EIGHT HUNDRED TWENTY DOLLARS (\$200,820.00)**.

SECTION THREE – THE PUBLIC ENTITY SHALL:

1. Act in the capacity of lead agency for the purpose as described in Section One.
2. Submit an estimate of the Project, including work to be performed and cost to the District Engineer within thirty (30) days of execution of this Agreement, or as otherwise agreed to in writing by the Parties.
3. Be solely responsible for all local matching funds identified in Section Two. Certify that these matching funds have been appropriated, budget and approved for expenditure prior to execution of this Agreement.
4. Pay all costs, perform/supply or contract for labor and material, for the purpose as described in Section One and the Project estimate approved by the District Engineer.
5. In the event a contractor is hired for the Project, require the contractor to have a general liability insurance policy, with limits of liability of at least \$1,000,000 per occurrence. The Department is to be named as an additional insured on the contractor's policy and a certificate of insurance must be provided to the Department and it shall state that coverage provided under the policy is primary over any other valid insurance.
6. Require contractors that the Public Entity hires to perform services to defend, indemnify and hold harmless the Department from and against all suits, actions or claims of any character brought because of injury, including death or damages arising out of contractors' construction or maintenance activities pursuant to this agreement, as memorialized herein and subject to any additional permit that may be required of the contractor to perform said activities.

7. Be responsible, for performing or directing the performance, of all pre-construction activities, including, but not limited to, the following:
 - a. Utility Certification,
 - b. Drainage and storm drain design,
 - c. Geotechnical design,
 - d. Pavement design,
 - e. Environmental and archaeological clearances Certification,
 - f. Right of-way acquisition Certification,
 - g. Hazardous substance/waste site(s) contamination,
 - h. Railroad Certification,
 - i. Intelligent Transportation System (ITS) Certification
8. Cause all designs and plans to be performed under the direct supervision of a Registered New Mexico Professional Engineer, when applicable, as determined by the Department.
9. Obtain all required written agreements or permits, when applicable, from all public and private entities.
10. Allow the Department to inspect the Project to determine that the Project is being constructed in accordance with the provisions of this Agreement. Disclosures of any failure to meet such requirements and standards as determined by the Department, shall result in termination, for default, including without limitation the Public Entity's costs for funding, labor, equipment and materials.
11. Complete the project within 18 months of approval of funding by the State Transportation Commission.
12. Agree that the Department may terminate this Agreement if the funds identified in Section Two have not been contractually committed within nine (9) months from the effective date of this agreement.
13. Within thirty (30) days of completion, provide written certification that all work under this Agreement was performed in accordance with either the New Mexico Department of Transportation's Standard Specification, Current Edition; American Public Works Association (APWA) Specifications; Department approved Public Entity established

Specifications; or Department Specifications established for Local Government Road Fund projects, by submitting the **“Project Certification of Design, Construction, and Cost,” form**, which is attached as Exhibit A.

14. Within thirty (30) days of completion, furnish the Department an **“AS BUILT Summary of Costs and Quantities”** form, which is attached as Exhibit B. The report should reflect the total cost of project as stated in **“Project Certification of Design, Construction, and Cost”** form.
15. Failure to provide the **“Project Certification of Design, Construction, and Cost”** form and an **“AS BUILT Summary of Costs and Quantities”** report within thirty (30) days of Project completion will be considered a material breach of this Agreement and Public Entity shall reimburse to the Department all funds disbursed in accordance with this agreement.
16. Maintain all facilities constructed or reconstructed with funds provided by this Agreement.

SECTION FOUR – THE DEPARTMENT SHALL:

Pay project funds as identified in Section Two, Paragraph 1a, to the Public Entity in a single lump sum payment after:

1. Receipt of a Notice of Award and Notice to Proceed and,
2. Verification of available Local Government Road Funds and Public Entity’s local matching funds identified in Section Two, Paragraph 1b.

SECTION FIVE – BOTH PARTIES AGREE:

1. Upon termination of this Agreement any remaining property, materials, or equipment belonging to the Department shall be accounted for and disposed of by the Public Entity as directed by the Department.
2. That no money in the Local Government Road Fund shall be used by the Department to administer any program, and no entity receiving a distribution pursuant to a program requiring matching funds shall use another distribution made pursuant to NMSA 1978 Section 67-3-28.2, to meet the match required.

3. That the provisions of the Local Government Road Fund Project Handbook (Current Edition) and any amendments thereto, are incorporated herein by reference and shall control the contractual rights and obligations of the parties unless in conflict with the specific terms expressed in this Agreement or any amendments thereto.

SECTION SIX – THIRD PARTY BENEFICIARY CLAUSE:

It is specifically agreed between the parties executing this Agreement that it is not intended by any of the provisions of any part of the Agreement to create in the public, or any member thereof, a third party beneficiary or to authorize anyone not a party to the Agreement to maintain a suit for wrongful death, bodily and/or personal injury to a person, damage to property, and/or any other claim(s) whatsoever pursuant to the provisions of this Agreement.

SECTION SEVEN – PROJECT RESPONSIBILITY:

The improvements proposed in Section One of this Agreement shall not be under the jurisdiction and control of the Department.

SECTION EIGHT – JURISDICTION:

By reason of the Department's participation in the funding of this Project, the Department is not incorporating this Project into the state highway system, nor is the Department assuming any maintenance or user responsibility of liability for participation on this project.

SECTION NINE – NEW MEXICO TORT CLAIMS ACT:

Each party shall be responsible for liability arising from personal injury or damage to person and property occasioned by its own agents or employees in the performance of this Agreement, subject in all cases to the immunities and limitations of the New Mexico Tort Claims Act (Section 41-4-1, et seq., NMSA 1978). This paragraph is intended only to define the liabilities between the parties hereto and is not intended to modify, in any way, the parties' liabilities as governed by common law or the New Mexico Tort Claims Act.

The Public Entity and its "employees" as defined in the New Mexico Tort Claims Act, and the Department and its "public employees" as defined in the New Mexico Tort Claims Act, do not waive sovereign immunity, do not waive any defense and/or do not waive any limitation of liability pursuant to law. No provision in this Agreement modifies and/or waives any provision of the New Mexico Tort Claims Act.

SECTION TEN – EQUAL OPPORTUNITY COMPLIANCE:

The Public Entity agrees to abide by all applicable Federal and State Laws and rules and regulations, and executive orders of the Governor of the State of New Mexico, pertaining to equal employment opportunity. In accordance with all such laws and rules and regulations, and executive orders of the Governor of the State of New Mexico, the Public Entity agrees to assure that no person in the United States shall, on the grounds of race, color, national origin, sex, sexual preference, age or disability, be excluded from employment with or participation in, be denied the benefits of, or be otherwise subjected to discrimination under, any program or activity performed under this Agreement. If the Public Entity is found to be not in compliance with these requirements during the life of this Agreement, the Public Entity agrees to take appropriate steps to correct these deficiencies.

SECTION ELEVEN –LEGAL COMPLIANCE

The Public Entity shall comply with all applicable federal, state, local, and Department laws, regulations and policies in the performance of this Agreement, including , but not limited to laws governing civil right, equal opportunity compliance, environmental issue, workplace safety, employer-employee relations and all other laws governing operations of the workplace, including laws and regulations hereafter enacted. The Public Entity shall ensure that the requirements of this compliance are made a part of each subcontract on this Project at all tiers.

SECTION TWELVE – PUBLIC ENTITY'S PRIOR COSTS:

Any costs incurred by the Public Entity prior to this Agreement are not eligible for reimbursement and will not be included in the amount to be disbursed as agreed upon.

SECTION THIRTEEN – ACCOUNTABILITY OF RECEIPTS AND DISBURSEMENTS:

There shall be strict accountability for all receipts and disbursements relating hereto. The Public Entity shall maintain all records and documents relative to the Project for a minimum of five years after completion of the Project. The Public Entity shall furnish the Department and State Auditor, upon demand, any and all such records relevant to this Agreement. If an audit finding determines that specific funding was inappropriate or not related to the Project, the Public Entity shall reimburse that portion to the Department within thirty (30) days of written notification. If documentation is insufficient to support an audit by customarily accepted accounting practices, the expense supported by such insufficient documentation shall be reimbursed to the Department within thirty days.

SECTION FOURTEEN – DEPARTMENT'S AUTHORIZATION OF EXPENDITURES:

The terms of this Agreement are contingent upon sufficient appropriations and authorizations being made by the Legislature of New Mexico, for performance of this Agreement. The Department is expressly not committed to expenditure of any funds until such time as they are budgeted, appropriated by the legislature, and approved for expenditure. The Department's decision as to whether its funds are sufficient for fulfillment of this Agreement shall be final.

SECTION FIFTEEN – UNEXPENDED, UNENCUMBERED PROJECT BALANCES:

Any unexpended or unencumbered balance from the Local Government Road Fund appropriated for this project shall revert to the Department. These balances, if any, shall be reimbursed to the Department within thirty- (30) days of project completion or expiration of this Agreement, whichever occurs first.

SECTION SIXTEEN – TERMS OF THIS AGREEMENT:

This Agreement constitutes the entire Agreement between the parties. Any claimed covenant, term, condition, warranty or promise of performance not expressly included in this document or its amendments, is not part of this Agreement and not enforceable pursuant to this Agreement. Performance of all duties and obligations herein shall conform with and shall not contravene any state, local, or federal statutes, regulations, rules, or ordinances.

SECTION SEVENTEEN – TERM:

This Agreement becomes effective upon signature of all Parties. This Agreement terminates on December 31, 2017.

SECTION EIGHTEEN – TERMINATION:

1. If the Public Entity fails to comply with any provision of this Agreement, the Department may terminate this Agreement, by providing 30 days written notice.
2. The Department may terminate this Agreement if the funds identified in Section Two have not been contractually committed within nine months from the effective date of this agreement.
3. If sufficient appropriations and authorizations are not made by the Legislature, this Agreement may terminate immediately upon written notice of the Department to the Public Entity.
4. Neither party shall have any obligation after said date of termination, except as stated in Sections Five, Seven and Eight. The Public Entity agrees to reimburse to the Department all unexpended Department funds disbursed in accordance with this Agreement.

SECTION NINETEEN – SCOPE OF AGREEMENT:

This Agreement incorporates all the agreements, covenants, and understandings between the parties hereto concerning the subject matter hereof, and all such covenants, agreements and understandings have been merged into this written Agreement. No prior agreement or understandings, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this Agreement.

SECTION TWENTY – SEVERABILITY:

In the event that any portion of this Agreement is determined to be void, unconstitutional or otherwise unenforceable, the remainder of this Agreement shall remain in full force and effect.

SECTION TWENTY-ONE – APPLICABLE LAW:

The Laws of the State of New Mexico shall govern this Agreement, without giving effect to its choice of law provisions. Venue shall be proper only in a New Mexico court of competent jurisdiction in accordance with Section 38-3-1(G) NMSA 1978.

SECTION TWENTY-TWO – AMENDMENT:

This Agreement shall not be altered, modified, or amended except by an instrument in writing and executed by the parties hereto.

IN WITNESS WHEREOF, the Parties have set their hands and seals this day and year set forth below.

NEW MEXICO DEPARTMENT OF TRANSPORTATION

By: _____
Cabinet Secretary or Designee

Date: _____

**APPROVED AS TO FORM AND LEGAL SUFFICIENCY BY THE DEPARTMENT'S
OFFICE OF GENERAL COUNSEL**

By: _____
Assistant General Counsel

Date: _____

CITY OF AZTEC

By: _____
Mayor

Date: _____

ATTESTED

By: _____
City Clerk

Date: _____

**EXHIBIT A
PROJECT CERTIFICATION OF
DESIGN, CONSTRUCTION, AND COST**

TO: New Mexico Department of Transportation
District _____ LGRF Coordinator

Cooperative Agreement No. _____ Control No. _____
Joint Powers Agreement No. _____ Control No. _____

Entity: _____

Scope of Work (Including Routes and Termini):

I, the undersigned, in my capacity as _____ of _____
state that:

1. The design is in compliance with all state laws, rules, regulations, and local ordinances and was performed in accordance with the provisions set forth in this agreement and in the Local Government Road Fund Project Handbook (Current Edition);

2. Construction of the project was performed in accordance with standards and specifications set forth in:

_____ And completed on _____, 20____; and

3. That the total project cost of _____, with New Mexico Department of Transportation 75% share of _____ and the **Public Entity** share of _____ (as submitted in attached "As Built Summary of Costs and Quantities") is accurate, legitimate, and appropriate for the project.

Name Date

Print Name

Title

Staff Summary Report

MEETING DATE:	August 9, 2016
AGENDA ITEM:	XI. Business (A)
AGENDA TITLE:	RFP 2016-540 Utility Cost of Service and Rate Study Contract

ACTION REQUESTED BY:	Electric, Water and Finance Departments
ACTION REQUESTED:	Approval
SUMMARY BY:	Kathy Lamb

PROJECT DESCRIPTION / FACTS

- The City has not contracted for a cost of service and rate study for several years for electric, water or wastewater. There have been significant changes in the operations of the utilities since a formal study was conducted for any of the utilities (2001) :
 - Recent changes in the electric purchase power contract and installation of alternative power generating both for the city and customers have altered both the revenue stream and operating costs for the electric utility. The city is exploring sites for additional alternative energy generation and our customers will continue to add alternative generation to their businesses and residences.
 - Construction of a second sub-station is projected to begin in FY2018.
 - The water and wastewater departments have added automation to their processes which were not available when the 2001 evaluation was completed.
 - The wastewater departments (treatment and collection) have added debt for the new treatment plant and sanitary sewer interceptor line replacement.
 - The water treatment plant and reservoirs require improvements in the next five years.
- While staff are very knowledgeable in the operations of the city provided utilities and are capable of developing a basic rate structure, we may not be as knowledgeable of industry trends or able to evaluate operations objectively. A consultant, while not as familiar with our operations, will be able to objectively evaluate operations, improvements and develop rate structures for current operations and future improvements. The success of the cost of service and rate study will require a cooperative partnership between the consultant and the city.
- A RFP was issued for a cost of service and rate study for the electric, water, wastewater and sanitation utilities. While there were inquiries from multiple consultants across the nation, the City received one proposal. The proposal was reviewed and ranked and the committee determined an interview was appropriate. The interview was conducted in Aztec on July 20, 2016, after which the committee determined a recommendation to approve a contract with Raftelis Financial Consultants (Colorado) would be included with the August 9, 2016 meeting.
- The attached contract includes exhibit 1 which details the scope of services and tasks to be completed. The timeline for completion is the end of this calendar year with the

ability to implement a new rate structure in January 2017 dependent on commission action. While the RFP had included sanitation (continue contracting services, City provide services, waste to energy or other alternatives), it was decided to remove the utility from this contract. As long as the City continues to contract services, the calculation of a rate is based on the contract and may be developed by staff. During the interview, Raftelis indicated to complete a study for sanitation as proposed in the RFP would require the addition of a consultant who specialized in sanitation services and was not included in their original proposal.

- If the agreement is approved, Raftelis is ready to schedule the kick off meeting quickly to maintain the timeline requested.

PROCUREMENT / PURCHASING (if applicable)

- The RFP was issued April 3, 2016. One addendum was issued responding to questions from interested consultants. Proposals were due May 5, 2016. One proposal was received and evaluated.
- Raftelis Financial Consultants, located in Greenwood Village, Colorado, has experience with water and wastewater utilities across the southwest and electric/natural gas primarily in Colorado.
 - Original proposal cost: \$113,010
 - Amended proposal cost (less sanitation) \$108,240

FISCAL INPUT / FINANCE DEPARTMENT (if applicable)

- The FY17 Adopted Final Budget included funds in the Joint Utility Fund for this proposal. The adopted budget did not include a change in utility rates in the revenue projections.

SUPPORT DOCUMENTS: Agreement with Raftelis Financial Consultants Inc
Work Plan (included with proposal)

DEPARTMENT'S RECOMMENDED MOTION: Move to Approve the award and contract with Raftelis Financial Consultants Inc. for RFP 2016-540 Utility Cost of Service and Rate Study.

WORK PLAN

Phase	Task	Primary Task Activities	Deliverables / Meetings	Study Schedule
1 & 2	1 - Project Initiation, Data Collection and Project Management	<ul style="list-style-type: none"> Resource and project management Data gathering and understanding Study expectations 	<ul style="list-style-type: none"> Timely invoices Monthly status report On-Site Project Initiation Workshop Technical memorandum Data request 	Continuous (August Project Initiation Workshop)
1	2 – Revenue Requirements and Financial Plan	<ul style="list-style-type: none"> Reserve policies Customer account and demand analysis over recent five-year period Financial plan, operating expenses, capital and capital funding Annual revenue requirements for each utility (including Sanitation) 	<ul style="list-style-type: none"> Financial Plan Workshop Historical Trends Technical Memorandum Three financial planning scenarios Preliminary rate revenue adjustments Two web-based workshops 	July – September
2	3 – Cost of Service Analysis	<ul style="list-style-type: none"> FY 2021-22 customer units of service FY 2021-22 revenue requirements allocated to functional categories and to customer classes FY 2021-22 unit cost Indicated adjustments for each customer class 	<ul style="list-style-type: none"> Test-year revenue requirements One web-based workshop Cost to serve each customer class Comparison with class revenue from existing rates 	October – November
2	4 - Rate Design Analysis	<ul style="list-style-type: none"> Two rate alternatives for each customer class and utility Proposed rates for each year from FY 2017-18 through FY 2021-22 Customer bill impacts Review existing customer service fee structure 	<ul style="list-style-type: none"> Electric, Water and Wastewater rates for each customer class Customer bill impacts for each utility Survey of comparable communities One web-based workshop 	October – November
1 & 2	5 – Findings and Recommendations	<ul style="list-style-type: none"> Document study findings and recommendations for each phase Staff workshop, City Commission meeting and public hearing materials Rate implementation 	<ul style="list-style-type: none"> Three on-site meetings, presentations and/or public hearings Technical memorandum for each on-site meeting Draft and final report for the separate Phase I and Phase II Rates implemented 	September – December
1 & 2	6 – Rate Model and User Manual	<ul style="list-style-type: none"> Deliver MS Excel based models developed throughout study Document in user manual Train City staff 	<ul style="list-style-type: none"> Excel model(s) and user manual Two web-based workshops to train City Staff at the completion of each Phase Memorandum 	October – January

CITY OF AZTEC

PROFESSIONAL SERVICES CONTRACT #2016-540

THIS AGREEMENT is made and entered into by and between the **CITY OF AZTEC**, hereinafter referred to as the "City," and **RAFTELIS FINANCIAL CONSULTANTS** , hereinafter referred to as the "Contractor," and is effective as of **August 10, 2016**, "Effective Date".

IT IS AGREED BETWEEN THE PARTIES:

1. Scope of Work.

Contractor agrees to perform the services as set forth in Scope of Services RFP 2016-540 AZTEC COS & RATE STUDY, Exhibit 1, attached hereto, "Services", in a timely manner and in accordance with the terms and conditions of this Agreement and applicable laws. Contractor shall furnish, at its own expense, all labor, transportation, materials, consumables, qualified supervisory personnel, tools, equipment and facilities, to properly perform the Services, except as otherwise provided in the Services.

2. Compensation.

A. For performance and completion of the Services, the City shall pay the Contractor based on Compensation Schedule, Exhibit 2, attached hereto, "Compensation", excluding gross receipts tax. The New Mexico gross receipts tax levied on the amounts payable under this Agreement shall be paid by the City to the Contractor. **The total amount payable to the Contractor under this Agreement, including gross receipts tax and expenses, shall not exceed \$108,240. This amount is a maximum and not a guarantee that the work assigned to be performed by Contractor under this Agreement shall equal the amount stated herein. The parties do not intend for the Contractor to continue to provide services without compensation when the total compensation amount is reached. Contractor is responsible for notifying the City when the services provided under this Agreement reach the total compensation amount. In no event will the Contractor be paid for services provided in excess of the total compensation amount without this Agreement being amended in writing prior to those services in excess of the total compensation amount being provided.**

B. Payment is subject to availability of funds pursuant to the Appropriations Paragraph set forth below and to any negotiations between the parties from year to year pursuant to Paragraph 1, Scope of Work, and to approval by the City. All invoices MUST BE received by the City no later than fifteen (15) days after the termination of the Fiscal Year (June 30) in which the services were delivered. Invoices received after such date WILL NOT BE PAID.

C. Contractor must submit a detailed statement accounting for all services performed and expenses incurred. If the City finds that the services are not acceptable, within thirty days after the date of receipt of written notice from the Contractor that payment is requested, it shall provide the Contractor a letter of exception explaining the defect or

objection to the services, and outlining steps the Contractor may take to provide remedial action. Upon certification by the City that the services have been received and accepted, payment shall be tendered to the Contractor within thirty days after the date of acceptance. If payment is made by mail, the payment shall be deemed tendered on the date it is postmarked. However, the City shall not incur late charges, interest, or penalties for failure to make payment within the time specified herein.

3. Term.

THIS AGREEMENT SHALL NOT BECOME EFFECTIVE UNTIL APPROVED BY THE CITY. This Agreement shall terminate on **June 30, 2017** unless terminated pursuant to paragraph 4 (Termination), or paragraph 5 (Appropriations). In accordance with Section 13-1-150 NMSA 1978, no contract term for a professional services contract, including extensions and renewals, shall exceed four years, except as set forth in Section 13-1-150 NMSA 1978.

4. Termination.

A. Termination. This Agreement may be terminated by either of the parties hereto upon written notice delivered to the other party at least thirty (30) days prior to the intended date of termination. Except as otherwise allowed or provided under this Agreement, the City's sole liability upon such termination shall be to pay for acceptable work performed prior to the Contractor's receipt of the notice of termination, if the City is the terminating party, or the Contractor's sending of the notice of termination, if the Contractor is the terminating party; provided, however, that a notice of termination shall not nullify or otherwise affect either party's liability for pre-termination defaults under or breaches of this Agreement. The Contractor shall submit an invoice for such work within thirty (30) days of receiving or sending the notice of termination. Notwithstanding the foregoing, this Agreement may be terminated immediately upon written notice to the Contractor if the Contractor becomes unable to perform the services contracted for, as determined by the City or if, during the term of this Agreement, the Contractor or any of its officers, employees or agents is indicted for fraud, embezzlement or other crime due to misuse of city funds or due to the Appropriations paragraph herein. *THIS PROVISION IS NOT EXCLUSIVE AND DOES NOT WAIVE THE CITY'S OTHER LEGAL RIGHTS AND REMEDIES CAUSED BY THE CONTRACTOR'S DEFAULT/BREACH OF THIS AGREEMENT.*

B Termination Management. Immediately upon receipt by either the City or the Contractor of notice of termination of this Agreement, the Contractor shall: 1) not incur any further obligations for salaries, services or any other expenditure of funds under this Agreement without written approval of the City; 2) comply with all directives issued by the City in the notice of termination as to the performance of work under this Agreement; and 3) take such action as the City shall direct for the protection, preservation, retention or transfer of all property titled to the City and records generated under this Agreement. Any non-expendable personal property or equipment provided to or purchased by the Contractor with contract funds shall become property of the City upon termination and shall be submitted to the City as soon as practicable.

5. Appropriations.

The terms of this Agreement are contingent upon sufficient appropriations and authorization being made by the City of Aztec for the performance of this Agreement. If sufficient appropriations and authorization are not made by the City, this Agreement shall terminate immediately upon written notice being given by the City to the Contractor. The City's decision as to whether sufficient appropriations are available shall be accepted by the Contractor and shall be final. If the City proposes an amendment to the Agreement to unilaterally reduce funding, the Contractor shall have the option to terminate the Agreement or to agree to the reduced funding, within thirty (30) days of receipt of the proposed amendment.

6. Status of Contractor.

The Contractor and its agents and employees are independent contractors performing professional services for the City and are not employees of the City. The Contractor and its agents and employees shall not accrue leave, retirement, insurance, bonding, use of city vehicles, or any other benefits afforded to employees of the City as a result of this Agreement. The Contractor acknowledges that all sums received hereunder are reportable by the Contractor for tax purposes, including without limitation, self-employment and business income tax. The Contractor agrees not to purport to bind the City unless the Contractor has express written authority to do so, and then only within the strict limits of that authority.

7. Assignment.

The Contractor shall not assign or transfer any interest in this Agreement or assign any claims for money due or to become due under this Agreement without the prior written approval of the City.

8. Subcontracting.

The Contractor shall not subcontract any portion of the services to be performed under this Agreement without the prior written approval of the City. No such subcontract shall relieve the primary Contractor from its obligations and liabilities under this Agreement, nor shall any subcontract obligate direct payment from the City.

9. Release.

Final payment of the amounts due under this Agreement shall operate as a release of the City, its officers and employees, from all liabilities, claims and obligations whatsoever arising from or under this Agreement.

10. Confidentiality.

Any confidential information provided to or developed by the Contractor in the performance of this Agreement shall be kept confidential and shall not be made available to any individual or organization by the Contractor without the prior written approval of the City.

11. Product of Service -- Copyright.

All materials developed or acquired by the Contractor under this Agreement shall become the property of the City and shall be delivered to the City no later than the termination

date of this Agreement. Nothing developed or produced, in whole or in part, by the Contractor under this Agreement shall be the subject of an application for copyright or other claim of ownership by or on behalf of the Contractor.

12. Conflict of Interest; Governmental Conduct Act.

A. The Contractor represents and warrants that it presently has no interest and, during the term of this Agreement, shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance or services required under the Agreement.

B. The Contractor further represents and warrants that it has complied with, and, during the term of this Agreement, will continue to comply with, and that this Agreement complies with all applicable provisions of the Governmental Conduct Act, Chapter 10, Article 16 NMSA 1978. Without in anyway limiting the generality of the foregoing, the Contractor specifically represents and warrants that:

1) in accordance with Section 10-16-4.3 NMSA 1978, the Contractor does not employ, has not employed, and will not employ during the term of this Agreement any City employee while such employee was or is employed by the City and participating directly or indirectly in the City's contracting process;

2) this Agreement complies with Section 10-16-7(A) NMSA 1978 because (i) the Contractor is not a public officer or employee of the City; (ii) the Contractor is not a member of the family of a public officer or employee of the City; (iii) the Contractor is not a business in which a public officer or employee or the family of a public officer or employee has a substantial interest; or (iv) if the Contractor is a public officer or employee of the City, a member of the family of a public officer or employee of the City, or a business in which a public officer or employee of the City or the family of a public officer or employee of the City has a substantial interest, public notice was given as required by Section 10-16-7(A) NMSA 1978 and this Agreement was awarded pursuant to a competitive process;

3) in accordance with Section 10-16-8(A) NMSA 1978, (i) the Contractor is not, and has not been represented by, a person who has been a public officer or employee of the City within the preceding year and whose official act directly resulted in this Agreement and (ii) the Contractor is not, and has not been assisted in any way regarding this transaction by, a former public officer or employee of the City whose official act, while in City employment, directly resulted in the City's making this Agreement;

4) in accordance with Section 10-16-13 NMSA 1978, the Contractor has not directly participated in the preparation of specifications, qualifications or evaluation criteria for this Agreement or any procurement related to this Agreement; and

5) in accordance with Section 10-16-3 and Section 10-16-13.3 NMSA 1978, the Contractor has not contributed, and during the term of this Agreement shall not contribute, anything of value to a public officer or employee of the City.

C. Contractor's representations and warranties in Paragraphs A and B of this Article 12 are material representations of fact upon which the City relied when this Agreement was entered into by the parties. Contractor shall provide immediate written notice to the City if, at

any time during the term of this Agreement, Contractor learns that Contractor's representations and warranties in Paragraphs A and B of this Article 12 were erroneous on the effective date of this Agreement or have become erroneous by reason of new or changed circumstances. If it is later determined that Contractor's representations and warranties in Paragraphs A and B of this Article 12 were erroneous on the effective date of this Agreement or have become erroneous by reason of new or changed circumstances, in addition to other remedies available to the City and notwithstanding anything in the Agreement to the contrary, the City may immediately terminate the Agreement.

D. All terms defined in the Governmental Conduct Act have the same meaning in this Article 12(B).

13. Amendment.

A. This Agreement shall not be altered, changed or amended except by instrument in writing executed by the parties hereto and all other required signatories.

B. If the City proposes an amendment to the Agreement to unilaterally reduce funding due to budget or other considerations, the Contractor shall, within thirty (30) days of receipt of the proposed Amendment, have the option to terminate the Agreement, pursuant to the termination provisions as set forth in Article 4 herein, or to agree to the reduced funding.

14. Merger.

This Agreement incorporates all the Agreements, covenants and understandings between the parties hereto concerning the subject matter hereof, and all such covenants, Agreements and understandings have been merged into this written Agreement. No prior Agreement or understanding, oral or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this Agreement.

15. Penalties for violation of law.

The Procurement Code, Sections 13-1-28 through 13-1-199, NMSA 1978, imposes civil and criminal penalties for its violation. In addition, the New Mexico criminal statutes impose felony penalties for illegal bribes, gratuities and kickbacks.

16. Equal Opportunity Compliance.

The Contractor agrees to abide by all federal and state laws and rules and regulations, and executive orders of the Governor of the State of New Mexico, pertaining to equal employment opportunity. In accordance with all such laws of the State of New Mexico, the Contractor assures that no person in the United States shall, on the grounds of race, religion, color, national origin, ancestry, sex, age, physical or mental handicap, or serious medical condition, spousal affiliation, sexual orientation or gender identity, be excluded from employment with or participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity performed under this Agreement. If Contractor is found not to be in compliance with these requirements during the life of this Agreement, Contractor agrees to take appropriate steps to correct these deficiencies.

17. Applicable Law.

The laws of the State of New Mexico shall govern this Agreement, without giving effect to its choice of law provisions. Venue shall be proper only in a San Juan County, New Mexico court of competent jurisdiction in accordance with Section 38-3-1 (G) NMSA 1978. By execution of this Agreement, Contractor acknowledges and agrees to the jurisdiction of the courts of the State of New Mexico over any and all lawsuits arising under or out of any term of this Agreement.

18. Insurance

Prior to commencement of the Services, Contractor shall obtain the insurance required by this Agreement and all insurance that may be required under the applicable laws, ordinances and regulations of any governmental authority. Each insurance policy of the Contractor shall provide, either in its printed text or by endorsement, that it shall be primary with respect to the interest of the City, and any insurance maintained by the City is in excess and not contributory to Contractor's insurance policies regardless of any like insurance coverage that the City may have. Contractor shall furnish to City a completed certificate of insurance coverage which references City's project number and project title for the Services and which specifically requires thirty (30) days prior notice to City of cancellation, termination or any material change of any such insurance policy. Review of the Contractor's insurance by City shall not relieve or increase the liability of Contractor. Where applicable, all insurance policies shall provide for waiver of subrogation in favor of the City, include cross liability provisions, and all policies, except Workers' Compensation and professional liability (a/k/a errors and omissions insurance), shall name the City as additional insured.

Without limiting any of the liabilities or other obligations of Contractor under this Agreement, Contractor shall obtain and maintain in effect, at its sole cost and expense, with forms and insurers acceptable to City, until all the obligations under this Agreement are satisfied, insurance policies providing coverage protecting against claims for personal and bodily injury or death, as well as claims for property damage which may arise from operations in connection with the Services whether such operations are by Contractor or any subcontractor for at least the following minimum coverage:

(a) Worker's Compensation Insurance. The Contractor agrees to comply with state laws and rules applicable to workers compensation benefits for its employees. If the Contractor fails to comply with the Workers Compensation Act and applicable rules when required to do so, this Agreement may be terminated by the City.

(b) Commercial General Liability Insurance, or the equivalent, with a minimum limit of One Million Dollars (\$1,000,000) per occurrence. The policy shall include coverage for bodily injury liability, broad form property damage liability, blanket contractual, Engineer's protective, products liability and completed operations. Where applicable,

the policy shall include coverage for the hazards commonly referred to as "XCU." The policy shall be endorsed to include City as an additional insured only to the extent the City is vicariously liable for the negligence, acts or omissions of Contractor.

(c) Business Automobile Liability Insurance, or the equivalent, with limit of not less than One Million Dollars (\$1,000,000) per accident with respect to Contractor's vehicles whether owned, hired, or non-owned, assigned to or used in the performance of any Services required to be performed by Contractor pursuant to the Agreement.

19. Records and Financial Audit.

The Contractor shall maintain detailed time and expenditure records that indicate the date; time, nature and cost of services rendered during the Agreement's term and effect and retain them for a period of three (3) years from the date of final payment under this Agreement. The records shall be subject to inspection by the City. The City shall have the right to audit billings both before and after payment. Payment under this Agreement shall not foreclose the right of the City to recover excessive or illegal payments

20. Indemnification.

The Contractor shall defend, indemnify and hold harmless the City from all actions, proceeding, claims, demands, costs, damages, attorneys' fees and all other liabilities and expenses of any kind from any source which may arise out of the performance of this Agreement, caused by the negligent act or failure to act of the Contractor, its officers, employees, servants, subcontractors or agents, or if caused by the actions of any client of the Contractor resulting in injury or damage to persons or property during the time when the Contractor or any officer, agent, employee, servant or subcontractor thereof has or is performing services pursuant to this Agreement. In the event that any action, suit or proceeding related to the services performed by the Contractor or any officer, agent, employee, servant or subcontractor under this Agreement is brought against the Contractor, the Contractor shall, as soon as practicable but no later than two (2) days after it receives notice thereof, notify the legal counsel of the City by certified mail.

21. Invalid Term or Condition.

If any term or condition of this Agreement shall be held invalid or unenforceable, the remainder of this Agreement shall not be affected and shall be valid and enforceable.

22. Enforcement of Agreement.

A party's failure to require strict performance of any provision of this Agreement shall not waive or diminish that party's right thereafter to demand strict compliance with that or any other provision. No waiver by a party of any of its rights under this Agreement shall be effective unless express and in writing, and no effective waiver by a party of any of its rights shall be effective to waive any other rights.

23. Notices.

Any notice required to be given to either party by this Agreement shall be in writing and shall be delivered in person, by courier service or by U.S. mail, either first class or certified, return receipt requested, postage prepaid, as follows:

To the City: CITY OF AZTEC
 Attn: Purchasing Office
 201 W Chaco
 Aztec NM 87410

To the Contractor: [insert name, address and email].

24. Authority.

If Contractor is other than a natural person, the individual(s) signing this Agreement on behalf of Contractor represents and warrants that he or she has the power and authority to bind Contractor, and that no further action, resolution, or approval from Contractor is necessary to enter into a binding contract.

IN WITNESS WHEREOF, the Contractor and City have executed this Agreement on their behalves by their duly authorized representatives as of the Effective Date set forth above.

By: _____
Sally Burbridge, Mayor

Date: _____

(SEAL)

ATTEST:

By: _____
Karla Sayler, City Clerk

Date: _____

APPROVED AS TO FORM:

By: _____
Larry T. Thrower, City Attorney

Date: _____

By: _____
Contractor

Date: _____

Title

Phone: _____

Federal Taxpayer Identification or
Social Security Number

NM Taxpayer Identification
Number

DRAFT

Exhibit 1 – Aztec Cost of Service & Rate Study Scope of Services

The proposed scope of work addresses the Aztec City Commission's (City) electric, water, and wastewater utilities and will be delivered in two phases with rates anticipated to be effective January 1, 2017.

1. Review the historical financial trends, current financial position and policies of each utility. **(Phase 1)**
2. Project revenues and revenue requirements over the study period (FY 2017-18 through FY 2021-22) to evaluate the adequacy of the City's existing electric, water, and wastewater rate revenues to fund operating expenses, adequate system maintenance, capital improvements, debt requirements, and maintain prudent cash reserves and identify annual rate revenue adjustments. **(Phase 1)**
3. Prepare a class cost of service analyses for each of the four separate utilities to determine the cost associated with providing each utility service to each customer class and compare this cost of service to the current revenues adjusted for the projected rate revenue increases. **(Phase 2)**
4. Recommend rates for each utility sufficient to meet City's forecasted revenue requirements and reflect cost of service and other policy considerations over the study period. **(Phase 2)**
5. Present study recommendations and support City staff during City Commission and/or public hearings. **(Phase 1 and 2)**
6. Develop MS-Excel based financial planning, cost and service and rate models, complete a user manual and training sessions with City staff so the models may be updated and used by City staff between comprehensive rate studies. **(Phase 1 and 2)**

The scope of work outlines study tasks that are shared for Phases 1 and 2 (Tasks 1, 5, and 6) and tasks that are associated with one phase (Tasks 2, 3 and 4).

TASK 1 – PROJECT INITIATION, DATA COLLECTION AND PROJECT MANAGEMENT

Task 1 will include the collection of all relevant data for each phase and a Project Initiation Workshop completed with City staff. This task also includes project management activities to be completed throughout the duration of the project. The costs for this task will be separated into two phases for pricing purposes.

Task 1.1 – Data Collection and Review

As part of the proposal, RFC provided a data request to the City listing the data needed to complete Phases 1 and 2 of the study. For more detail on this initial data request, see tab 6 of the proposal.

Task 1.2 – Project Initiation Workshop

RFC proposes that PM, DPM and electric study lead attend this workshop on-site. RFC will issue a technical memorandum to summarize major workshop discussion items, decisions, and action items.

Task 1.3 – Project Management

RFC will complete project management activities including coordination with the City, internal resource and project planning, and administrative project management activities including invoicing, project schedule, and project planning. Monthly progress reports will be submitted with each invoice describing completed study activities, tasks, formal deliverables and updates to the project schedule including identifying any major deviations from the proposed project schedule included in Section 9 of the proposal.

TASK 2 – REVENUE REQUIREMENTS AND FINANCIAL PLAN (PHASE 1)

This task will incorporate the review of historical customer demands, revenues, expenses, and overall financial results to identify electric loads, water and wastewater usage, and expense and revenue trends for each separate utility over a five-year period from FY 2011-12 through FY 2015-16. Each enterprise fund O&M expenses, current debt service obligations and bond/loan covenants, revenue and funding sources, adopted reserve requirements, and proposed capital improvement plan will be incorporated into the Electric, Water, and Wastewater Financial Planning and Rate Models (Models) developed in MS-Excel to assess the adequacy of current revenues to fund requirements and maintain utility specific self-sustainable financial operations.

Task 2.1 – Review Historical Financial Trends

The RFC Team will review relevant information, documents, and analyses that will drive and/or constrain utility revenue requirements recovered through rates and charges evaluated as part of the study. Key information to be reviewed includes the following:

- » Historical electric, water, and wastewater customer accounts, loads, service demands / usage, and revenue data for a five-year period
- » Historical electric, water, and wastewater financial results for a five-year period
- » City bond covenants and/or loan agreements, including debt service coverage (DSC) and/or reserve requirements affecting rate and fee setting in addition to City reserve, purchase power agreements, billing and collection and other related financial policies

RFC will document DSC and reserve policies and practices employed by the City. RFC will compare the legal minimum requirements and current policies and practices to industry approaches. RFC will recommend changes to DSC and reserve requirements, if warranted, that improve financial stability and sustainability of each utility to serve customers balancing other City goals and objectives. The recommendations will be reviewed with City staff and presented to the City Commission.

RFC will also summarize historical trends in revenue, expenditures, and debt service. The results of the data, DSC and reserves review will be documented in a single technical memorandum.

Task 2.2 – Customer Account and Demands Analysis

To help the City gain a better understanding of the consumption trends of its different customer classifications, RFC will examine usage patterns as they relate to electric, water, and wastewater

customer demands, population and account growth, electric service demands, and water usage peaks during seasonal irrigation periods and winter water use over a recent five-year period. Changes to customer electric, water and wastewater usage patterns observed within the historical period combined with industry experience will be incorporated within projected electric, water, and wastewater service demands.

Task 2.3 – Revenue Requirements, Financial Plan and Scenarios

The initial development of the Models will commence in Task 2 and continue throughout the remaining Phase 1 and Phase 2 study tasks. The components of the Models include annual forecasts of customer demand for electric, water, and wastewater services, and annual forecasts of revenue requirements for each utility. Revenue requirements include O&M expenses, debt service, capital project costs, DSC requirements, reserve fund contributions or use, and additional annual costs associated with the study period.

RFC will utilize the adopted FY 2016-17 budget provided by the City, and update them for inflation, customer growth, and anticipated O&M cost increases or reductions for new facilities and proposed staffing requirements. The forecasted revenue requirements of the five-year study period will incorporate the review of historical expense trends for each utility and detailed assumptions with respect to projected cost increases due to inflation that may vary by expense type and anticipated changes to costs due to existing and/or new electric, water, and wastewater system facilities. Purchased power costs will be projected based on the pricing provisions in the City's power supply contracts synchronizing costs with customer sales and demands and ultimately with the level of revenues.

The requirements of each utility are funded by primarily rate revenues augmented with one-time and recurring revenues from miscellaneous sources. The key financial planning criteria or "triggers" will be incorporated within the Models and Model Dashboards for each separate Utility to assist the City in developing rate revenue adjustments that meet City objectives.

Projecting revenue requirements, customer accounts, and consumption allows a utility to project the annual revenues adjusted for customer growth and changes to volume-based use necessary to ensure revenue sufficiency over the study period. Outstanding debt service or loan obligations, bond covenants, reserve policies, and the City's electric, water, and wastewater capital improvement plans will also be incorporated into the Models, including recommendations.

RFC will complete a cash flow analysis/summary to determine whether existing rates, fees, and charges are sufficient to fund electric, water, and wastewater system revenue requirements for each year of the study period. The cash flow analysis will provide the ability to assess the long-term revenue sufficiency of current and proposed rate revenue adjustments to provide sustainable and self-supported funding for utility operations. RFC will complete up to three financial planning scenarios for each utility including alternative growth and/or service demand forecasts, capital improvement project and/or funding sources, and/or alternative rate revenue adjustments as may

be supported by study findings and results. The RFC Team will conduct up to two web-based workshops with City staff to review the interim and draft scenario results.

TASK 3 – COST OF SERVICE ANALYSIS (PHASE 2)

As part of this task, RFC will review existing electric, water and wastewater customer classifications for appropriateness; review and analyze historical electrical, water and wastewater customer class usage characteristics, water peaking characteristics, and wastewater service characteristics; and allocate cost of service to customer classifications. For the separate electric, water and wastewater utilities, RFC follow the four-step process:

1. Incorporate the review and analysis of historical consumption patterns of customers, revenue records and billing summaries to determine electric, water and wastewater usage, water peaking, electric loadings, and wastewater service characteristics by customer class completed in Phase 1.
2. Allocate the cost of service to the various cost components, which constitute a functional classification of the different types of service the City provides. These represent the revenue requirements to be met from electric, water and wastewater rates and miscellaneous fees for the test year. The cost allocation (and subsequent rate design) will allow for the unbundling of purchased power costs from the other rate components within electric rates.
3. Estimate the relative responsibility of each customer class for each of the functional cost elements under the recommended rate structures. This allocation will be based on summary billing data, City data, and our experience with other utilities exhibiting similar usage characteristics and patterns. It will provide the basis for equitable cost allocations to each customer class.
 - a. If during our review we identify any irregularities in existing customer class definitions, we will recommend any necessary alterations to the existing customer classes consistent with City objectives.
4. The costs associated with the functional electric, water and wastewater cost components will be allocated based on the determination of units of service for each customer classification and the application of unit costs of service to the respective units.
5. The resulting summary will be compared to revenues generated from customer classes for the selected test year to assist in the development of annual user charges and rates. Costs by service category and customer class will be developed to recover the test-year revenue requirement.

The RFC Team will conduct up to one web-based workshops with City staff to review the cost of service analysis results.

TASK 4 – RATE DESIGN ANALYSIS

As part of this task, RFC will calculate rates and charges for electric, water, and wastewater customers based on the current rate structure adjusted for rate revenue increases and up to two (2) alternative rate structures for the electric, water and wastewater utilities. We will work within industry guidelines to meet the strategic financial objectives of the City. Rates under the proposed

rate structure alternatives will be calculated for a single FY 2021-22 test-year and adjusted, where possible, to provide for a smooth forecast of rate adjustments over the study period. For each utility, a proposed schedule of rates will be developed for each year covering the FY 2017-18 through FY 2021-22 period. The relative customer bill impact of the existing and alternative rate structures will be prepared for up to five customers per classifications, showing the difference of charges between existing and proposed rates by fiscal year for the proposed period of adjustment.

For each utility, RFC will develop customer bill impacts comparing bills under existing rates to bills under proposed rates for a minimum of five customers per classification. This bill impact analysis will include customer sensitivity analysis for any changes in the existing rate structure. It is important to note that each rate structure will be developed to recover the same amount of total class revenue; however, they may recover different amounts from customers within the class. The RFC Team will conduct up to one web-based workshops with City staff to review the rate design alternatives and bill impacts.

TASK 5 - FINDINGS AND RECOMMENDATIONS

Interim and final study findings and recommendations will be documented and communicated during this task. The costs for this task will be separated into two phases for pricing purposes.

Task 5.1 – City Staff Study Workshops

As defined in tasks 2, 3 and 4, RFC will complete up to four web-based workshops with City staff throughout the duration of phases I and II of the study to review interim and draft study findings. The timing and content of the workshops will be proposed consistent with the issues requiring review and discussion with City staff. Following each workshop, a technical memorandum will be issued to summarize major discussion items, decisions, and action items.

Task 5.2 – Draft and Final Revenue Requirement Reports

RFC will prepare a draft report and deliver up to 5 copies and an electronic version to the City for review and comment during each phase of the study. The Phase 1 draft report will summarize and document the background, methodology, findings and recommendations and will include:

- » Description of electric, water, and wastewater utility systems, service area, and demographics
- » Overview of historical financial results over a five-year historical period
- » Summary of annual electric, water, and wastewater revenue requirements, key findings, drivers, and recommendations

The draft Phase 2 report will augment the Phase 1 final report with separate Phase 2 findings and recommendations and overall study deliverables and will include:

- » FY 2017-18 through FY 2021-22 test-year customer class cost of service for City electric, water and wastewater utilities
- » FY 2017-18 through FY 2021-22 electric, water, and wastewater rate structure alternatives
- » Overall study recommendations and findings to provide for self-supporting electric, water, , and wastewater utility services

After City staff have reviewed and commented on the preliminary report, RFC will prepare a final report and deliver up to 5 copies and an electronic version to the City. The final revenue requirement report will reflect the comments and changes resulting from the City's review. This final report will form the basis for the presentation to the City Commission.

Task 5.3 – City Commission Presentation and/or Public Meetings

RFC will prepare presentation materials summarizing revenue requirement results and recommendations to the City Commission at one (1) meeting at the end of phase 1. RFC will develop a communication plan addressing a recommended course of action that the City take in regards to public education and outreach. RFC will prepare presentation materials and attend up to two public hearings and/or City Commission meetings to present Phase 2 study recommendations. The PM and DPM will attend all three City Commission and/or public hearings.

TASK 6 – RATE MODEL AND USER MANUAL

RFC will develop separate MS Excel-based Models for each utility as part of Tasks 2 through 4. The Models will be used to develop preliminary and final study recommendations associated with each phase. At the completion of the study, RFC will deliver the final Excel Models and accompanying user manual to the City and complete up to two (2), four-hour long web-based training sessions with up to three City staff proficient with MS Excel software. RFC will prepare a user manual documenting the structure, data requirements, and operation of the Models. The user manual will identify the structure and purpose of Model worksheets, identify user data input areas associated with annual updates, and summarize scenario analysis components. City staff members will have an opportunity to review the Models before the training session to maximize the benefit of the training sessions. During these sessions, RFC will provide guidance and examples on how to operate and update the Models for City staff use including worksheet structure, areas for data input, and completing cost of service analysis.

Exhibit 2 – Compensation

TIME AND MATERIALS NOT-TO-EXCEED FEE BY PHASE

RFC proposes to complete the scope of work outlined in Exhibit 1 on a time-and-materials basis with a not-to-exceed cost of **\$108,240** including related expenses. The total not-to-exceed cost of Phases I and II are \$54,193 and \$54,048, respectively. The following table provides a breakdown of the estimated level of effort required for completing each task described and the hourly billing rates for the personnel scheduled to complete the project. Expenses include costs associated with travel, and a \$10 per hour technology charge covering computers, networks, telephones, postage, etc.

Task	Task Descriptions	Web Meetings	Meetings at City	Hours Requirements							Total Fees & Expenses
				RG	TS	AR	RW	LO	Admin	Total	
HOURLY RATES				\$295	\$275	\$220	\$195	\$170	\$75		
1	Project Initiation, Data Collection and Project Management (Phase I & II)	0	1	4	8	18	28	18	4	80	\$19,085
2	Revenue Requirements and Financial Plan (Phase I)	0	0	2	12	8	52	36	0	110	\$23,010
3	Cost of Service Analysis (Phase II)	0	0	0	8	8	32	16	0	64	\$13,560
4	Rate Design Analysis (Phase II)	0	0	2	8	8	32	16	0	66	\$14,170
5	Findings and Recommendations (Phase I & II)	4	3	4	24	14	56	28	4	130	\$32,565
6	Rate Model and User Manual (Phase I & II)	2	0	0	0	2	14	14	0	30	\$5,850
TOTAL ESTIMATED MEETINGS / HOURS		6	4	12	60	58	214	128	8	480	
PROFESSIONAL FEES				\$3,540	\$16,500	\$12,760	\$41,730	\$21,760	\$600		
										Total Professional Fees	\$96,890
										Total Technology/Communications Charge	\$4,800
										Total Travel Expenses	\$6,550
										TOTAL FEES & EXPENSES	\$108,240
										PHASE I SUBTOTAL FEES & EXPENSES	\$54,193
										PHASE II SUBTOTAL FEES & EXPENSES	\$54,048

RG - Rick Giardina
TS - Tom Sullivan
AR - Andrew Rheem
RW - Robert Wadsworth
LO - Liz Oles
Admin - Administration Staff

HOURLY RATE SCHEDULE

In the tables below, we have provided hourly rates for all personnel classifications that will be utilized for this study.

RFC 2016 BILLING RATES

Position	Hourly Billing Rate**
Chair	\$400
Chief Executive Officer/President	\$375
Chief Operating Officer	\$325
Executive Vice President (Rick Giardina, CPA)	\$295
Vice President/Principal Consultant	\$275
Director of Storm Water Management	\$275
Director of Governmental Services	\$275
Senior Manager	\$250
Director of Management Consulting	\$275
Director of Florida Operations	\$205
Manager (Andrew Rheem)	\$220
Director of Data Services	\$225
Senior Consultant (Rob Wadsworth)	\$195
Consultant (Liz Oles)	\$170
Associate	\$140
Analyst	\$105
Administration	\$75
Technology/Communications Charge*	\$10

NAVILLUS 2016 BILLING RATES

Position	Hourly Billing Rate**
President (Tom Sullivan, Jr., PE)	\$275

**Technology/Communications Charge – this is an hourly fee charged monthly for each hour worked on the project to recover telephone, facsimile, computer, postage/overnight delivery, conference calls, electronic/computer webinars, photocopies, etc.*

***For services related to the preparation for and participation in deposition and trial/hearing, the standard billing rates listed above will be increased by an amount up to 50%.*