

A G E N D A
CITY OF AZTEC
CITY COMMISSION MEETING
September 13, 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. PROCLAMATION

A. Constitution Week September 17-23, 2016

VII. PRESENTATION

A. Kiwanis Club

VIII. CITIZEN RECOGNITION

IX. EMPLOYEE RECOGNITION

X. CONSENT AGENDA

- A. Commission Special Workshop Meeting Minutes, August 22, 2016
- B. Commission Meeting Minutes, August 23, 2016
- C. Commission Special Meeting Minutes, August 29, 2016
- D. Commissioner Special Workshop Meeting Minutes September 6, 2016
- E. Resolution 2016-1020 Surplus
- F. NMDFA LGD FY17 Annual Final Budget Approval and Budget Resolution 2016-1021
- G. Resolution 2016-1022 Adopting the 2018-2022 Infrastructure Capital Improvement Plan (ICIP) for the City of Aztec Senior Center
- H. Approval of Submission of Aviation Grant

ATTENTION PERSONS WITH DISABILITIES: The meeting room and facilities are fully accessible to persons with mobility disabilities. If you plan to attend the meeting and will need an auxiliary aid or service, please contact the City Clerk's Office at 334-7600 prior to the meeting so that arrangements can be made.

Note: A final agenda will be posted 72 hours prior to the meeting. Copies of the agenda may be obtained from City Hall, 201 W. Chaco, Aztec, NM 87410.

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"

XI. ITEMS FROM CONSENT AGENDA

XII. CITIZENS INPUT (3 Minutes Maximum)

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

XIII. BUSINESS ITEMS

- A. City Of Aztec, Farmington Electric Utility System Electric Power Wholesale Transmission Service Agreement

XIV. CITY MANAGER/COMMISSIONERS/ATTORNEY REPORTS

XV. DEPARTMENT REPORTS

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

XVI. ADJOURNMENT

ATTENTION PERSONS WITH DISABILITIES: The meeting room and facilities are fully accessible to persons with mobility disabilities. If you plan to attend the meeting and will need an auxiliary aid or service, please contact the City Clerk's Office at 334-7600 prior to the meeting so that arrangements can be made.

Note: A final agenda will be posted 72 hours prior to the meeting. Copies of the agenda may be obtained from City Hall, 201 W. Chaco, Aztec, NM 87410.

1 CITY OF AZTEC
2 **SPECIAL WORKSHOP MEETING MINUTES**
3 August 22, 2016
4

5 **I. CALL TO ORDER**

6 Mayor Burbridge called the Meeting to order at 5:00 pm at the Aztec City
7 Commission Room, City Hall, 201 W. Chaco, Aztec, NM.
8

9 MEMBERS PRESENT: Mayor Sally Burbridge; Mayor Pro-Tem Sipe;
10 Commissioner, Austin Randall; Commissioner,
11 Katee McClure; Commissioner Sheri Rogers
12

13 MEMBERS ABSENT: None
14

15 OTHERS PRESENT: City Manager Josh Ray; General Services
16 Director Steve Mueller; City Attorney Larry
17 Thrower; Project Manager, Ed Kotyk; City
18 Clerk, Karla Sayler
19

20 **A. Aztec Municipal Golf Course Financials**
21

22 Josh Ray, City Manager reviewed the revenues, expenditures, profits, and losses
23 with Commission on the Aztec Municipal Golf Course Financials for FY15 and FY16.
24 For FY15 total loss was \$28,060 and for FY16 total loss was \$121,509. There was
25 discussion on options for the Golf Course 1) Close it 2) Keep it and try to maintain it 3)
26 Do an election in the City to vote for a tax increase 4) Sublet the course 5) Recruit and
27 let someone take over it. Citizens voiced their opinions on the operations and options of
28 the course during the workshop. Commissioner McClure mentioned that at this time the
29 City cannot afford to keep the Golf Course due to the economy. Josh mentioned that the
30 way the numbers are presented the City can only subsidize up to \$40,000 for the year.
31 Mayor Pro-Tem Sipe and Commissioner Randall mentioned that they have more
32 citizens in favor of the course than not. The City is in a 2 year lease and pay \$2,000 a
33 month to the owner of the golf course. The City must give 90 days' notice if they want to
34 terminate their two year lease with the owners of the golf course.
35
36

37 **II. ADJOURNMENT**
38

39 Moved by Mayor Burbridge to adjourn the meeting at 5:51 p.m.
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ATTEST:

Karla Sayler, City Clerk

MINUTES PREPARED BY:

Karla Sayler, City Clerk

Mayor, Sally Burbridge

1 CITY OF AZTEC
2 COMMISSION MEETING MINUTES
3 August 23, 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 Commissioner Austin Randall
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 Manager Joshua Ray; City Clerk Karla Saylor;
26 Project Manager Ed Kotyk (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 Josh recognized the Youth Conservation Corps crew leaders and members who
36 worked on Cap Walls Park project this summer.
37

38 **VII. EMPLOYEE RECOGNITION**

39 None
40
41

42 **VIII. CONSENT AGENDA**

43
44 MOVED by Commissioner Randall, SECONDED by Commissioner McClure to
45 Approve the Consent Agenda with the exception of Item H Department of Homeland
46 Security Emergency Management Grant Agreement 2015-017 (2015 Monsoons)

- 1
- 2 A. Commission Meeting Minutes, August 9, 2016
- 3 B. Travel Requests
- 4 C. Appointment of 2016 New Mexico Municipal League (NMML) Annual
- 5 Conference Voting Delegate-Annual Business Meeting
- 6 D. Resolution 2016-1015 Surplus
- 7 E. New Mexico Environment Department and City of Aztec Memorandum of
- 8 Agreement Amendment #1
- 9 F. City Manger Employment Agreement
- 10 G. Winget & Biven Land Donation to the City of Aztec
- 11 H. PULLED
- 12 I. Resolution 2016-1017 Adopting the 2018-2022 Infrastructure Capital
- 13 Improvement Plan (ICIP)
- 14 J. Western Area Power Administration Contract #16-RMR-2270

15

16 **IX. ITEMS FROM CONSENT AGENDA**

17

- 18 H. Department of Homeland Security Emergency Management Grant
- 19 Agreement 2015-017 (2015 Monsoons)
- 20

21 Mayor Burbridge asked about the dates on this agreement. Kathy Lamb, Finance

22 Director mentioned that the NMDHSEM conducted a survey of damage in September

23 2015 however the funding initially discussed did not reflect eh subsequent clean up,

24 repairs and mitigation projects identified by the City. They would like to do some

25 additional inspections. A meeting has been established in September to discuss

26 pending mitigation projects and the city has been assured additional funding is available

27 for the projects approved. Kathy clarified that the dates are correct on the staff

28 summary.

29

30 MOVED by Mayor Burbridge, SECONDED by Commissioner McClure to

31 Approve NM Department of Homeland Security and Emergency Management Disaster

32 Assistance Program Grant Agreement

33

34 All Voted Aye; Motion Passed Five to Zero

35

36 **X. CITIZENS INPUT**

37

38 Dolores Martinez resident on Road 3025 which leads to the Golf Course voiced

39 her concerns on the traffic that leads up to the course. She mentioned that they drive

40 fast and the noise interrupts the quiet neighborhood. She also mentioned that because

41 the city is taking a loss on the course that maybe we could use the money in other ways

42 within the City.

43

44 **XI. LIQUOR LICENSE HEARING**

1
2 A. Paschall Enterprises, Inc. DBA Five Fifty Brewing-New Liquor License
3

4 Larry Thrower, City Attorney opened the liquor license hearing for Five Fifty
5 Brewing. The business will be located at 119 E. Chuska St. The state requires a hearing
6 to be held per state statute 60-6B4 and a waiver was received for the 30 day notice.
7 There were no comments by the public.
8

9 MOVED by Commissioner McClure, SECONDED by Commissioner Rogers to
10 Approve the New Liquor License for Five Fifty Brewing location will be at 119 East
11 Chuska Street, Suite B, Aztec NM
12

13 A Roll Call Was Taken; Motion Passed Four to One; Commissioner Randall
14 Voted Nay
15

16 **XII. BUSINESS ITEMS**
17

18 A. Resolution 2016-1016 Sunday Sales of Alcoholic Beverages at Public
19 Celebrations
20

21 Josh mentioned that this resolution will allow craft distillers the ability to sale
22 spirituous liquors on Sundays at public celebrations. There was an amendment to the
23 resolution second paragraph adding craft distiller in the second sentence.
24

25 MOVED By Commissioner McClure, SECONDED By Commissioner Rogers To
26 Approve Resolution 2016-1016 Recognizing Specific Public Celebrations To Allow Craft
27 Distillers, Small Brewers And Wine Growers The Ability To Sale On Sundays During
28 The Specific Event "As Amended"
29

30 All Voted Aye; Motion Passed Five to Zero
31

32 **XIII. CITY MANAGER/COMMISSIONERS/ATTORNEY REPORTS**
33

34 Mayor Burbridge mentioned that she will be attending the Annual Municipal
35 League Conference in Hobbs next week and will be presenting on the HUB being the
36 first rural incubator project in the state.
37

38 Mayor Pro-Tem Sipe mentioned that she attended the NWNM Senior meeting
39 last week and the EDAB meeting. She mentioned that she will be attending the MPO
40 meeting on Thursday and will also be attending the NMML annual conference in Hobbs.
41

1 Commissioner Rogers mentioned that while on vacation in Colorado she got to
2 visit something similar to the HUB which they call the HIVE that hosted workspaces,
3 meeting spaces, co-working, private office suites and an art gallery. She also mentioned
4 that the Aztec Airport will have a Fly-in Show and Shine Event on September 10, 2016
5 beginning at 9:00 a.m.
6

7 Commissioner McClure mentioned that she attended the Macaroni and Cheese
8 festival on Saturday at Riverside Park and mentioned that The first place winner was
9 Beer Belly's from Aztec and Habenario Grill were the 3rd place winners. She also
10 mentioned that she will attend the ECHO board meeting this week.
11

12 **XIV. DEPARTMENT REPORTS**

13
14 **XV. ADJOURMENT**

15
16 Moved by Mayor Burbridge, SECONDED by Commissioner Randall to adjourn
17 the meeting at 6:40 p.m.
18
19
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21 _____
Mayor, Sally Burbridge

22 ATTEST:

23
24 _____
25 Karla Sayler, City Clerk
26

27 MINUTES PREPARED BY:

28
29 _____
30 Karla Sayler, City Clerk

1 CITY OF AZTEC
2 **SPECIAL** COMMISSION MEETING MINUTES
3 August 29, 2016
4

5 **I. CALL TO ORDER**

6 Mayor Burbridge called the Meeting to order at 7:30 am at the Aztec City
7 Commission Room, City Hall, 201 W. Chaco, Aztec, NM.
8

9 **II. INVOCATION**

10 The Invocation was lead by Commissioner Austin Randall
11
12

13 **III. PLEDGE OF ALLEGIANCE**

14 The Pledge of Allegiance was led by Commissioner Katee McClure
15
16

17 **IV. ROLL CALL**

18
19 Members Present: Mayor Sally Burbridge; Commissioner Katee McClure;
20 Commissioner Austin Randall; Commissioner Sheri
21 Rogers
22

23 Members Absent: Mayor Pro-Tem Sherri Sipe
24

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

28 **V. AGENDA APPROVAL**

29
30 MOVED by Commissioner Randall, SECONDED by Commissioner McClure to
31 Approve the Agenda as presented
32

33 **VI. CONSENT AGENDA**

34
35 MOVED by Commissioner Randall, SECONDED by Commissioner McClure to
36 Approve the Consent Agenda with the exception of Item A Bid 2016-559 Airport
37 Terminal Apron Award
38

39 A. PULLED

40 B. Resolution 2016-1018 Authorizing Submission of Application to FAA

41 C. Resolution 2016-1019 Authorizing Fund Acceptance and Mayor's Signature
42

1 **VII. ITEMS FROM CONSENT AGENDA**
2
3

4 Commissioner McClure questioned if the engineer estimate goes out in the bid
5 process because the difference is half of the amount. She also asked where the posting
6 for bids are being posted and how many times they are posted. Kathy Lamb, Finance
7 Director clarified that they go on the city website, the plan rooms, and contractors. The
8 city only received one bid on this project.
9

10 MOVED by Commissioner Randall, SECONDED by Commissioner Rogers to
11 Award Bid 2016-559 Airport Terminal Apron
12

13 All Voted Aye; Motion Passed Four to Zero
14
15

16 **VIII. ADJOURMENT**
17

18 Moved by Mayor Burbridge, SECONDED by Commissioner Randall to adjourn
19 the meeting at 7:37 a.m.
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23 _____
24 Mayor, Sally Burbridge

25 ATTEST:
26

27 _____
28 Karla Sayler, City Clerk

29 MINUTES PREPARED BY:
30

31 _____
32 Karla Sayler, City Clerk

1 CITY OF AZTEC
2 SPECIAL WORKSHOP MEETING
3 MINUTES September 6, 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 MEMBERS PRESENT: Mayor Sally Burbridge; Mayor Pro-Tem Sipe;
10 Commissioner, Austin Randall; Commissioner,
11 Katee McClure; Commissioner Sheri Rogers
12

13 MEMBERS ABSENT: None
14

15 OTHERS PRESENT: City Manager Josh Ray; Project Manager, Ed
16 Kotyk; City Clerk, Karla Saylor
17

18 **A. Fiscal Year 2017 Work Plan**
19

20 Mayor Burbridge mentioned that the purpose for this workshop is to discuss and
21 work out a plan of work for 2017. She mentioned that previously the city commission
22 worked forth putting together a plan of work in a retreat setting that was then combined
23 with projects with staff. Last year they used a capital projects list for section C on the
24 City Managers evaluation and have decided that wasn't a great piece to work with.
25 Commission reviewed the capital project list and the vision plan. Commission will review
26 the Vision Plan and see if the goals in it will still be the city's goals in the future.
27 Commissioner McClure mentioned that she would like if the North Main Avenue project
28 could be a part of the plan for this year. She also mentioned that a work plan should
29 focus on what the city can do in a year.
30

31 There will be some workshops scheduled before the end of the year to create a
32 plan of work and objectives, to evaluate commission policies and vision goals and to set
33 the work plan for FY18.
34

35 **II. ADJOURNMENT**
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37 Moved by Mayor Burbridge to adjourn the meeting at 7:25 p.m.
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ATTEST:

Karla Sayler, City Clerk

MINUTES PREPARED BY:

Karla Sayler, City Clerk

Mayor, Sally Burbridge

Staff Summary Report

MEETING DATE: September 13, 2016
AGENDA ITEM: X. CONSENT AGENDA (E)
AGENDA TITLE: Resolution 2016-1020 Surplus

ACTION REQUESTED BY: Library, Senior Center
ACTION REQUESTED: Approval of Resolution 2016-1020 Surplus
SUMMARY BY: Kathy Lamb

PROJECT DESCRIPTION / FACTS

- Senior Center has 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

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

SUPPORT DOCUMENTS: Resolution 2016-1020
Surplus List

DEPARTMENT'S RECOMMENDED MOTION: Move to Approve Resolution 2016-1020 Declaring Certain Municipal Property Not Essential For Municipal Purpose and Directing It Be Sold or Disposed.

SURPLUS RESOLUTION 2016-1020
September 13, 2016
SURPLUS LIST

Department	Item/Model	Condition	Reason for Surplus	Location
Senior Center	 <p data-bbox="402 814 911 877">3-Blade Ceiling fan with approximately 24" extension – 6 units</p>	Poor	Replaced	Senior Center

Library Collections Surplus List

Adult Nonfiction:

Your natural home Marinelli, Janet
 Guinness book of world records 2007

Juvenile fiction:

Fire and ice Hunter, Erin
 Dragonbreath Vernon, Ursula

Juvenile Nonfiction:

Dinosaurology Rimes, Riley
Fry, Jason
 Star Wars the essential guide to warfare
 Oceanology
 Earth smart crafts Anton, Carrie

SURPLUS RESOLUTION 2016-1020

September 13, 2016

SURPLUS LIST

Can you see what I see? Treasure ship

Wick, Walter

Easy Fiction:

The cat in the hat

Seuss, Dr.

The best nest

Datta, Laura

Southwest:

Ditches, switches, and the superbowl

Richard, Harris

A railroad here? Meet the Red Apple Flyer

Davis, Catherine

New Mexico's book world

Santa Fe Christmas

Mather, Christine

All aboard for Santa Fe

Dye, Victoria E.

The Devil's butchershop

Morris, Roger

Adult Fiction:

Payment in kind

Jance, J.A.

Persuader

Child, Lee

Hello, darkness

Brown, Sandra

Midst toil and tribulation

Weber, David

The lawgiver

Wouk, Herman

I am Charlotte Simmons

Wolfe, Tom

Skeletons

Wilhelm, Kate

Seven kinds of death

Wilhelm, Kate

A desirable residence

Wickham, Madeleine

White chocolate moments

Wick, Lori

No defense

Wilhelm, Kate

The price of silence

Wilhelm, Kate

Mullah's storm

Young, Thomas

Except the queen

Yolen, Jane

A mighty fortress

Weber, David

High country

Wyman

sky burial

Xinran

The blind man of Seville

Wilson, Robert

The unbidden truth

Wilhelm, Kate

Sleight of hand

Wilhelm, Kate

Innocent victims

Walters, Minette

SURPLUS RESOLUTION 2016-1020

September 13, 2016

SURPLUS LIST

Desperate measures	Wilhelm, Kate
Out of the dark	Weber, David
Children of the wind	Wilhelm, Kate
Chasing Harry Winston	Weisberger, Lauren
Last night at the chateau Marmont	Weisberger, Lauren
The deepest water	Wilhelm, Kate
By heresies distressed	Weber, David
The council of the cursed	Tremayne, Peter
By schism rent asunder	Weber, David
Lover mine	Ward, J.R.
Lover unleashed	Ward, J.R.
High plains tango	Waller, Robert James
Acid row	Walters, Minette
The shape of snakes	Walters, Minette
The burden of proof	Turow, Scott
Colonization: second contact	Turtledove, Harry
King's peace	Walton, Jo
Finnegan's week	Wambaugh, Joseph
Atlantis	Turtledove, Harry
The double eagle	Twining, James
Salvage the bones	Ward, Jesmyn
The guns of the South	Turtledove, Harry
The Christmas journey	Van Liere, Donna
Jerusalem vigil	Thoene Bodie
Murder at the Washington tribune	Truman, Margaret
Muder in Foggy bottom	Truman, Margaret
Murder in Havana	Truman, Margaret
Murder inside the beltway	Truman, Margaret
A hundred flowers	Tsukiyama, Gail
The language of threads	Tsukiyama, Gail
The crimes of Charlotte Bronte	Tully, J
Montana 1948	Watson, Laurry
Money for nothing	Westlake, Donald E.
Promist me tomorrow	Wick, Lori
Order in Chaos	Whyte, Jack
Fingersmith	Waters, Sarah
What's so funny?	Westlake, Donald E.
Over her dead body	White, Kate
The sixes	White, Kate
Jimmy	Whitlow, Robert
Til death do us part	White, Kate

SURPLUS RESOLUTION 2016-1020

September 13, 2016

SURPLUS LIST

Family secrets	Thayer, Nancy
The hotflash club strikes again	Thayer, Nancy
Echoes from the dead	Theorin, Johan
The darkest room	Theorin, Johan
Murder at Ford's Theater	Truman, Margaret
Arizona dreams	Talton, Jon
Capture	Tanenbaum, Robert K.
Bad faith	Tanenbaum, Robert K.
Counterplay	Tanenbaum, Robert K.
Escape	Tanenbaum, Robert K.
Lakota wind	Taylor, Janelle
Tangled webs	Tessler, Margaret
Four kinds of rain	Ward, Robert
The nightriders	Walker, Jim
The dreamgivers	Walker, Jim
Homeward bound	Turtledove, Harry
Return engagement	Turtledove, Harry
Opening Atlantis	Turtledove, Harry
Anna's book	Vine, Barbara
The blood doctor	Vine, Barbara
The child's child	Vine, Barbara
The house of stairs	Vine, Barbara
The minotaur	Vine, Barbara
No night is too long	Vine, Barbara
The feng shui detective	Vittachi, Nury
Red hook road	Waldman, Ayelet
The age of miracles	Walker, Thompson
Edge of battle	Brown, Dale
Battle born	Brown, Dale
With fate conspire	Brennan, Marie
Act of war	Brown, Dale
March	Brooks, Geraldine
Afterimage	Brandon, Jay
The triumph of Katie Byrne	Bradford, Barbara Taylor
Just rewards	Bradford, Barbara Taylor
Hold the dream	Bradford, Barbara Taylor
The women	Boyle, T.C.
Moonrise	Bova, Ben
Where is Joe Merchant?	Buffett, Jimmy
Flight	Burke, Jan
The ice maiden	Buchanan, Edna

SURPLUS RESOLUTION 2016-1020

September 13, 2016

SURPLUS LIST

Act of betrayal	Buchanan, Edna
The way to bright star	Brown, Dee
The tell-tale horse	Brown, Rita Mae
Shadow Command	Brown, Dale
Hounded to death	Brown, Rita Mae
Hotspot	Brown, Rita Mae
Furies of Calderon	Butcher, Jim
The eighth day	Case, John
The angel of darkness	Carr, Caleb
A princess of Mars	Burroughs, Edgar Rice
The Gods of Mars	Burroughs, Edgar Rice
Last car to Elysian fields	Burke, James Lee
Kidnapped	Burke, Jan
The draining lake	Arnaldur, Indridason
A matter of honor	Archer, Jeffrey
The gospel according to Judas	Archer, Jeffrey
Wicked forest	Andrews, V.C.
Unfinished symphony	Andrews, V.C.
Into the woods	Andrews, V.C.
Into the garden	Andrews, V.C.
Vitals	Bear, Greg
A fine and private place	Beagle, Peter
L.A. Rex	Beall, Will
Murder in Marshall's bayou	Baker, S.H.
Margaritas & murder	Bain, Donald
Thinner	Bachman, Richard
Final Round	Bernhardt, William
In search of mercy	Ayoob, Michael
Aunt Dimity and the next of kin	Atherton, Nancy
Fantastic voyage	Asimov, Isaac
Vengeance on high	Ascher, Jaoni
Dimiter	Blatty, William Peter
The Columbus affair	Berry, Steve
The midnight before Christmas	Bernhardt, William
The lilies of the field	Barrett, William E.
Capitol conspiracy	Bernhardt, William
Criminal intent	Bernhardt, William
Once wicked always dead	Benchley, T. Marie
Written in bone	Beckett, Simon
The snow angel	Beck, Glenn
The Christmas sweater	Beck, Glenn

SURPLUS RESOLUTION 2016-1020

September 13, 2016

SURPLUS LIST

Musy body	Beaton, M.C.
Shadow of the giant	Card, Orson Scott
Planet of the apes	Boulle, Pierre
Midwives	Bohjalian, Chris
Raven Shadow	Blevins, Win
The burgler who liked to quote Kipling	Block, Lawrence
My beloved son	Cookson, Catherine
Shock	Cook, Robin
Coma	Cook, Robin
A deadly hand	Costa, Carol
Leading lady	Coscarelli, Kate
Unwrapping Christmas	Copeland, Lori
The fort	Cornwell, Bernard
Shock wave	Cussler, Clive
The terminal man	Crichton, Michael
Airframe	Crichton, Michael
The secret of Crutcher's cabin	Coburn, Walt
World without end	Cochran, Molly
The forever king	Cochran, Molly
The broken sword	Cochran, Molly
Abduction	Cook, Robin
Extracurricular murder	Conwell, Kent
Misfortune's daughters	Collins, Joan
Hollywood wives	Collins, Jackie
Bye bye Baby	Collins, Max Allan
Thunderstick	Coldsmith, Don
Tom Clancy's powerplays Politka	Clancy, Tom
Dead man's folly	Christie, Agatha
Fiber & brimstone	Childs, Laura
Death swatch	Childs, Laura
The chymical wedding	Clarke, Lindsay
2061	Clarke, Arthur C.
Gai-Jin	Clavell, James
The garden of Rama	Clarke, Arthur C.
Cradle	Clarke, Arthur C.
Choosers of the slain	Cobb, James H.
Little bee	Cleaver, Chris
King rat	Clavell, James
The vampire tapestry	
Evil angels among them	Charles, Kate
The final solution	Chabon, Michael

SURPLUS RESOLUTION 2016-1020

September 13, 2016

SURPLUS LIST

The aloha quilt

Hammerfall

English, August and Indian story

Bound for murder

The quilter's kitchen

A quilter's holiday

Circle of quilters

the Christmas quilt

The first horseman

Chiaverini, Jennifer

Cherryh, C.J.

Chatterjee, Upamanyu

Childs, Laura

Childs, Laura

Childs, Laura

Childs, Laura

Childs, Laura

Case, John

CITY OF AZTEC RESOLUTION 2016-1020

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 13th day of September, 2016.

MAYOR SALLY BURBRIDGE

ATTEST:

CITY CLERK KARLA SAYLER

Staff Summary Report

MEETING DATE: September 13, 2016
AGENDA ITEM: X. CONSENT AGENDA (F)
AGENDA TITLE: NMDFA LGD FY17 Annual Final Budget Approval and Budget Resolution 2016-1021

ACTION REQUESTED BY: Finance Department
ACTION REQUESTED: Approval
SUMMARY BY: Kathy Lamb

PROJECT DESCRIPTION / FACTS

NMDFA: New Mexico Department of Finance and Administration
LGD: Local Government Division

- The FY17 Annual Final Budget has been approved by NM DFA LGD as of September 6, 2016. Budgets approved by the Division are required to be made a part of the minutes of the government body according to Section 6-6-5 NMSA 1978.
- LGD's Director made adjustments to the Law Enforcement Protection Fund (LEPF) increasing budget expenditures by \$72 reducing the ending cash balance to zero. Resolution 2016-xxx will formally adjust the LEPF budget to reflect the changes made by the state.

SUPPORT DOCUMENTS: NM DFA Local Government Division Approval Letter,
September 6, 2016
Resolution 2016-1021

DEPARTMENT'S RECOMMENDED MOTION: Move to Acknowledge NM DFA LGD Approval of FY17 Annual Final Budget and Approve Budget Resolution 2016-1021

SUSANA MARTINEZ
GOVERNOR



DUFFY RODRIGUEZ
CABINET SECRETARY DESIGNATE

RICK LOPEZ
DIRECTOR

MICHAEL MARIANO
ACTING DEPUTY DIRECTOR

STATE OF NEW MEXICO
DEPARTMENT OF FINANCE AND ADMINISTRATION
LOCAL GOVERNMENT DIVISION
Bataan Memorial Building ♦ 407 Galisteo St. ♦ Suite 202 ♦ Santa Fe, NM 87501
PHONE (505) 827-4950 ♦ FAX (505) 827-4948

September 6, 2016

The Honorable Sally Burbridge
City of Aztec
201 W Chaco St.
Aztec, NM 87410

Dear Mayor Burbridge:

The final budget for your local government entity for Fiscal Year 2017, as approved by your governing body, has been examined and reviewed. The Department of Finance and Administration, Local Government Division (LGD) finds it has been developed in accordance with applicable statutes and budgeting guidelines, and sufficient resources appear to be available to cover budgeted expenditures. In addition, the *Budget Certification of Local Public Bodies* rule, 2.2.3 NMAC, requires that your entity's audit or "Agreed Upon Procedures" (per 2.2.2.16 NMAC) for Fiscal Year 2017 should have been submitted to the Office of the State Auditor as of this time. The LGD's information indicates that you are in compliance with this requirement. Therefore, in accordance with NMSA 1978, Section 6-6-2 (E) (2011), the LGD certifies your entity's final Fiscal Year 2017 budget.

Please take note that state statute requires all revenue sources be expended only for public purposes, and if applicable, in accordance with the Procurement Code, Chapter 13, Article 1, NMSA 1978. Use of public revenue is governed by Article 9, Section 14 of the Constitution of the State of New Mexico, commonly referred to as the anti-donation clause.

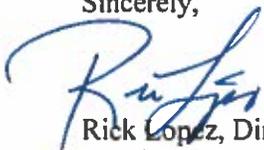
Budgets approved by the LGD are required to be made a part of the minutes of your governing body according to NMSA 1978, Section 6-6-5 (1957). In addition, NMSA 1978, Section 6-6-6 (2001) provides that the approved budget is binding on local officials and governing authorities; and any official or governing authority approving claims or paying warrants in excess of the approved budget or available funds will be liable for the excess amounts.

Due to estimated expenditures and transfers exceeding estimated revenue, your entity's General Fund cash balance is being depleted. Careful monitoring and aggressive revenue collections is recommended to avoid financial problems in the future.

Finally, as required by NMSA 1978, Section 6-6-2 (H) (2011), LGD is required to approve all budget increases and transfers between funds not included in the final approved budget.

If you have questions regarding this matter, please call Paul Ludi of my staff at 505-827-4333.

Sincerely,


Rick Lopez, Director
Local Government Division

xc: file

APPROVED (AS AMENDED) PURSUANT TO
 SECTION 6-6-2 LMSA 1978
 LOCAL GOVERNMENT DIVISION
 New Mexico Department of Finance and Administration
 Local Government Division
 Budget Request Recapitulation

MUNICIPALITY:
 CITY OF AZTEC

DATE 9/16/16 Fiscal Year 2016-2017

ROUNDED TO NEAREST DOLLAR
 BY SILVIA M. RUIZ
 DEPARTMENT OF FINANCE AND ADMINISTRATION

FUND TITLE	FUND NUMBER	UNAUDITED BEGINNING CASH BALANCE @ JULY 1	INVESTMENTS	BUDGETED REVENUES	BUDGETED TRANSFERS	BUDGETED EXPENDITURES	ESTIMATED ENDING CASH BALANCE	LOCAL RESERVE REQUIREMENTS UNAVAILABLE FOR BUDGETING	ADJUSTED ENDING CASH BALANCE
GENERAL FUND - Operating (GF)	101	\$552,323	\$1,665,513	5,147,353	(35,000)	6,704,331	\$625,858	558,694	\$67,164
CORRECTION	201	\$13,184		84,000	25,000	109,000	\$13,184		\$13,184
ENVIRONMENTAL GRT	202			0	0	0	0		0
EMS	206			0	0	0	0		0
ENHANCED 911	207			0	0	0	0		0
FIRE PROTECTION FUND	209	\$113,965	\$568,624	154,369	0	787,372	\$49,586		\$49,586
LEPP	211	\$1,072		27,800	0	28,872	0		0
LODGERS TAX	214	\$8,322	\$41,524	40,075	0	68,000	\$23,921		\$23,921
MUNICIPAL STREET	216	\$140,114		10,510,074	0	10,612,678	\$37,510		\$37,510
RECREATION	217		\$3,311	0	0	3,311	0		0
INTERGOVERNMENTAL GRANTS	218			0	0	0	0		0
SENIOR CITIZEN	219			0	0	0	0		0
DWI PROGRAM	223			0	0	0	0		0
OTHER	299	\$21,203	\$116,129	760,470	(70,000)	777,777	\$50,025		\$50,025
CAPITAL PROJECT FUNDS	300	\$718,204	\$298,759	718,139	0	1,323,650	\$411,451		\$411,451
G. O. BONDS	401			0	0	0	0		0
REVENUE BONDS	402			0	0	0	0		0
DEBT SERVICE OTHER	403			0	0	0	0		0
ENTERPRISE FUNDS	500								
Water Fund				0	0	0	0		0
Solid Waste		\$22,357	\$111,548	664,550	0	761,763	\$38,692		\$38,692
Waste Water				0	0	0	0		0
Airport				0	0	0	0		0
Ambulance				0	0	0	0		0
Cemetery				0	0	0	0		0
Housing				0	0	0	0		0
Parking				0	0	0	0		0
JOINT UTIL O&M, R&R, WTR RIGHTS		\$1,925,278	\$11,318,148	14,303,488	0	16,737,167	\$10,809,747		\$10,809,747
IRRIGATION FUND		\$15,800	\$78,834	13,309	0	31,785	\$76,178		\$76,178
0				0	0	0	0		0
MUNICIPAL GOLF COURSE FUND		\$12,912		283,805	80,000	354,254	\$22,463		\$22,463
INTERNAL SERVICE FUNDS	800			0	0	0	0		0
TRUST AND AGENCY FUNDS	700			0	0	0	0		0
Grand Total		\$3,544,734	\$14,202,389	\$32,707,432	\$0	\$90,297,868	\$12,158,687	\$558,694	\$11,587,899

Check [x] if this form is a revision Revision No: 1 Revision Date: 07/21/16 LAST UPDATE: 5/8/2017 9:40 AM \$11,597,921

RESOLUTION 2016-1021
Special Budget Resolution
Appropriation of Funds for Law Enforcement Protection Fund
Fiscal Year 2016-2017

WHEREAS, the City of Aztec Police Department (Police Department) provides critical law enforcement and safety services for the citizens of the City of Aztec and requires modern equipment to provide those services; and

WHEREAS, the Police Department receives an annual Law Enforcement Protection Fund (LEPF) Distribution; and

WHEREAS, the LEPF is projected to have an ending cash balance of \$72; and

WHEREAS, the NM Department of Finance and Administration Local Government Division has amended the City's budget specific to LEPF to increase budgeted expenditures resulting in a zero cash balance as of June 30, 2017; and

NOW, THEREFORE, BE IT RESOLVED that the following special budget adjustment be made and approved.

Law Enforcement Protection Fund		Increase/(Decrease)
Expenses:		
Equipment, Non Capital	205-2210-53200	\$ 72

Passed, Adopted and Approved this 13th day of September 2016.

SEAL

MAYOR SALLY BURBRIDGE

ATTEST:

KARLA SAYLER, CITY CLERK

Staff Summary Report

MEETING DATE:	September 13, 2016
AGENDA ITEM:	X. CONSENT AGENDA (G)
AGENDA TITLE:	Resolution 2016-1022 Adopting the 2018-2022 Infrastructure Capital Improvement Plan (ICIP) for the City of Aztec Senior Center

ACTION REQUESTED BY:	City Staff
ACTION REQUESTED:	APPROVAL
SUMMARY BY:	Kathy Lamb

PROJECT DESCRIPTION / FACTS

A local infrastructure capital improvement plan is a plan that establishes planning priorities for anticipated capital projects. The need for this kind of planning has reached critical proportions in New Mexico, where local governments are faced with pressing demands for multiple capital improvements and limited funding to support them. The state-coordinated ICIP process encourages entities to plan for the development of capital improvements so that they do not find themselves in emergency situations, but can plan, fund, and develop infrastructure at a pace that sustains their activities.

The Department of Finance and Administration (DFA), through its authority in NMSA 1978, Sections 6-6-2J, 6-6-4, 9-6-5.1, 11-6-2, 11-6-3, 11-6-4.1, 11-6-5, and 11-6-5.1, strongly encourages each jurisdiction to prepare a Five-Year Infrastructure Capital Improvement Plan (ICIP).

NM Aging and Long Term Services Department (ALTSD) administers capital funding for the senior centers throughout the state. A requirement of funding applications submitted to ALTSD is the inclusion of the project/equipment on the entity's ICIP. A separate ICIP specific to Senior Centers in the state was implemented in 2015.

Funding applications for the Senior Center are due in the spring, are reviewed by ALTSD and if approved, are included in capital requests to legislature. Legislative sessions occurring in even years, funding, if approved by voters with the November ballot, is through GO Bonds; odd years are funded by the legislature through the capital outlay bill.

FISCAL INPUT / FINANCE DEPARTMENT

The Senior Center ICIP must be completed to meet a required element for funding applications which may be submitted in April 2017 for the 2018 Legislative session and possible inclusion on the November 2018 ballot.

SUPPORT DOCUMENTS: Resolution 2016-1022
2018-2022 ICIP Summary

DEPARTMENT'S RECOMMENDED MOTION: Move to Approve Resolution 2016-1022 adopting the 2018-2022 Senior Center Infrastructure Capital Improvement Plan (ICIP).

CITY OF AZTEC

Resolution No. 2016-1022

**A RESOLUTION ADOPTING AN INFRASTRUCTURE CAPITAL IMPROVEMENT PLAN
(ICIP)**

WHEREAS, the City of Aztec recognizes that the financing of public capital projects has become a major concern in New Mexico and nationally; and

WHEREAS, in times of scarce resources, it is necessary to find new financing mechanisms and maximize the use of existing resources; and

WHEREAS, systematic capital improvements planning is an effective tool for communities to define their development needs, establish priorities and pursue concrete actions and strategies to achieve necessary project development; and

WHEREAS, this process contributes to local and regional efforts in project identification and selection in short and long range capital planning efforts.

NOW, THEREFORE, the Aztec City Commission resolves as follows:

1. The City has adopted the attached 2018-2022 Infrastructure Capital Improvement Plan for the Aztec Senior Center, and
2. It is intended that the Plan be a working document and is the first of many steps toward improving rational, long-range capital planning and budgeting for New Mexico's infrastructure.

PASSED, APPROVED and ADOPTED by the governing body at its meeting of September 13, 2016.

Mayor Sally Burbridge

ATTEST:

Karla Sayler CMC

Infrastructure Capital Improvement Plan FY 2018-2022

City of Aztec Senior Center Project Summary

ID	Year	Rank	Project Title	Category	Funded	2018	2019	2020	2021	2022	Total	Amount	Phases?
					to date						Project	Not Yet	
31531	2018	001	Aztec Senior Center Roof	Senior Facilities	0	53,128	0	0	0	0	53,128	53,128	No
31532	2018	002	Aztec Senior Center Drainage Improvements	Senior Facilities	10,000	175,000	0	0	0	0	185,000	175,000	No
31534	2018	003	Aztec Senior Center Vehicles	Senior Facilities	0	93,000	0	0	0	0	93,000	93,000	Yes
33202	2018	004	HVAC Replacement	Senior Facilities	0	85,000	0	0	0	0	85,000	85,000	No
31535	2019	001	Aztec Senior Center Handicap Conversion Van	Senior Facilities	0	0	50,000	0	0	0	50,000	50,000	No
33205	2020	001	MEAL DELIVERY VEHICLES	Senior Facilities	0	0	0	60,000	0	0	60,000	60,000	Yes
33204	2020	002	STOVE, RANGE AND HOOD REPLACEMENT	Senior Facilities	0	0	0	30,000	0	0	30,000	30,000	No
31537	2021	001	Aztec Senior Center Stucco	Senior Facilities	0	0	0	0	115,000	0	115,000	115,000	No
31539	2021	002	ASC Walk in Cooler Freezer	Senior Facilities	0	0	0	0	45,000	0	45,000	45,000	No
33206	2022	001	SENIOR CENTER ROOFING	Senior Facilities	0	0	0	0	0	165,000	165,000	165,000	No
33207	2022	002	SENIOR CENTER PARKING LOT	Senior Facilities	0	0	0	0	0	70,000	70,000	70,000	No

Number of projects: 11

	Funded to date:	Year 1:	Year 2:	Year 3:	Year 4:	Year 5:	Total Project Cost:	Total Not Yet Funded:
Grand Totals	10,000	406,128	50,000	90,000	160,000	235,000	951,128	941,128

Staff Summary Report

MEETING DATE: September 13, 2016
AGENDA ITEM: X. CONSENT AGENDA (H)
AGENDA TITLE: **Airport Maintenance Grant**

ACTION REQUESTED BY: Finance Department
ACTION REQUESTED: Approval
SUMMARY BY: Kathy Lamb

PROJECT DESCRIPTION / FACTS

- Maintenance Grant
 - NMDOT Aviation Division provides funds for annual maintenance. Funding applications must be received by the Aviation Division by September 30, 2016. Maximum funds available from the Aviation Division is \$10,000 with a 10% local match for a total of \$11,000. The funding application for 2016/2017 includes windsocks, weed control, paint for runway striping and runway light maintenance.

FISCAL INPUT / FINANCE DEPARTMENT

- Maintenance Grant
 - The FY17 Adopted Budget, Airport Fund, includes sufficient funds to meet the match requirement of the maintenance grant at the maximum funds available through the State.

SUPPORT DOCUMENTS: None

DEPARTMENT'S RECOMMENDED MOTION: Move to Approve the submittal of FY17 Airport Maintenance Grant

Staff Summary Report

MEETING DATE: September 13, 2016
AGENDA ITEM: X. BUSINESS ITEM (A)
AGENDA TITLE: City Of Aztec, Farmington Electric Utility System Electric Power Wholesale Transmission Service Agreement

ACTION REQUESTED BY: Ken George, City of Aztec Electric Director
ACTION REQUESTED: Approval of Wholesale Transmission Agreement
SUMMARY BY: Ken George

PROJECT DESCRIPTION / FACTS

Currently the Farmington Electric Utility System (FEUS) is providing transmission of power services from the San Juan Substation located near Ship Rock NM to Aztec under a City Commission approved temporary agreement.
The Electric Director, The City Manager, our contract Attorney, Ashley Wald with Holland and Hart and Ed Reyes our electrical contracts consultant have worked to bring before City Commission an fair long term transmission agreement with FEUS.
The term of the agreement is from October 1 2016 to June 30th 2023.
The City will pay a rate of \$2.05/KW for 8000 KW (8 MW) in capacity plus transmission losses.
The agreement lays out the term, ownership and responsibility's of each utility, accounting and payment.

FISCAL INPUT / FINANCE DEPARTMENT (if applicable)

PNM agreement 10MW = \$20,500.00 plus losses per month
Temp agreement 9MW = \$18,450.00 plus loses per month
Long term agreement 8MW= \$16,400.00 plus losses per month

SUPPORT DOCUMENTS: Please see attached Wholesale Transmission Agreement.
I have also attached the billing from FEUS for July 2016 for informational purposes.

DEPARTMENT'S RECOMMENDED MOTION: Move to Approve the "Wholesale Transmission Service Agreement between Farmington Electric Utility System and the City of Aztec " giving Ken George the City of Aztec Electric Director signatory authorization

Farmington Electric Utility System

City of Aztec Delivery

July 2016

Date of billing 08/24/16

Monthly Rate:

Wheeling Charge: \$2.05 per kW-Month
Losses: 2% of Metered Energy
Transformation: 0.4% of Metered Energy
Bulk Power Energy Rate \$0.043 per kWh-Month

Metered Loads:

Energy (kWh)	Act Dmd (kW)	Demand plus Losses
4,164,433	8,258.00	8,423 kW

Calculated Energy Losses:

	Losses kWh
<i>Transmission Energy Losses @ 2% of Metered Energy</i>	83,289
<i>Transformation Energy Losses @ 0.4% of Metered Energy</i>	16,658

Calculation of Monthly Bill:

<i>Reserved Demand</i>	9,000	\$	18,450.00
<i>Penalty Demand > Contract</i>	0		-
<i>Actual Demand Loss</i>	165.16		338.58
<i>Calculated Energy Loss</i>	83,289		3,581.41
<i>Calculated Transformer Loss</i>	16,658		716.28
Total Amount Due		\$	23,086.27

Handwritten notes: 2.05, .042999, .042999

Monthly Summary:

	kWh
<i>Actual Metered Energy @ Lightplant Substation</i>	4,164,433
<i>Calculated Transmission Energy Loss</i>	83,289
<i>Calculated Transformer Loss</i>	16,658



**CITY OF FARMINGTON, NEW MEXICO
ELECTRIC ADMINISTRATION**

Rodney Romero
101 N Browning Parkway
Farmington, NM 87401
(505) 599-1165
Fax (505) 599-8323

August 26, 2016

Mr. Ken George
Electric Director
City of Aztec
402 S. Light Plant Rd
Aztec, NM 87410

Dear Mr. George:

The Wholesale Transmission Service Agreement between the Farmington Electric Utility System, owned by the City of Farmington, and the City of Aztec for a contract capacity of 8 Megawatts (MW), effective October 1, 2016, is attached to this letter. We appreciate the effort of all parties involved in developing this agreement and look forward to continuing the excellent working relationship between our two communities.

Upon partial execution of this agreement, please send the agreement back to me for complete execution. I will then provide the City of Aztec with the fully executed contract.

Thank you,

A handwritten signature in blue ink, appearing to read "Rodney Romero", is written over a horizontal line.

Rodney Romero
Acting Electric Utility Director
Farmington Electric Utility System

**WHOLESALE TRANSMISSION SERVICE AGREEMENT
BETWEEN
FARMINGTON ELECTRIC UTILITY SYSTEM
AND
THE CITY OF AZTEC, NEW MEXICO**

This Wholesale Transmission Service Agreement (“Agreement”) between the Farmington Electric Utility System, which is owned by the City of Farmington (“Farmington”), a New Mexico municipal corporation (“FEUS”), and the City of Aztec, a New Mexico municipal corporation (“Aztec”), is made and entered into to be effective on October 1, 2016 (“Effective Date”). When referred to jointly, FEUS and Aztec shall be referred to as the “Parties” and may be referred to individually as a “Party”.

1. RECITALS

WHEREAS, FEUS owns and operates an electric utility within the State of New Mexico and is engaged in the generation, transmission, distribution, purchase and the sale of power and energy; and,

WHEREAS, Aztec owns and operates an electric utility in San Juan County within the State of New Mexico and is engaged in the distribution of power and energy; and,

WHEREAS, FEUS’s transmission system (“Transmission System”) is interconnected with other utilities, including Aztec; and,

WHEREAS, Aztec has entered into a Power Sales Agreement with Guzman Energy LLC, a Florida limited liability company (“Guzman”), with a contract term of seven (7) years, commencing on July 1, 2016 at 12:00:00 a.m. and terminating on June 30, 2023 at 11:59:59 p.m. unless earlier terminated or extended in accordance with the Power Sales Agreement; and,

WHEREAS, Aztec is a party to Contract No. 87-SLC0015 with the United States Department of the Interior for Firm Electric Service, dated March 13, 1969 (“WAPA Agreement”), and a Network Integration Transmission Service (“NITS”) Agreement. Pursuant to the NITS Agreement, WAPA has agreed to the ownership, operation and maintenance of certain metering facilities as further described herein; and,

WHEREAS, Aztec has requested, and FEUS has agreed to deliver, firm capacity and energy to the City of Aztec Light Plant substation, located at 402 S Light Plant Road, Aztec, New Mexico, from WAPA, Guzman, and/or other power suppliers, from the interchange at the Shiprock 115 kV switching station, the San Juan /Hogback substation or Other Points of Interconnection with the FEUS Transmission System.

AGREEMENT

NOW THEREFORE, in consideration of the promises, mutual covenants and agreements hereafter set forth, including the recitals hereto which are incorporated herein by reference, the sufficiency and adequacy of which are hereby acknowledged, the Parties agree as follows:

2. TERM

This Agreement shall become effective on the Effective Date and shall remain in full force and effect until June 30, 2023, unless earlier terminated as provided in this agreement.

3. DEFINITIONS

- a. "Ancillary Services" consists of the following services: load following, energy imbalance, reactive power and voltage control, reserves and scheduling services.
- b. "Aztec's Substation ("COA Lightplant Substation")" means the point of interconnection where FEUS will deliver and Aztec will receive the Energy.
- c. "Balancing Authority" has the meaning given by the North American Electric Reliability Corporation ("NERC") and is the functional entity that integrates resource plans ahead of time, maintains load-interchange generation balance within a Balancing Authority Area (as defined by NERC) and supports interconnection frequency in real time. For purposes of this Agreement, the Balancing Authority is Western Area Power Administration.
- d. "Contract Capacity" means the quantity of Firm Transmission Service identified in Exhibit A, which may be revised as provided in this Agreement.
- e. "Effective Date" has the meaning ascribed in the opening paragraph.
- f. "Energy" means the power and energy being delivered pursuant to the Power Sales Agreement with Guzman or pursuant to the WAPA Agreement.
- g. "Firm Transmission Service" means; reserved capacity on FEUS's transmission system available on demand and not subject to interruptions except as expressly set forth in Section 5. Firm Transmission Service is the highest priority of transmission service offered to customers.
- h. "Force Majeure" means an event, condition, or circumstance that renders a Party wholly or partially unable to perform its obligations under this Agreement, including, but not limited to, acts of God, fire, flood, storms, wars, hostilities, civil strife, strikes and other labor disturbances, earthquakes, lightning, epidemics, sabotage, blockades, insurrections, riots, washouts, landslides, mudslides, extreme cold or freezing weather, explosions, breakage, freezing of or accident to equipment, line or pipe, court order, or other delay or failure in performance as a result of action or inaction by any administrative or regulatory body or other public authority.
- i. "Other Points of Interconnection" means other points on the Transmission System where Guzman and/or WAPA can deliver, and FEUS can receive the Energy and Ancillary Services to be wheeled to the COA Lightplant Substation, without jeopardizing the delivery of electricity to either Party's customers.
- j. "San Juan 115 kV Substation ("Hogback Substation")" means the point of interconnection where WAPA has firm rights and will deliver to FEUS, and where FEUS has firm rights and will receive, the Energy.

- k. “Transformer Losses” means those losses incurred in transforming capacity and energy from one voltage to another voltage, expressed as a percentage.
- l. “Transmission Losses” means those losses incurred in transmitting power and energy from one point on a transmission system to another point on a transmission system, expressed as a percentage.
- m. “Western Area Power Administration” or “WAPA” means the current Balancing Authority providing Ancillary Services for FEUS and for Aztec.
- n. “Wholesale Transmission Service Tariff” means FEUS’s current “Farmington Electric Utility System First Revised Rate No. 11 cancelling Original Rate No. 11 Wholesale Transmission Service” (“Rate No. 11”), attached as Exhibit B which can be revised from time to time by Farmington.

4. FACILITIES

- a. FEUS owns, operates and maintains certain transmission facilities that connect the Transmission System to the Hogback Substation and the COA Lightplant Substation.
- b. Aztec owns, operates and maintains the COA Lightplant Substation delivery point for the Energy to be transmitted by FEUS to Aztec.
- c. FEUS has made an application for, and obtained, the required permitting from WAPA (Meter Application Agreement No. 15-RMR-2708) effective as of October 26, 2015 for a WAPA-owned SEL-735 meter to measure such deliveries of Energy (“WAPA Meter”).
- d. FEUS will install at its own cost and expense the WAPA Meter, which will adhere to and meet the WAPA standards and requirements set forth in the WAPA Metering Point Relocation MOU between FEUS and Aztec. The WAPA Meter will be used to measure deliveries to Aztec’s existing 69kV transmission line and, if necessary, a 69 kV transmission line to be built by Aztec.
- e. FEUS will install, retain ownership of, maintain, replace and have financial responsibility for, the instrument transformers (CTs and PTs) and associated equipment.
- f. The Parties understand that WAPA shall be responsible for maintenance and repair as necessary of the WAPA Meter.
- g. If additional equipment or labor is required to convert the WAPA Meter into a revenue meter instead of a delivery point meter, FEUS shall have no obligation to provide for such conversion.

5. FIRM TRANSMISSION SERVICE

- a. “Firm Transmission Service” is reserved capacity on the Transmission System available on demand and not subject to interruptions except as expressly set forth

in this Section 5. Firm Transmission Service is the highest priority of transmission service offered to FEUS' customers.

- b. Commencing on the Effective Date, FEUS will provide Firm Transmission Service in an amount up to the Contract Capacity from the Transmission System at the 115 kV Shiprock Switching Station, the Hogback Substation or Other Points of Interconnection, to Aztec at the COA Lightplant Substation. FEUS shall also deliver the Energy to Aztec at the COA Lightplant Substation, minus applicable Transmission Losses and Transformer Losses pursuant to Sections 6 and 7.
- c. FEUS shall supply continuous Firm Transmission Service, but does not warrant or guarantee that Firm Transmission Service will be free from interruption or reductions, which may arise due to the following:
 - i. Interruptions or reductions due to Force Majeure events pursuant to Section 18 herein;
 - ii. Interruptions or reductions instituted by automatic or manual controls as may reasonably be required for the purpose of maintaining overall reliability and continuity of the Transmission System;
 - iii. Interruptions or reductions due to system frequency, voltage, or harmonics outside normal operating limits that could compromise the integrity or stability of the electric system; or unstable operation of Aztec's system which jeopardizes FEUS 's operation of its system or any part thereof;
 - iv. Interruptions or reductions which, in the reasonable opinion of FEUS are necessary for the purpose of maintenance, repair, replacement or installation of equipment. FEUS shall use best efforts to coordinate maintenance schedules with Aztec;
 - v. Interruptions or reductions that are necessary, in the reasonable opinion of FEUS, for the purpose of protecting the integrity and reliability of FEUS or its interconnected transmission system;
 - vi. Except as provided in Section 17 herein, FEUS shall not be liable to Aztec for any damages arising from an interruption or reduction permitted under Section 5(c), including lost profits. FEUS shall provide Aztec with reasonable advance notice of any scheduled activities or conditions that will result in interruptions or reductions of Firm Transmission Service. FEUS shall use reasonable efforts to expeditiously remove or mitigate all causes of interruptions or reductions of Firm Transmission Service which are under its control.
- d. In the event of an interruption or reduction occurrence as described in Section 5.c above, Aztec shall be treated in a non-discriminatory manner with FEUS's other customers that have contracted for Firm Transmission Service.
- e. In the event of an interruption or reduction occurrence as described in Section 5.c above, Aztec agrees that it will curtail its schedules through FEUS and will comply with the Balancing Authority requirements.

- f. The Firm Transmission Service provided pursuant to this Agreement is applicable only for transmission to wholesale customers or generators.
- g. If Aztec requests transmission of capacity and energy in excess of the Contract Capacity, studies will be conducted by FEUS to ensure such additional power and energy can be delivered without jeopardy to FEUS's customers. Should such studies determine that the delivery of additional power and energy can be accomplished without any jeopardy, FEUS will deliver the increased capacity and energy from the Shiprock 115 kV Switching Station, the Hogback Substation, or at Other Points of Interconnection to the FEUS Transmission System to the COA Lightplant Substation when, as, and if the transmission capacity is available at the then existing Wholesale Transmission Service Tariff. The increased Contract Capacity will supersede the then existing Contract Capacity until superseded by another request at a later date, and will be documented by an amendment to this Agreement. Such requests will not be made more than one time per calendar year and will be made at least six months prior to the effective date of the desired revised Contract Capacity. If Aztec requests transmission of capacity and energy that is less than the current Contract Capacity, then Aztec will provide notice to FEUS by December 31st of the reduced Contract Capacity for the subsequent calendar year, and the reduced Contract Capacity will become effective on July 1st of the following calendar year.
- h. In the event that during any calendar month the actual metered capacity exceeds the Contract Capacity (less applicable Transmission Losses), the calculated kilowatt value will be rounded up to the nearest whole number and shall be invoiced pursuant to Section 12.d.

6. TRANSMISSION LOSS PROVISIONS

- a. Aztec shall pay FEUS for Transmission Losses in accordance with the Transmission Loss percentage established under the prevailing Wholesale Transmission Service Tariff, which as of the Effective Date is two percent (2%) of scheduled deliveries. Such Transmission Losses may change from time to time as the Wholesale Transmission Service Tariff is modified.
- b. Since Aztec cannot deliver capacity and energy in kind to FEUS to replace losses at the Shiprock 115 kV Switching Station, the Hogback Substation, or Other Points of Interconnection concurrently with the scheduled delivery of Energy to Aztec, Aztec shall pay FEUS for such energy losses at a rate equal to two percent (2%) of the amount of delivered energy measured at the COA Lightplant Substation, at a rate equal to the energy charge shown in FEUS's Bulk Power Service Tariff in effect at the time energy losses are incurred.

7. TRANSFORMER LOSS PROVISIONS

Aztec shall pay FEUS at the energy charge shown in FEUS's Bulk Power Service Tariff in effect at the time Transformer Losses resulting from the conversion from 115 kV to 69 kV for delivery to the COA Lightplant Substation occur. As of the Effective Date, Transformer Losses are established at four tenths of one percent (0.4%) of the amount of delivered energy measured at COA Lightplant Substation for this Agreement and may be modified from time to time by FEUS as required.

8. SCHEDULING PROVISIONS

- a. The Parties recognize the obligations of the Balancing Authorities to perform certain energy accounting functions, to monitor transmission line loading and to take appropriate action in emergency situations in accordance with prudent utility practice. The Parties also recognize that in order for FEUS's Balancing Authority to carry out these functions and obligations, FEUS's Balancing Authority must know at all times the amounts of energy scheduled on the Transmission System. Aztec shall set up a means to provide the Balancing Authority hourly information indicating the amount of Energy to be scheduled into FEUS. During emergencies, the Parties will comply with requests for additional information to facilitate Balancing Authority Area operations.
- b. Aztec shall provide, or cause to be provided, to FEUS's Balancing Authority a pre-schedule of transactions for each hour of the following day, or, if the next day is not a work day observed by the Balancing Authority, for the following work day and all intervening days.
- c. The pre-schedules to be delivered by Aztec hereunder may thereafter be changed as agreed upon by the Balancing Authority.
- d. All schedules will be tagged by Guzman or such other designated scheduling agent as designated by Guzman and approved by Aztec in accordance to NERC and WECC standards.

9. ACCOUNTING FOR POWER AND ENERGY DELIVERIES

- a. Should an Other Point of Interconnection be used for delivery of Energy to Aztec from the Transmission System, which results in additional costs incurred by FEUS, Aztec shall reimburse FEUS for such additional costs actually incurred by FEUS.
- b. FEUS is not providing any Ancillary Services or monthly accounting services except for applicable Transmission Losses and Transformer Losses calculations for Aztec.

10. METERING

- a. WAPA. The Parties understand that, as further described in Section 4 hereof:
 - i. WAPA has separately agreed to own, operate, maintain and repair the WAPA Meter pursuant to the NITS Agreement.
 - ii. WAPA qualified personnel will have access to Aztec's metering point located in the COA Lightplant Substation for the purpose of obtaining electrical demand and energy information on a "read only" basis.
 - iii. Should a revenue meter be required in place of the WAPA delivery meter into the COA Lightplant Substation for metering the 69 kV transmission line and/or any future transmission lines built by Aztec to the COA Lightplant Substation, FEUS is not obligated to accommodate such construction.

b. FEUS

- i. FEUS qualified personnel shall have access to Aztec's metering point located in the COA Lightplant Substation for the purpose of obtaining electrical demand and energy information on a "read only" basis.
- ii. FEUS shall become familiar with, abide by and meet WAPA's rules and regulations to include those outlined in the WAPA meter policy.
- iii. FEUS shall immediately notify Aztec of any event, action or occurrence which will require notice to WAPA or requiring WAPA's guidance in meeting applicable guidelines or requirements, or otherwise would have an impact on Aztec's ordinary course of business.

c. Aztec

- i. Aztec shall become familiar with, abide by and meet WAPA's rules and regulations to include those outlined in the WAPA meter policy.
- ii. Aztec shall immediately notify FEUS of any event, action or occurrence which will require notice to WAPA or requiring WAPA's guidance in meeting applicable guidelines or requirements, or otherwise would have an impact on FEUS's ordinary course of business.

d. The meter(s) shall be sealed and the seals shall be broken only upon occasions when the meters are to be inspected, tested or adjusted by the authorized representative of each Party and WAPA.

e. The metering equipment at the COA Lightplant Substation shall be inspected or tested at least once each calendar year by WAPA and Aztec, and at any other reasonable time upon request by either Party or WAPA, with notification to FEUS so that FEUS personnel can be on site to witness all meter inspections and tests. Any metering equipment found to be defective or inaccurate shall be repaired and readjusted or replaced. Should any meter fail to register the Energy delivered during any measurement period, such deliveries shall, for billing and payment purposes, be estimated for such period by the operating representatives using the best information available.

f. If any of the inspections or tests provided for herein discloses an error exceeding two percent (2%), a correction based upon the inaccuracy shall be made in the records of electric service furnished for a period of ninety (90) days prior to the occurrence of such test. Any correction in billing resulting from such correction in the meter records shall be made in the next monthly bill rendered by FEUS, and such correction and related payment adjustment, when made, shall constitute full and final adjustment of any claim between the Parties hereto arising out of such inaccuracy of metering equipment.

g. FEUS shall have the ability to remotely read and communicate with the WAPA Meter on or about the first working day of each month. Kilowatt and kilowatt hour readings will be utilized to compute actual capacity and energy delivered, and Transmission Losses and Transformer Losses, for each calendar month.

11. REACTIVE POWER FLOWS

- a. FEUS and Aztec shall each provide the reactive power requirement for their respective electric utility systems and loads and there shall be no transfer or flow of reactive kilovolt-amperes except when transfers of reactive kilovolt-amperes may be mutually advantageous and agreed upon from time to time by the operating representatives, or as required by FEUS's system operator, to support transmission line loading. Aztec shall provide such support as necessary, including adjustment of real power generation by its Balancing Authority, WAPA, or by installation of appropriate reactive power devices to accommodate reactive power requirements. Reactive power shall not be less than ninety-five percent (.95) lagging power factor at peak system load for three consecutive months without corrective measures taking place.
- b. Reactive power flow from FEUS to Aztec shall be minimized at all times. Should excessive reactive power flow from FEUS to Aztec occur, Aztec shall be responsible for the installation of equipment to ensure such flows are prevented.
- c. If such reactive power flow is not corrected within ninety (90) days following notice thereof from FEUS to achieve a minimum of ninety-eight percent (.98) lagging power factor at peak system load, or such additional time as warranted by circumstances, FEUS shall make the system improvements required to rectify the problem and Aztec shall reimburse FEUS for the cost of such improvements.

12. PAYMENT

- a. The rate for the Firm Transmission Service and the Transmission Loss percentage shall be as shown in the FEUS Wholesale Transmission Service Tariff attached as Exhibit B, which is subject to change; provided that the rate and loss factor can be reviewed by FEUS to reflect actual changes affecting transmission costs, including but not limited to actual changes in investment, operation and maintenance costs, replacement costs, insurance, ad valorem taxes, system capacity and usage.
- b. The Transmission energy and Transformation energy losses shall be at the energy charge shown in the FEUS Bulk Power Service Tariff attached as Exhibit C, which is subject to change.
- c. FEUS and Aztec operating representatives will use reasonable efforts to resolve disputes related to billing. Should they be unable to resolve such disputes, the Parties agree to discuss the dispute with each Party's upper management who will attempt to resolve the problem in an expeditious manner. Both Parties mutually agree to use an arbitrator to resolve issues not resolved by discussion among upper management.
- d. In the event that during any calendar month, the actual metered capacity exceeds the Contract Capacity, Aztec agrees to pay a penalty for that month equal to five (5) times the Wholesale Transmission Service Tariff rate times the Contract Capacity metered during that calendar month in excess of the Contract Capacity.

13. UPGRADES AND FACILITIES EXPANSION

The determination of a fair and reasonable allocation of transmission facilities expansion costs, if any, to Aztec as a firm transmission user shall be negotiated in good faith between the Parties using as a guideline the regulations, policies, decisions and opinions of the FERC. As soon as FEUS identifies a need for a capital improvement for its transmission facilities as part of its five year plan or at such time that the need is identified in FEUS's annual budget, FEUS shall give written notice of such planned expansion or upgrade of its transmission system. Such negotiations shall be concluded within one year of FEUS's notification to Aztec unless extended by mutual agreement. If the negotiations are not successfully completed within one (1) year or any extension thereof, Aztec may either: 1) seek a determination of a fair and reasonable allocation of transmission facilities costs, if any, from an independent engineering consultant qualified in such matters and agreed upon by the Parties; or 2) elect to terminate this Agreement upon ninety (90) days written notice without penalty or other liability other than paying for services rendered prior to the termination of the Agreement. If Aztec elects to seek a determination of a fair and reasonable allocation, FEUS will not proceed with construction of the planned expansion or upgrade until Aztec and FEUS agree to the allocation determined by the engineering consultant.

14. OPERATING REPRESENTATIVES

- a. Each Party shall notify the other Party within thirty (30) days after execution of this Agreement of its designated operating representatives.
- b. Each Party shall appoint two (2) operating representatives.
- c. Such designation may be changed from time to time by any Party by written notice to the other Party within thirty (30) days of the change.
- d. The operating representatives will be responsible for the accounting of power and energy transmitted by FEUS and received by Aztec and will also perform such other duties necessary to implement the terms and conditions of this Agreement.
- e. The operating representatives are not authorized to change any of the provisions of this Agreement.
- f. FEUS shall provide notice of any revisions to the Wholesale Transmission Service Tariff and Bulk Power Service Tariff to the Aztec operating representatives at least sixty (60) days prior to the effective date of such revisions.

15. INVOICES AND PAYMENTS

- a. FEUS will invoice Aztec monthly for Firm Transmission Service and Transmission Losses and Transformer Losses associated with the receipt and delivery thereof to Aztec.
- b. FEUS will submit the invoice to Aztec on or before the 10th day of each month. Payment of any undisputed amount will be due and payable by Aztec within thirty (30) days after the invoice is received by Aztec. If Aztec fails to pay such invoice within such thirty (30) day period, FEUS may discontinue provision of Contract Capacity and delivery of Energy hereunder following thirty (30) days prior written

notice to Aztec; provided however, that Aztec may avoid such discontinuance by making payment to FEUS of any undisputed amount duly owed and specified in such notice within the thirty (30) day notice period. Any unpaid past due amount shall accrue interest at the rate of 1 ¼% per month until paid.

- c. In the event of a disputed invoice, payment of the undisputed amount shall be made within thirty (30) days following receipt thereof. Within six (6) months following the due date of a disputed invoice, Aztec shall give notice of disputed payment amounts and shall provide a written description of the reasons therefor. FEUS shall respond within thirty (30) days following the receipt of such notice. Any refunds resulting from the settlement of such disputed amounts shall include interest at the rate of 1 ¼ % per month during the period of such dispute. If a Party fails to notify the other Party of an invoice dispute within six (6) months of the invoice due date, the invoice and payment shall be deemed correct and undisputed, and neither of the Parties shall be entitled to make any claim against the other Party based on a dispute of such payment.

16. ADMINISTRATION

- a. The administration of this Agreement shall be conducted by the operating representatives designated in Section 14 or their designees.
- b. As it pertains to equipment owned and operated by either Party, either Party assumes full responsibility for the adoption of necessary operating measures, safety procedures and the installation of such automatic protective equipment as may be required to prevent damage to facilities or prevent accidental harm to personnel engaged in the construction, operation, maintenance, inspection, testing or removal of equipment pursuant to this Agreement and to others who may come in proximity thereto.

17. INDEMNIFICATION

- a. FEUS shall indemnify and hold harmless Aztec, and its commissioners, officers, agents, employees, advisors, and authorized representatives (together, "Aztec Indemnitees") and, at the option of Aztec, to defend such Aztec Indemnitees from and against any and all suits and causes of action, claims, charges, damages, demands, judgments, civil fines and penalties, or losses of any kind or nature whatsoever, for death, bodily injury or personal injury to any person, including that Party's employees and agents, or third persons, or damage or destruction to any property of a Party or third persons, in any manner arising by reason of any breach of this Agreement, any failure of any representation, warranty or guarantee to be true in all material respects, the negligent acts, errors, omissions or willful misconduct incident to the performance of this Agreement on the part of that Party, or any of that Party's officers, agents, employees, or subcontractors of any tier.
- b. Aztec shall indemnify and hold harmless FEUS, and its commissioners, officers, agents, employees, advisors, and authorized representatives (together, "FEUS Indemnitees") and, at the option of FEUS, to defend such FEUS Indemnitees from and against any and all suits and causes of action, claims, charges, damages, demands, judgments, civil fines and penalties, or losses of any kind or nature whatsoever, for death, bodily injury or personal injury to any person, including that

Party's employees and agents, or third persons, or damage or destruction to any property of a Party or third persons, in any manner arising by reason of any breach of this Agreement, any failure of any representation, warranty or guarantee to be true in all material respects, the negligent acts, errors, omissions or willful misconduct incident to the performance of this Agreement on the part of that Party, or any of that Party's officers, agents, employees, or subcontractors of any tier.

- c. The indemnification provided hereunder shall be effective only to the extent governed and permitted by Federal and New Mexico law, specifically including but not limited to the New Mexico Tort Claims Act (Sections 41-4-1 through 41-4-27, NMSA 1978, 2013 Ed.), and to the extent and limits of Aztec's municipal insurance coverage with and through the New Mexico Risk Management Division (NMRMD).

18. FORCE MAJEURE

- a. Neither Aztec nor FEUS shall be liable for any failure to perform its obligations under this Agreement when such failure to perform is due to Force Majeure. Under the conditions of Force Majeure, the non-performing Party shall be excused from performance, provided that:
 - i. Within one (1) week after the occurrence of the Force Majeure event, the non-performing Party shall give the other Party written notice describing the occurrence;
 - ii. The suspension of performance shall be of no greater scope and of no longer duration than is commercially reasonable as a result of the Force Majeure event; and
 - iii. The non-performing Party uses commercially reasonable efforts to remedy its inability to perform.
- b. No obligations of either Party which arose before the Force Majeure causing the suspension of performance shall be excused as a result of the Force Majeure.
- c. Neither Party shall be required to settle any strike, walkout, lockout or other labor dispute on terms which, in the sole judgment of the Party involved in the dispute, are contrary to the Party's best interest.
- d. In the event the non-performing Party, after using its commercially reasonable efforts, is unable to timely remedy its inability to perform due to the Force Majeure event, either Party may terminate this Agreement by providing fifteen (15) days written notice, which shall excuse performance except for any payment due for prior service provided or required pursuant to Section 26.
- e. A Force Majeure event affecting the performance under the Agreement by either Aztec or FEUS shall not relieve either Party of liability in the event of negligence or in the event of a Party's failure to use reasonable efforts to remedy or mitigate the effect of the Force Majeure event and to remove the cause of the Force Majeure event in an adequate manner and with all reasonable dispatch, nor shall a Force Majeure event relieve either Party from its obligation to make payments of amounts then due under this Agreement.

19. WAIVERS

Any waiver by a Party of its rights with respect to a default or with respect to any other matter arising in connection with this Agreement shall not be deemed to be a waiver with respect to any subsequent default or matter. No delay, short of the statutory period of limitations, in asserting or enforcing any right hereunder shall be deemed a waiver of such right. Any waiver at any time by either Party of its rights under this Agreement must be made in writing.

20. REMEDIES

Except as otherwise set forth in this Agreement, each Party, upon the other Party's failure to perform in accordance with the provisions of this Agreement, shall have the right to exercise any right or remedy that Party may have at law or in equity, injunctive relief and specific performance. Neither Party shall be liable under any theory of law for any indirect, consequential, incidental, punitive or exemplary damages.

21. AMENDMENTS

Unless otherwise specified herein, all modifications to this Agreement shall require written amendments executed by both Parties.

22. PREVIOUS COMMUNICATIONS; ENTIRE AGREEMENT

This Agreement contains the entire agreement and understanding between the Parties thereby merging and superseding all prior agreements and representations by the Parties.

23. SUCCESSORS AND ASSIGNS

Neither Party shall assign its rights or duties hereunder without the prior written approval of the other Party, which approval shall not unreasonably be withheld. This Agreement shall apply and shall be binding upon the successors and assigns of each of the Parties.

24. GOVERNING LAW

This Agreement shall be interpreted under the laws of the State of New Mexico.

25. SEVERABILITY

It is not the intention of the Parties to violate any laws governing the subject matter of this Agreement. If any of the terms of the Agreement are finally held or determined to be invalid, illegal or void as being contrary to any applicable law or public policy, all other terms of the Agreement shall remain in effect. If any terms are finally held or determined to be invalid, illegal or void, the parties shall enter into negotiations concerning the terms affected by such decisions for the purpose of achieving conformity with the requirements of any applicable law and the intent of the Parties to this Agreement.

26. DEFAULT AND CURE

Except as otherwise provided herein, in the event either Party fails to perform any obligation under this Agreement, the non-defaulting Party shall notify the other in writing, specifying the manner in which such default occurred. If the defaulting Party shall fail to cure such

IN WITNESS WHEREOF, the Parties have executed and entered into this Agreement as of the Effective Date.

City of Aztec

Farmington Electric Utility System

By: _____

By: Rodney Romero
Acting Electric Utility Director

Attest:

EXHIBIT A

CONTRACT CAPACITY

Aztec Contract Capacity = 8 MW
Effective Date: October 1, 2016

EXHIBIT B

FARMINGTON ELECTRIC UTILITY SYSTEM FIRST REVISED RATE NO. 11 CANCELLING ORIGINAL RATE NO. 11 WHOLESALE TRANSMISSION SERVICE

Applicability:

Applicable to the wholesale transportation of electrical power and energy over the 69,000 and 115,000 voltage transmission networks of the Farmington Electric Utility System (FEUS); for deliveries between interconnection points with other electric utility transmission systems; or from an independent or qualifying facility to an interconnection point with other electric utility systems. Not applicable to any retail customer services.

Availability:

The amount of wheeling capacity available is limited to the transfer capability of the FEUS transmission system minus the capacity required for firm load customers. Any incremental addition required as a result of wheeling requirements will be paid by the wheeling customer requesting the capacity.

Reserved Capacity Charge:

The annual cost of \$24.60 per kW of reserved capacity shall be billed each month of the contract year at \$2.05 per month per kW of annual reserved capacity.

Losses:

Average transmission energy losses of 2% shall be deducted monthly from kW deliveries to the FEUS transmission system.

Interconnection Agreement:

An agreement will be required prior to providing service under this rate. The agreement shall include requirements for annual reserve demand requests, interconnection standards, required telemetry, inadvertent interchange responsibility, emergency disconnection, and term provisions. A separate interconnection agreement will be required for each customer.

Special Tax And Assessment Adjustment:

Billings under this schedule may be increased by an amount equal to the sum of the taxes payable under the Gross Receipts and Compensating Tax Act and of all other taxes, fees, or charges (exclusive of payments made in lieu of ad valorem taxes) payable by the Utility and levied or assessed by any governmental authority on the public utility service rendered, or on the right or privilege of rendering the service, or on any event incidental to the rendition of the service.

Terms of Payment:

Bills are due and payable within fourteen (14) days of the billing date, are past due fifteen (15) days after bill is rendered, are delinquent twenty-five (25) days after the billing date, and service may be terminated for non-payment approximately thirty (30) days from the original due date of the bill subject to a first delinquent notice provided fourteen (14) days prior to disconnection of utility service and a last notice of termination mailed five (5) business days prior to termination of service. If there is a returned check from the customer or the customer is on a payment plan, the notice is hand delivered to the customer at least two (2) days prior to service termination.

Resolution Number: 2013-1492
Approved: October 8, 2013
Effective Date: November 1, 2013

EXHIBIT C

**FARMINGTON ELECTRIC UTILITY SYSTEM
SECOND REVISED RATE NO. 9
CANCELLING FIRST REVISED RATE NO. 9
BULK POWER SERVICE**

Applicability:

Applicable to electric service having a demand of at least 4,000 kW and receiving electrical service at 69,000 volts or higher. Service shall be supplied through one point of delivery and measured through one meter. Not applicable for standby, supplemental, or resale service.

Territory:

All territories served by the Farmington Electric Utility System in San Juan County and Rio Arriba County.

Monthly Rate:

	Customer
Charge.....	\$55.00 plus
	Demand
Charge.....	\$ 8.25 per kW of Billing Demand
	Energy
Charge.....	\$ 0.04300 per kWh

Power Factor Adjustment:

The charges shall be increased by \$0.50 for each kilovar of reactive demand in excess of 0.33 times the kilowatt demand measured during the billing period. Demands in kilovars and kilowatts shall be determined to the nearest unit.

Determination Of Billing Demand:

The Billing Demand shall be the higher of (a) the highest 15-minute integrated or thermal kilowatt demand measured during the billing period, or (b) 75% of the kilowatt demand measured during the preceding 11 months, (c) the amount specified in an Agreement for Service or (d) 4,000 kilowatts.

Off-Peak Service – For customers who pay all costs associated with installation of metering equipment specified by the System, the measured demand during the hours of 10:00 p.m. to 8:00 a.m., Monday through Friday, all day Saturday, Sunday, and the following holidays – New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas, shall be multiplied by a factor of 0.5 for billing purposes. Off-peak service to all customers shall be limited to 10,000 kilowatts.

Where highly fluctuating or intermittent loads which are impractical to determine properly (such as welding machines, electric furnaces, hoists, elevators, X-rays, and the like) are in operation by the customer, the System reserves the right to determine the demand in (a) above, by increasing the 15-minute measured maximum demand by an amount equal to 65% of the nameplate rated KVA capacity of the fluctuating equipment in operation by the customer.

Monthly Minimum:

The monthly minimum charged under this Schedule shall never be less than the Customer Charge plus the Billing Demand charge plus the tax adjustment.

Power Cost Adjustment:

The above rates include a base power supply cost and cost of service index of \$0.035 per kWh sold. The above rates shall be increased or decreased by \$0.0000001 per kWh for each \$0.0000001 by which the power supply cost and cost of service index varies from \$0.035 per kWh.

Special Tax and Assessment Adjustment:

Billings under this Schedule may be increased by an amount equal to the sum of the taxes payable under the Gross Receipts and Compensating Tax Act and of all other taxes, fees, or charges (exclusive of payments made in lieu of ad valorem taxes) payable by the Utility and levied or assessed by any governmental authority on the public utility service rendered, or on the right or privilege of rendering the service, or on any event incidental to the rendition of the service.

Terms Of Payment:

Bills are due and payable within fourteen (14) days of the billing date, are past due fifteen (15) days after bill is rendered, are delinquent twenty-five (25) days after the billing date, and service may be terminated for non-payment approximately thirty (30) days from the original due date of the bill subject to a first delinquent notice provided fourteen (14) days prior to disconnection of utility service and a last notice of termination mailed five (5) business days prior to termination of service. If there is a returned check from the customer or the customer is on a payment plan, the notice is hand delivered to the customer at least two (2) days prior to service termination.

Terms And Conditions:

- A. Service under this Schedule is subject to the Rules and Regulations of the Farmington Electric Utility System.
- B. Service under this Schedule requires an Agreement for Service as determined by the Farmington Electric Utility System.
- C. Service available under this Schedule shall be three-phase, 60 hertz at 69,000 or 115,000 volts, subject to availability at the premises.

Resolution Number: 2013-1492
Approved: October 8, 2013
Effective Date: November 1, 2013