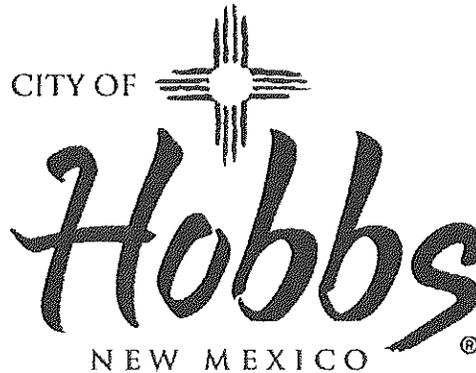


Commission Meeting Agenda



Mayor

Samuel D. Cobb

City Commission

Marshall R. Newman

Jonathan Sena

Patricia A. Taylor

Joseph D. Calderón

Garry A. Buie

John W. Boyd

City Manager

J. J. Murphy

November 2, 2015



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

Monday, November 2, 2015 - 6:00 p.m.

Sam D. Cobb, Mayor

Marshall R. Newman
Commissioner - District 1

Jonathan Sena
Commissioner - District 2

Patricia A. Taylor
Commissioner - District 3

Joseph D. Calderón
Commissioner - District 4

Garry A. Buie
Commissioner - District 5

John W. Boyd
Commissioner - District 6

A G E N D A

CALL TO ORDER AND ROLL CALL

INVOCATION AND PLEDGE OF ALLEGIANCE

APPROVAL OF MINUTES

1. Minutes of the October 19, 2015, Regular Commission Meeting

PROCLAMATIONS AND AWARDS OF MERIT

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

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

2. Resolution No. 6370 - Authorizing the Submission of a Request for Proposal to the New Mexico Non-Metro Area Agency on Aging *(Dalia Conken)*

3. Resolution No. 6371 - Authorizing the Appointment of Mr. Ronnie Munoz, Mr. Bill Morrill and Mr. Coby Shields to the City of Hobbs Labor Management Relations Board (*Mike Stone*)
4. Resolution No. 6372 - Authorizing the Appointment of Mr. Dean Miniacci to the Lodgers' Tax Board and the Appointment of Ms. Cindy Walker to the Cemetery Board (*Mayor Sam Cobb*)
5. Resolution No. 6373 - Authorizing the Approval of a Grant Application to the New Mexico EMS Local System Improvement Project Grant to Purchase Six (6) Stryker XPS Retro Kits (*Fire Chief Eric Enriquez*)
6. Resolution No. 6374 - Approving the City of Hobbs 2015 Fiscal Year Capital Asset Inventory (*Toby Spears*)
7. Consideration of Approval of the Public Art Committee's Recommendation to Accept Four (4) Pieces of Art from Lea County State Bank (*Mike Stone*)

DISCUSSION

8. Census Update

ACTION ITEMS (Ordinances, Resolutions, Public Hearings)

9. **PUBLIC HEARING**: Resolution No. 6375 - Concerning the Application of HDF Hobbs, LLC, d/b/a Hilton Garden Inn for Transfer of Ownership and Location of Liquor License No. 28006 to be Located at 4620 North Lovington Highway, Hobbs, New Mexico (*Mike Stone*)
10. **PUBLIC HEARING**: Resolution No. 6376- Concerning the Application of El Coco Pirata 2, LLC, d/b/a El Coco Pirata 2 for a Restaurant Liquor License for the Sale of Beer and Wine at 221 North Dal Paso Street, Hobbs, New Mexico (*Mike Stone*)
11. Consideration of Approval of the Public Art Committee's Recommendation to Acquire a Sculpture for the Hobbs Animal Adoption Center Entitled "Who Rescued Who" (*Mike Stone*)
12. Resolution No. 6377 - Adopting a Budgetary Adjustment for FY 15-16 (*Toby Spears*)
13. Resolution No. 6378 - Authorizing the Execution and Delivery of a Water Project Fund Loan/Grant Agreement with the New Mexico Finance Authority in the Total Amount of \$1,807,600 for the Effluent Reuse Project (*Tim Woomer*)

14. Resolution No. 6379 - Authorizing the Submission of an Application for FY 2016 Funding from the New Mexico Water Trust Board to Fund a Segment of the Effluent Reuse Project, Phase II (*Tim Woomer*)
15. Consideration of Approval of Bid No. 1535-16 to Furnish Municipal Vehicles and Recommendation to Reject All Bids and Purchase Vehicles Under New Mexico Approved Purchase Agreements/CES (*Ronny Choate*)
16. Resolution No. 6380 - Approving the Final Plan for Zia Crossing Subdivision, Phase 1, Unit 5, as Recommended by the Planning Board, Located Southwest of the Intersection of Millen Drive and Zia Crossing Parkway (*Kevin Robinson*)
17. Resolution No. 6381 - Approving the Dedication Plat of the Extension of French Drive and Approving the Summary Subdivision of Tract "D-1A" in Section 20 and 21, Township 18 South, as Requested by Grimes Land Company, LTD (*Kevin Robinson*)

COMMENTS BY CITY COMMISSIONERS, CITY MANAGER

18. Next Meeting Date:

- ▶ Regular Meeting - ***Monday, November 16, 2015***, at 6:00 p.m.

ADJOURNMENT

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



CITY OF HOBBS

COMMISSION STAFF SUMMARY FORM

MEETING DATE: November 2, 2015

SUBJECT: City Commission Meeting Minutes

DEPT. OF ORIGIN: City Clerk's Office
DATE SUBMITTED: October 28, 2015
SUBMITTED BY: Jan Fletcher, City Clerk

Summary:

The following minutes are submitted for approval:

- ▶ Regular Meeting of October 19, 2015

Fiscal Impact:

Reviewed By: _____
Finance Department

N/A

Attachments:

Minutes as referenced under "Summary".

Legal Review:

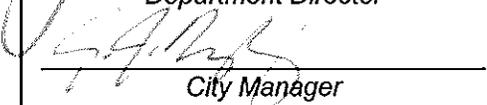
Approved As To Form: _____
City Attorney

Recommendation:

Motion to approve the minutes as presented.

Approved For Submittal By:


Department Director


City Manager

CITY CLERK'S USE ONLY
COMMISSION ACTION TAKEN

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

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

Minutes of the regular meeting of the Hobbs City Commission held on Monday, October 19, 2015, in the City Commission Chamber, 200 East Broadway, 1st Floor Annex, Hobbs, New Mexico.

Call to Order and Roll Call

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

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

Also present:

J. J. Murphy, City Manager
Mike Stone, City Attorney
Eric Enriquez, Fire Chief
Barry Young, Deputy Fire Chief
Shawn Williams, Fire Marshal
Paul Thompson, Fire Captain
Chris McCall, Police Chief
Raymond Bonilla, Community Services Director
Manny Marquez, Building Official
Art De La Cruz, Code Enforcement Superintendent
Ron Roberts, Information Technology Director
Toby Spears, Finance Director
Todd Randall, City Engineer
Kevin Robinson, Development Coordinator
Tim Woomer, Utilities Director
Doug McDaniel, Parks and Recreation Director
Matt Hughes, Golf Superintendent
Britt Lusk, Teen Center Supervisor
Meghan Mooney, Director of Communications
Nikki Sweet, Human Resources Director
Nicholas Goulet, Benefits and Safety Coordinator
Ronny Choate, General Services Director
Sandy Farrell, Library Director
Ann Betzen, Executive Assistant/Risk Manager
Mollie Maldonado, Deputy City Clerk
Jan Fletcher, City Clerk
25 citizens

Invocation and Pledge of Allegiance

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

Approval of Minutes

Commissioner Newman moved that the minutes of the special meeting held on October 1, 2015, and the regular meeting held on October 5, 2015, be approved as presented. Commissioner Boyd seconded the motion and the vote was recorded as follows: Newman yes, Sena yes, Taylor yes, Calderón yes, Buie yes, Boyd yes, Cobb yes. The motion carried.

The City Commission convened in closed executive session on Monday, October 19, 2015, at 7:05 p.m., for discussion of limited personnel matters. No action was taken during the meeting.

Proclamations and Awards of Merit

There were no proclamations or awards of merit presented.

Public Comments

Mr. Chuck Collins, a Parks and Recreation employee, recommended the City Commission keep Mr. J. J. Murphy as the City Manager. He stated Mr. Murphy is moving the City in a positive direction. Mr. Ben Fuentes, also a Parks and Recreation employee, agreed with Mr. Collins' remarks.

Ms. Helen Houston of the African American Chamber of Commerce invited the Commission to attend the Entrepreneur Empowerment Day Expo to be held on October 24, 2015, from 9:00 a.m to 3:00 p.m, at the New Mexico Junior College campus. She stated a banquet will be held that evening from 5:30 p.m. to 8:00 p.m. at the Zia Park Casino.

Ms. Houston also reported that she observed a dog running at large in the 1400-1500 block of Dunnam. Mayor Cobb stated City staff will look into the matter.

Consent Agenda

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

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

Resolution No. 6367 - Determining that Certain Structures are Ruined, Damaged and Dilapidated Requiring Removal from the Municipality (110 North Dal Paso).

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

Discussion

Public Art Committee Update. Dr. Charley Smith, Chairperson of the Public Art Committee, recognized the members of the Public Art Committee: Ms. Sandy Farrell, Ms. Mary Lyle, Ms. Joanne Zespy, Mr. Daniel Russell and Ms. Tere Boyd. Dr. Smith stated the Public Art Committee was formed in January, 2013. He stated the City funded the Committee \$300,000.00 with \$100,000.00 up-front and \$200,000.00 to be earned by a 3:1 donation. Dr. Smith stated \$100,000.00 was utilized on the "The Learning Curve" bronze statue that was placed at the Hobbs Public Library. He stated three proposals are being presented to the Commission tonight for art pieces:

Proposal No. 1: The first art piece will cost \$28,000.00 for a bronze statue entitled "Who Rescued Who" to be placed at the Hobbs Animal Adoption Center (HAAC). Dr. Smith stated the State will allocate \$5,000.00 if the land is provided by the City and the 1% is matched in the amount of \$1,666.00. He stated the land will be required to have landscaping.

In response to Commissioner Sena's inquiry, Dr. Smith stated the artist of "Who Rescue Who" is from Colorado.

Commissioner Boyd stated he is in favor of the bronze statue and would like to see the project move forward.

Dr. Smith suggested Mr. J. J. Murphy, City Manager, and Mr. Toby Spears, Finance Director, contact the State regarding the exact requirements the State is requesting.

In reply to Commissioner Newman's question, Dr. Smith stated the bronze statue will be placed on the west wall of the HAAC near the entrance.

In reply to Mayor Cobb's inquiry, Mr. Russell stated that area was jointly selected by Mr. Ronny Choate, General Services Director, and the Art Committee. It is the best suited area at the HAAC.

After a discussion regarding State funding, Mayor Cobb commended the Public Art Committee for its hard work and stated the Committee has worked diligently since it was formed in 2013.

Proposal No. 2: Dr. Smith stated he would like to recognize Mr. Barry Peters for being a part of the proposal for the second art piece. Dr. Smith stated the Friends of the Library have been holding fundraisers in order to have a local artist paint a picture to be placed at the Hobbs Public Library. He stated the artist's fee is \$18,000.00. Dr. Smith introduced Mr. Walt Case who is the Chair of the Friends of the Library.

Mr. Case stated one of the goals of the Friends of the Library is to enhance the Library. He stated the artist has presented three demos of the picture in miniature form and the artwork will be 4 ½' x 13 ½' when it is completed in its original form.

Commissioner Sena stated it is a great idea to feature a local artist at the Library.

Proposal No. 3: Dr. Smith stated the third proposal does not include any monetary cost. He stated the Art Committee toured the Lea County State Bank storage facility to view pieces of art that are no longer being utilized by the bank. He stated the recommendation is for the City to accept these art pieces as a donation but they would have to be put included as a part of the City's asset list. Dr. Smith disclosed that one of the pieces of art was painted by his mother-in-law. He stated there is no financial gain from his family regarding the painting.

In reply to Commissioner Newman's question, Mayor Cobb stated the donation of the art is not part of the Committee's match.

Mr. Mike Stone, City Attorney, reminded the Commission that this item is only for discussion and no action can be taken on the proposals tonight.

In response to Mr. Stone's remarks, Mayor Cobb stated the Public Art Committee is well aware that this presentation is for discussion only and is not for a vote. He stated action will be taken by the Commission at its next scheduled meeting with the proposal being on the action agenda.

Action Items

FINAL ADOPTION: Ordinance No. 1091 - Approving a Real Estate Purchase Agreement to Sell and Convey a Parcel of Land Comprised of Lot 2 within the Hobbs Industrial Airpark South Subdivision, Containing 3.49 Acres +/- to Bridgeway Properties, LLC, for the Purchase Price of \$80,400.00. Mr. Kevin Robinson, Development Coordinator, explained the ordinance and stated the intent is to sell a parcel of land comprised of lot 2 within the Hobbs Industrial Airpark South Subdivision, containing 3.49 acres +/- to Bridgeway Properties, LLC, in the amount of \$80,400.00. He stated the City still owns approximately 42 acres +/- in the South Subdivision of HIAP.

Proper publication having been made, and there being no public comments or discussion, Commissioner Boyd moved that Ordinance No. 1091 be adopted as presented. Commissioner Sena seconded the motion and the vote was recorded as follows: Newman yes, Sena yes, Taylor yes, Buie yes, Boyd yes, Cobb yes, Calderón yes. The motion carried. A copy of the ordinance is attached and made a part of these minutes.

Resolution No. 6368 - Approving an Affordable Housing Development Agreement with Parkside Terrace CIC, LLLP, for an Affordable Housing Complex Upon Block 47 of the Original Hobbs Addition. Mr. Robinson stated Chelsea Investment Corporation has formed a Limited Liability Limited Partnership, Parkside Terrace CIC, LLLP, in order to utilize the allocation of Low-Income Housing Tax Credits received from the New Mexico Mortgage Finance Authority to finance the development of a 65-unit affordable, multi-family housing complex, to be named "Parkside Terrace", upon Block 47 of the Original Hobbs Addition. He stated the Developer was also allocated a local contribution of \$2,200,000.00 in financial assistance. Mr. Robinson stated the local contribution is to be used for on and off-site improvements necessary to support the development. He stated the proposed resolution will approve the development agreement between the City of Hobbs and Parkside Terrace CIC, LLLP, guiding the development of the complex. Mr. Robinson stated the development agreement allows for the creation and execution of restrictive covenants upon the real property to assure the units produced shall remain affordable units for a period of 45 years. He stated, as per the development agreement, 40% of the available funds shall be disbursed to the Developer when the project is "dried-in" and the remaining 60% shall be made available after the Developer has obtained Certificates of Occupancy for the development.

In reply to Commissioner Boyd's inquiry, Mr. Robinson stated the local contribution of \$2,200,000.00 in financial assistance was approved by the Commission on December 14, 2014.

There being no further discussion, Commissioner Boyd moved that Resolution No. 6368 be adopted as presented. Commissioner Newman seconded the motion and the vote was recorded as follows: Newman yes, Sena yes, Taylor yes, Calderón yes, Buie yes, Boyd yes, Cobb yes. The motion carried. Copies of the resolution and supporting documents are attached and made a part of these minutes.

Resolution No. 6369 - Authorizing the Renewal of Medical, Teladoc, Dental, Life, Short Term Disability and Vision Insurance; Modifying Long-Term Disability; and Adding Benefit Value Advisor. Ms. Nikki Sweet, Human Resources Director, explained the resolution and stated during the preparation of the 2016 Fiscal Year Budget, the City anticipated an increase to insurance costs of 5%. She stated the renewal offer with Blue Cross/Blue Shield is currently at an increase of 9%. Ms. Sweet stated the current funding ratios for medical are as follows: 76% employer/24% employee for employees whose annual salary is greater than \$30,000.00 and 86% employer/14% employee for employees whose annual salary is less than \$30,000.00. She stated the City intends to share the increase in premiums based on these funding ratios. She stated the projected 2016 savings of operating as a self-funded plan are \$725,416.00. Ms. Sweet stated the City will participate in a Benefit Value Advisor (BVA) which is a program offered by BCBS which to assist participants and their covered dependents with health care decision-making. BVA will help improve quality of care and achieve cost savings for both participants and plan sponsor. She stated assuming 15% utilization in first year, the City can anticipate a medical cost savings of \$33,000.00 per year. Ms. Sweet stated the 2016 cost based on the October enrollment for this service is \$13,410.00 annually or \$2.50 per employee per month. She added there is no change in cost or coverage for dental. Ms. Sweet stated Teledoc will remain a 100% benefit for Blue Cross/Blue Shield participants for calendar year 2016. She stated the anticipated cost for calendar year 2016 is \$21,686.00 based on the October, 2015, enrollment. She stated the 2015 projected savings to our medical plan as of September, 2015, based on a one-year utilization is \$22,533.00. Ms. Sweet stated there is no change in cost or coverage for vision. She stated Short Term Disability (STD) renewal is at a decrease of \$2.18 per employee or \$12,018.00 less annually. She stated the annual cost will be \$24,035.00. Ms. Sweet stated the Long Term Disability (LTD) will be modified and will now offer the benefit at 100% of the premium paid by the employee. She stated this change will save the City \$65,323.00 annually. Ms. Sweet stated the Life Insurance renewal resulted in no changes.

Mayor Cobb stated the Teldoc Program is an excellent benefit to the employees, allowing them to talk to the a doctor on the phone instead of going in for an office visit.

In reply to Commissioner Sena's inquiry, Ms. Sweet stated Teldoc does their own marketing to City employees who have medical insurance.

In response to Commissioner Newman's question, Ms. Sweet stated there has been zero usage of the LTD since it was implemented.

There being no further discussion, Commissioner Sena moved that Resolution No. 6369 be adopted as presented. Commissioner Calderón seconded the motion and the vote was recorded as follows: Newman yes, Sena yes, Taylor yes, Calderón yes, Buie yes, Boyd yes, Cobb yes. The motion carried. Copies of the resolution and supporting documents are attached and made a part of these minutes.

Consideration of Approval of Bid No. 1538-16 for Renovations at Fire Station No. 2 and Recommendation to Accept Bid from Lasco Construction, Inc., in the Amount of \$244,264.00. Mr. Ronny Choate, General Services Director, explained the bid and stated four bids were mailed and only two were received for the renovation at Fire Station No. 2. He stated the project will renovate the dorm area to include dorms for women and construct small individual areas. Mr. Choate stated this project will also include renovation to the exterior of the building including new windows, new doors and stucco. He stated Fire Stations No. 1 and 4 have already been renovated to include women's dorms, etc.

In response to Mayor Cobb's question, Mr. Choate stated Fire Station 2 is located on the Northeast corner of Jefferson and Bender.

In reply to Commissioner Boyd's inquiry, Mr. Choate stated this is the third renovation for Fire Station 2. He added the last renovation was done three years ago which updated the kitchen and truck bay.

There being no further discussion, Commissioner Sena moved to approve the bid with Lasco Construction of Hobbs, NM, in the amount of \$244,264.00 for renovations at Fire Station No. 2 as presented. Commissioner Newman seconded the motion and the vote was recorded as follows: Newman yes, Sena yes, Taylor yes, Calderón yes, Buie yes, Boyd yes, Cobb yes. The motion carried. Copies of the supporting documents are attached and made a part of these minutes.

Comments by City Commissioners, City Manager

Mr. J. J. Murphy, City Manager, stated the Dal Paso Street Renovation Project is scheduled for completion in the first week of November, 2015. Mr. Murphy stated progress requires patience.

Commissioner Boyd expressed appreciation to all for the support and prayers for his medical recovery.

Commissioner Sena welcomed seven Hobbs students who were in attendance.

Commissioner Taylor thanked all of the citizens who are supporting her as a Commissioner in District 3.

Commissioner Calderón stated he recently attended his 55th Class Reunion in Las Cruces.

Mayor Cobb stated a joint meeting with Lea County, City of Hobbs and City of Lovington will be held on Thursday, October 29, 2015, at 6:00 p.m., at the Lea County Event Center for a presentation of the County Census Update by the Bureau of Business and Economic Research (BBER) of the University of New Mexico (UNM).

There being no further discussion or business, Commissioner Calderón moved that the meeting adjourn. Commissioner Sena seconded the motion. The vote was recorded as follows: Newman yes, Sena yes, Taylor yes, Calderón yes, Buie yes, Boyd yes, Cobb yes. The motion carried. The meeting adjourned at 7:00 p.m.

SAM D. COBB, Mayor

ATTEST:

JAN FLETCHER, City Clerk



CONSENT AGENDA



CITY OF HOBBS
COMMISSION STAFF SUMMARY FORM

MEETING DATE: November 2, 2015

SUBJECT: A Resolution Authorizing the submission of an Area Plan to the New Mexico Non-Metro Area Agency on Aging.

DEPT. OF ORIGIN: Parks and Recreation, Senior Center
DATE SUBMITTED: October 22, 2015
SUBMITTED BY: Dalia Conken, Senior Affairs Coordinator

Summary:

The City of Hobbs Parks and Recreation Department will be submitting a Request for Proposal to the Non-Metro Area Agency on Aging and this resolution is required to submit an RFP. The Non-Metro Area Agency award grant money for local services on behalf of senior citizens.

Fiscal Impact:

There is a potential of receiving up to \$ 199,200.00 in grant money from this RFP.

Reviewed By: _____

[Signature]
Finance Department

Attachments:

Funding Information

Legal Review:

Approved As To Form: _____

[Signature]
City Attorney

Recommendation: For the Commission to adopt this Resolution.

Approved For Submittal By:

[Signature]
Department Director

[Signature]
City Manager

CITY CLERK'S USE ONLY
COMMISSION ACTION TAKEN

Resolution No. _____

Continued To: _____

Ordinance No. _____

Referred To: _____

Approved _____

Denied _____

Other _____

File No. _____

*This Staff Summary Form will be officially presented at the November 2, 2015 Commission Meeting.

CITY OF HOBBS

RESOLUTION NO. 6370

A RESOLUTION AUTHORIZING SUBMISSION
OF A REQUEST FOR PROPOSAL TO THE NON-METRO
NEW MEXICO AREA AGENCY ON AGING

WHEREAS, the City of Hobbs City Commission has determined that there is a need to provide services for senior citizens; and

WHEREAS, the Citizens of the City of Hobbs were afforded an opportunity to submit suggestions and recommendations at advertised public hearings,

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HOBBS, NEW MEXICO, that the Mayor is authorized to sign and enter into a contract for the approved Four Year Plan (2017-2020) with the Non-Metro New Mexico Agency on Aging.

PASSED, ADOPTED AND APPROVED this 2nd day of November, 2016.

SAM D. COBB, Mayor

ATTEST:

Jan Fletcher, City Clerk

*This resolution will be formally presented to the Commission at the November 2, 2015 meeting.



CITY OF HOBBS
COMMISSION STAFF SUMMARY FORM

MEETING DATE: November 2, 2015

SUBJECT: Resolution to Appoint the Labor Management Relations Board

DEPT. OF ORIGIN: Legal Department
DATE SUBMITTED: October 28, 2015
SUBMITTED BY: Michael H. Stone, City Attorney

Summary:

Pursuant to 2.60.070 of the Hobbs Municipal Code, the City is to create a Labor Management Relations Board. The board is comprised of three members, appointed by the Mayor and approved by the City Commission. One member is appointed upon the recommendation of individuals representing labor, one member shall be appointed by the recommendation of the City Manager, and the third member shall be appointed on the recommendation of the first two appointees.

The current board is made up of Mr. Ronnie Munoz, Labor appointee, Mr. Hal Brunson, City appointee and Mr. Coby Shields, as the third member. The City desires to replace Hal Brunson with Mr. Bill Morrill as Management's appointee.

Mayor Cobb should appoint Mr. Bill Morrill, Mr. Ronnie Munoz and Mr. Coby Shields to the Labor Management Relations Board.

Fiscal Impact:

There is no significant fiscal impact associated with this resolution

Reviewed By: _____

[Signature]
Finance Department

Attachments:

Resolution

Legal Review:

Approved As To Form: _____

[Signature]
City Attorney

Recommendation: The Commission should approve this resolution

Approved For Submittal By:

[Signature]
Department Director

[Signature]
City Manager

CITY CLERK'S USE ONLY
COMMISSION ACTION TAKEN

Resolution No. _____

Ordinance No. _____

Approved _____

Other _____

Continued To: _____

Referred To: _____

Denied _____

File No. _____

CITY OF HOBBS

RESOLUTION NO. 6371

A RESOLUTION APPROVING THE APPOINTMENT
OF THE LABOR MANAGEMENT RELATIONS BOARD

WHEREAS, the City is to create a Labor Management Relations Board; and

WHEREAS, the board is comprised of three members appointed by Mayor Cobb and approved by the City Commission; and

WHEREAS, one member is recommended by individuals representing labor, one member shall be recommended by the City Manager, and the third member shall be appointed on the recommendation of the first two appointees; and

WHEREAS, the labor appointee is Mr. Ronnie Munoz, the management appointee is Mr. Bill Morrill, the third member is Mr. Coby Shields; and

WHEREAS, the City Commission should approve Mayor Cobb's appointment of Mr. Ronnie Munoz, Mr. Bill Morrill and Mr. Coby Shields as members of the Labor Management Relations Board for 2015-2016.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HOBBS, NEW MEXICO, that the City Commission approves Mayor Cobb's appointment of Mr. Ronnie Munoz, Mr. Bill Morrill and Mr. Coby Shields as members of the Labor Management Relations Board for 2015-2016.

PASSED, ADOPTED AND APPROVED this 2nd day of November, 2015.

SAM D. COBB, Mayor

ATTEST:

JAN FLETCHER, City Clerk



CITY OF HOBBS
COMMISSION STAFF SUMMARY FORM

MEETING DATE: 11-2-15

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

DEPT. OF ORIGIN: Mayor's Office
DATE SUBMITTED: 10-26-15
SUBMITTED BY: Sam D. Cobb, Mayor

Summary:

The Mayor would like to appoint Dean Miniacci to the Lodgers' Tax Board to fill the position vacated by Kevin Sweet. This term will expire January 1, 2017.

The Mayor would like to appoint Cindy Walker to the Cemetery Board to fill the position vacated by Joe Walker. This term will expire March 31, 2017.

Fiscal Impact:

There is no effect on the current year budget.

Reviewed By: 
Department

Attachments:

Resolution

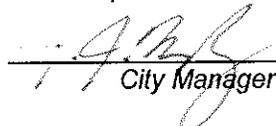
Legal Review:

Approved As To Form: 
City Attorney

Recommendation:

Motion to approve Resolution.

Approved For Submittal By:

Department Director

City Manager

CITY CLERK'S USE ONLY
COMMISSION ACTION TAKEN

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

CITY OF HOBBS

RESOLUTION NO. 6372

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

BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HOBBS, NEW MEXICO, that the Mayor be and hereby is authorized to appoint Dean Miniacci to the Lodgers' Tax Board to serve the unexpired term of Kevin Sweet; term will expire January 1, 2017.

The Mayor also wishes to appoint Cindy Walker to the Cemetery Board to serve the unexpired term of Joe Walker; term will expire March 31, 2017.

PASSED, ADOPTED AND APPROVED this 2nd day of November, 2015.

SAM D. COBB
Mayor

ATTEST:

JAN FLETCHER
City Clerk



CITY OF HOBBS
COMMISSION STAFF SUMMARY FORM

MEETING DATE: November 2, 2015

SUBJECT: FY2017 NM EMS Local System Improvement Project Grant
DEPT. OF ORIGIN: Fire
DATE SUBMITTED: October 26, 2015
SUBMITTED BY: Barry Young, Deputy Fire Chief

Summary: The City of Hobbs Fire Department is eligible to participate in the FY17 NM EMS Local System Improvement Project Grant. The projects for this grant must contribute to the enhancement and/or integration of the local EMS system.

The Hobbs Fire Department wishes to utilize this grant for the purchase of 6 Stryker XPS (Expandable Patient Surface) retrofit kits. The Stryker XPS provides an expanded patient surface area which can easily be retrofitted with compatible cots. XPS is adjustable with 7 locking positions and includes a wider mattress which reduces transfer gap and is designed with patient comfort in mind.

Fiscal Impact:

Reviewed By: [Signature] Finance Department

The total cost for this project is \$12,730.80. This is a 100% percent grant, with no matching funds necessary from the City. Therefore, there is no fiscal impact to the City of Hobbs.

Attachments:

- Resolution
Grant Application

Legal Review:

Approved As To Form: [Signature] City Attorney

Recommendation:

Approval of the resolution to submit the FY2017 NM EMS Local Systems Improvement Project Grant for the purchase of Stryker XPS retrofit kits.

Approved For Submittal By:

[Signature] Department Director

[Signature] City Manager

CITY CLERK'S USE ONLY
COMMISSION ACTION TAKEN

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

CITY OF HOBBS

RESOLUTION NO. 6373

A RESOLUTION AUTHORIZING THE APPROVAL OF A
GRANT APPLICATION WITH THE NEW MEXICO
EMS LOCAL SYSTEM IMPROVEMENT PROJECT GRANT

WHEREAS, the Hobbs Fire Department is eligible to participate in the FY17 NM
EMS Local System Improvement Project Grant; and

WHEREAS, the projects for this grant must contribute to the enhancement and/or
integration of the local EMS system; and

WHEREAS, the grant will be utilized to purchase six (6) Stryker XPS
(Expandable Patient Surface) retro kits which will provide an expanded patient surface
area and improve safety and comfort to our patients;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE
CITY OF HOBBS, NEW MEXICO, that the Mayor be and hereby is authorized and
directed to execute on behalf of the City of Hobbs Fire Department a Grant Application
with the NM EMS Local System Improvement Grant for FY17.

PASSED, ADOPTED AND APPROVED this 2nd day of November, 2015.

SAM D. COBB, Mayor

Attest:

JAN FLETCHER, City Clerk



**EMS FUND ACT
LOCAL SYSTEM IMPROVEMENT PROJECT
APPLICATION
FOR FISCAL YEAR 2017**



Due Date: November 20, 2015

FOR BUREAU USE ONLY (do not write in this area)				
Date Received	Region	Status	Reviewer	Disposition

Name of Applicant → <i>(EMS Service/Agency)</i>	City of Hobbs Ambulance Service
---	---------------------------------

Address →	301 E White, Hobbs NM 88240
------------------	-----------------------------

Contact Person →	Brandon Roberts; Battalion Chief	
575-397-9308	575-397-9331	broberts@hobbsnm.org
Telephone #	Fax #	Email

Fiscal Agent → <i>(County or Municipality)</i>	City of Hobbs
--	---------------

Address →	200 W Broadway, Hobbs NM 88240
------------------	--------------------------------

Contact Person →	Toby Spears	
575-397-9235	575-397-9257	tspears@hobbsnm.org
Telephone #	Fax #	Email

Name(s) of other EMS Service(s) and/or communities involved in this project:	N/A
---	-----

A. Detailed Analysis of Problem/Need:

Describe the proposed Local EMS System Improvement Project. Include a detailed analysis of the need and a narrative showing how this project will contribute to and/or improve the Local EMS System. (Attach additional sheets if necessary)

See Attached

B. Service Area Description:

Describe the existing EMS System for which the Local EMS System Improvement Project is being requested. Information should include a complete service area description, organization of the system and which services are involved (responding units, rescues, ambulances, hospital, etc). Provide as much detail as possible regarding your current system. (Attach additional sheets if necessary)

See Attached

C. Project Impact:

Describe in detail the impact on the Local EMS System if the project is approved, and the impact if not approved. (Attach additional sheets if necessary)

See Attached

D. Cost of Project:

Project Components/ Description	See attached

Total Cost of Project (Please provide an Itemized Estimate)*1	\$12,730.80
Monetary Contribution from Recipient/Applicant *2	N/A
Amount Requested from Fund Act	\$12,730.80

*1. Applicant must provide an itemized expense report/estimate for entire project.

*2. Applicant must provide an itemized report of monetary contributions; include amount, source and any special considerations.

E. Letters of Collaboration/Support:

Letters of support from other services, entities, and stakeholders greatly strengthen the application. Each service's, entities, or stakeholder's support should be expressed in 3 or more separate letter. **NO DUPLICATES.**

All letters of support must be included with this application.

Letters will not be accepted once the application is submitted, unless prior approved

F. Accountability of Previously Funded special project:

Has this service been awarded special funding (i.e., Trauma Systems, Vehicle, Local or Statewide) within the last 5 years? Please describe the status/outcome of the funded project/vehicle. **Failure to accurately disclose this information will disqualify the application.**

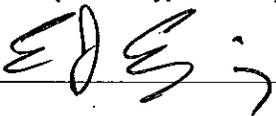
FY of Award	Amount	Name of Project/Description	Status
2014	\$7,096	Local Systems: Stair Chairs	Completed
2012	\$10,000	Local Systems: Gurneys	Completed
2011	\$30,000	NM Fire Protection Scba & Comm's	Completed

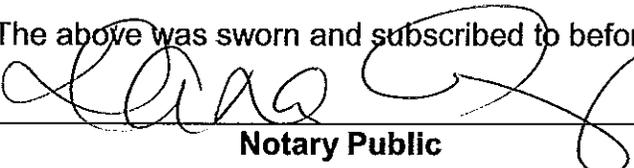
2010	\$90,000	DHS Grant SCBA NFPA Compliancy	Completed
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ASSURANCES

The following are required assurances associated with your EMS Local System Improvement Project for Fiscal Year 17.

- I certify that funds received through this distribution will be used only for the purposes and under the condition expressed in the application or its approved amendment(s);
- I certify that we will provide the support and involvement either cash and/or in kind contributions as described in this application;
- I certify that we and the local recipient(s), understand and agree to comply with all applicable requirements of the New Mexico Department of Health; and
- I certify that the information contained in this application is true and correct to the best of my knowledge.

<u>Chief / Director of Local EMS Service</u>	
NAME: <u>ERIC J. ENRIQUEZ</u> <small>(Print / Type Name)</small>	TITLE: <u>Fire chief</u>
SIGNATURE: <u></u>	DATE: <u>10/26/15</u>

The above was sworn and subscribed to before me this 26th of October 2015
(Day) (Month)


Notary Public

My commission expires: September 19, 2017

(SEAL)

<u>Mayor / Chairman County Commission</u>	
NAME: _____ <small>(Print / Type Name)</small>	TITLE: _____
SIGNATURE: _____	DATE: _____

The above was sworn and subscribed to before me this _____ of _____, 20____
(Day) (Month)

Notary Public

My commission expires:

Regional Office and Service Checklist

		Region Initial	Service Initial
1.	All signatures on proper signature lines	_____	_____
2.	All quotes attached if applicable	_____	_____
3.	All Letters of Support	_____	_____
4.	All notary signatures in proper place	_____	_____
5.	All detailed contributions listings	_____	_____
6.	All benefiting services or counties listed	_____	_____
7.	Letter and approval of extension if needed	_____	_____
8.	Fiscal Agent's correct mailing address	_____	_____
9.	Recipient's correct mailing address	_____	_____
10.	Original and 2 Copies-No special binding.	_____	_____

Regional Office Reviewer

NAME: _____
(Print / Type Name)

TITLE: _____

SIGNATURE: _____

DATE: _____

**EMS FUND ACT
LOCAL SYSTEM IMPROVEMENT PROJECT
APPLICATION
FOR FISCAL YEAR 2017**

A: Detailed Analysis of Problem/Need

The Hobbs Fire Department is experiencing an increase in calls including patients in the obese to morbidly obese category. To safely package and transport these patients, an expandable platform for one of the department's Stryker gurneys was purchased, and is quite frankly used often. The fleet consists of 7 medic units; all with the same Stryker gurneys. Having the ability to expand the existing cot when needed is a very functional and efficient means to patient packaging for the obese.

B: Service Area Description

Hobbs is located in the Southeast corner of New Mexico. The department is budgeted for (77) personnel, with a fire district expanding 170 square miles, and an EMS/Rescue district with a greater expanse of 1200 square miles. Currently the population coverage is that of approximately 50,000 citizens, which is covered with (4) stations staffed with three (24) hour shifts. In 2014, the department responded to (7801) calls for service; 1215 Fire/Rescue, 6586 EMS. The fleet includes; (7) ambulances, (4) engines, (4) grass rigs, (2) ladder trucks, (2) rescues, (1) HAZMAT truck and trailer, and (1) Tanker. All stations are capable of providing structural, as well as wild land suppressions, and EMS at the ALS level. Special services include regional HAZMAT response, Airport Rescue Fire Fighting, and SWAT medics. Hobbs has (1) area hospital (Lea Regional Medical Center), for EMS transport.

C: Project Impact

The goal behind this request is to improve the safety and comfort for obese patients during transport. The stability during transport for a patient which exceeds the capacity for a standard gurney is greatly reduced which leads to heightened anxiety, as well as lessened spinal immobilization (XPS cots can accommodate up to 700 lbs). In addition, having a wider platform greatly facilitates EMT's with IV access via better arm control with wings designed to keep patients from hanging over the sides. Also, cots with XPS meet current tip stability standards for both the patients as well as provider safety. They are also engineered with durability, as well as ease of cleanliness. With the addition of the expandable platform, these situations can be better addressed. The Department would like to move forward with the (6) requested Stryker retrofit kits.

References:

1. Emergency Care 3rd Edition, page 110
2. Emergency Care 3rd Edition, page 36
3. Stryker Brochure

D: Cost of Project

The associated cost is to outfit the ambulance fleet for HFD:
Stryker XPS Retrofit Kit; \$2121.80/ea
Total funds requested: \$12,730.80



**LEA REGIONAL
MEDICAL CENTER**

5419 North Lovington Highway
P.O. Box 3000
Hobbs, New Mexico 88240
575-492-5000
www.learegionalmedical.com

October 20, 2015

New Mexico EMS Bureau
1301 Siler Road, Building F
Santa Fe, NM 87507

To Whom It May Concern:

As the CEO of Lea Regional Medical Center I am writing this letter in support of Hobbs EMS as they apply to the Local Systems Fund to be able to purchase 6 Stryker expandable platforms (stretchers for obese patients).

Hobbs EMS provides a vital service to Hobbs and Lea County and for them to be able to purchase these platforms would be a valuable benefit to our community.

If you have any further questions or need any additional information, please do not hesitate to contact me at 575/492-5101

Sincerely,

Timothy Thornell
Chief Executive Officer

Cc: Michael Prudencio, Captain, EMS Coordinator, Hobbs EMS

/mm



CITY OF HOBBS
COMMISSION STAFF SUMMARY FORM

MEETING DATE: November 2, 2015

SUBJECT: Resolution approving FY2015 Capital Asset Inventory
DEPT. OF ORIGIN: Finance Department
DATE SUBMITTED: 10/21/15
SUBMITTED BY: Deborah Corral, Assistant Finance Director

Summary:

The City Commission should certify the Capital Asset Inventory annually per Section 2.20.1.16.E NMAC which states "The results of the physical inventory shall be recorded in a written inventory report, certified as to correctness and signed by the governing authority of the agency." Amounts submitted for certification for the Fiscal Year ending June 30, 2015 are as follows:

- Governmental Fixed Assets \$281,449,717.10
- Business Type Activity Fixed Assets \$126,194,339.83.

Each department has been provided a listing of the assets related to their various areas and have submitted a certification of correctness to the Finance Department.

Fiscal Impact:

No fiscal impact.

Reviewed By: _____

Finance Department

Attachments:

- Resolution,
- A summary of capital assets detailing the beginning balance, additions, deletions and the FY14 ending balance.

Legal Review:

Approved As To Form: _____

City Attorney

Recommendation:

Approval of resolution.

Approved For Submittal By:

Department Director

City Manager

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

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

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

CITY OF HOBBS

RESOLUTION NO. 6374

A RESOLUTION APPROVING THE CITY OF
HOBBS 2015 FISCAL YEAR CAPITAL ASSET INVENTORY

BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HOBBS,
NEW MEXICO that the City Commission hereby approves and certifies the City of
Hobbs Fiscal Year 2015 Capital Asset Inventory.

PASSED, ADOPTED AND APPROVED THIS 2nd day of November, 2015.

SAM D. COBB, Mayor

ATTEST:

JAN FLETCHER, City Clerk

Governmental Activities:

	<i>Balance</i> <i>June 30, 2014</i>	<i>Additions</i>	<i>**Deletions</i>	<i>Balance</i> <i>June 30, 2015</i>
<i>Capital assets not being depreciated:</i>				
<i>Land</i>	5,978,514.35	1,165,409.58		7,143,923.93
<i>Construction in progress</i>	46,206,239.00	14,751,809.41	22,421,793.70	38,536,254.71
	<u>52,184,753.35</u>	<u>15,917,218.99</u>	<u>22,421,793.70</u>	<u>45,680,178.64</u>
<i>Capital assets being depreciated:</i>				
<i>Buildings</i>	42,743,125.24	9,247,272.20	33,120.88	51,957,276.56
<i>Equipment</i>	36,414,963.00	5,699,506.29	1,138,682.66	40,975,786.63
<i>Land improvements</i>	24,231,653.06	15,869,866.59		40,101,519.65
<i>Infrastructure</i>	99,848,376.35	305,953.37		100,154,329.72
	<u>203,238,117.65</u>	<u>31,122,598.45</u>	<u>1,171,803.54</u>	<u>233,188,912.56</u>
<i>Amortizable assets</i>				
<i>Intangible assets</i>	2,472,517.19	108,108.71		2,580,625.90
<i>Total amortizable assets</i>	<u>2,472,517.19</u>	<u>108,108.71</u>	<u>-</u>	<u>2,580,625.90</u>
<i>Total capital assets</i>	<u>257,895,388.19</u>	<u>47,147,926.15</u>	<u>23,593,597.24</u>	<u>281,449,717.10</u>

Business-type Activities:

	<i>Balance</i> <i>June 30, 2014</i>	<i>Additions</i>	<i>**Deletions</i>	<i>Balance</i> <i>June 30, 2015</i>
Capital assets not being depreciated:				
Land	12,472.69	-	-	12,472.69
Construction in progress	18,049,191.58	3,426,954.96	19,305,759.86	2,170,386.68
	<u>18,061,664.27</u>	<u>3,426,954.96</u>	<u>19,305,759.86</u>	<u>2,182,859.37</u>
Capital assets being depreciated:				
Buildings	16,453,256.30	11,993,427.30	-	28,446,683.60
Equipment	43,669,975.15	274,357.16	252,864.31	43,691,468.00
Land improvements	2,310,609.36	11,295.42	112,667.61	2,209,237.17
Infrastructure	41,623,442.74	8,027,148.95	-	49,650,591.69
	<u>104,057,283.55</u>	<u>20,306,228.83</u>	<u>365,531.92</u>	<u>123,997,980.46</u>
Amortizable assets				
Intangible assets	13,500.00	-	-	13,500.00
Total amortizable assets	<u>13,500.00</u>	<u>-</u>	<u>-</u>	<u>13,500.00</u>
Total capital assets	<u>122,132,447.82</u>	<u>23,733,183.79</u>	<u>19,671,291.78</u>	<u>126,194,339.83</u>



CITY OF HOBBS
COMMISSION STAFF SUMMARY FORM

MEETING DATE: November 2, 2015

SUBJECT: Approval of the Public Art Committee's Recommendation to Accept Four Pieces of Art from Lea County State Bank

DEPT. OF ORIGIN: Legal Department
DATE SUBMITTED: October 28, 2015
SUBMITTED BY: Michael H. Stone, City Attorney

Summary:

Lea County State Bank desires to donate four pieces of art to the City of Hobbs. The Public Art Committee has worked with Lea County State Bank and recommends the City accept the art.
The City will not establish values on the art and it will be utilized in public facilities.

Fiscal Impact:

There is no significant fiscal impact associated with this approval

Reviewed By: [Signature]
Finance Department

Attachments:

Legal Review:

Approved As To Form: [Signature]
City Attorney

Recommendation: The Commission should give final approval for the acceptance of the Lea County State Bank art.

Approved For Submittal By:

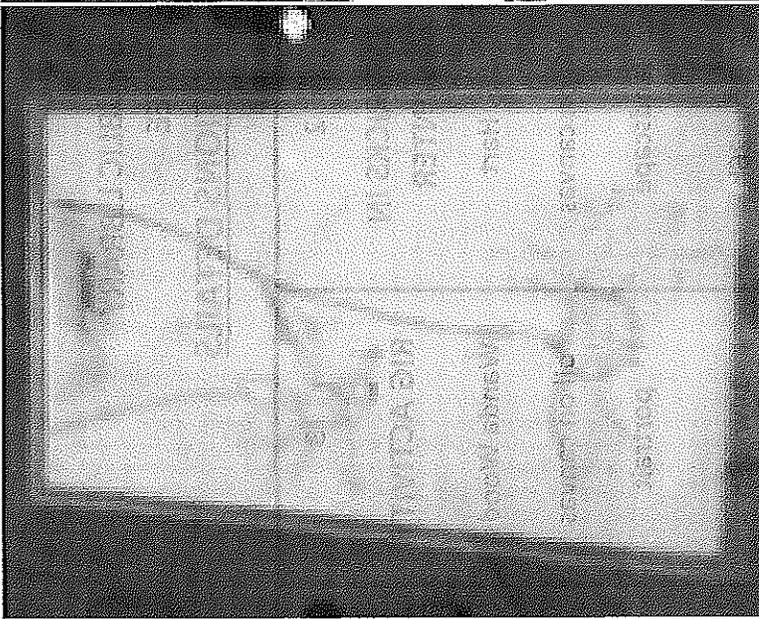
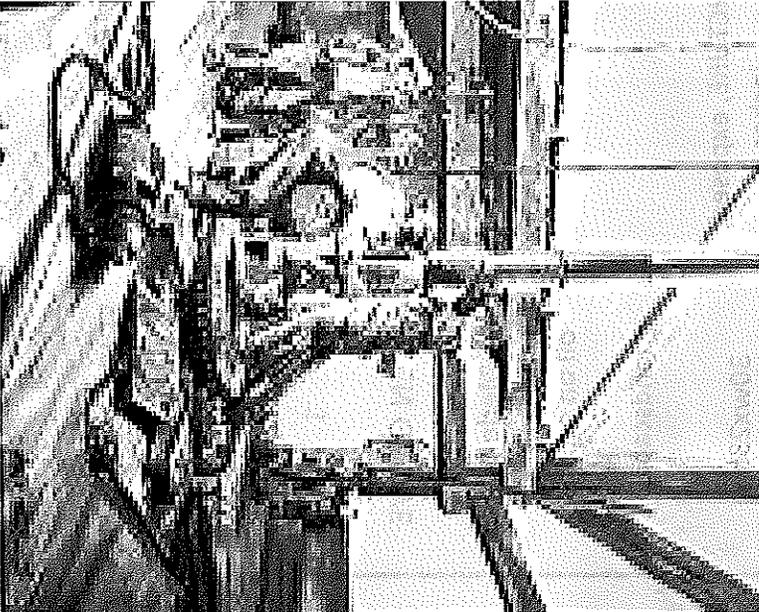
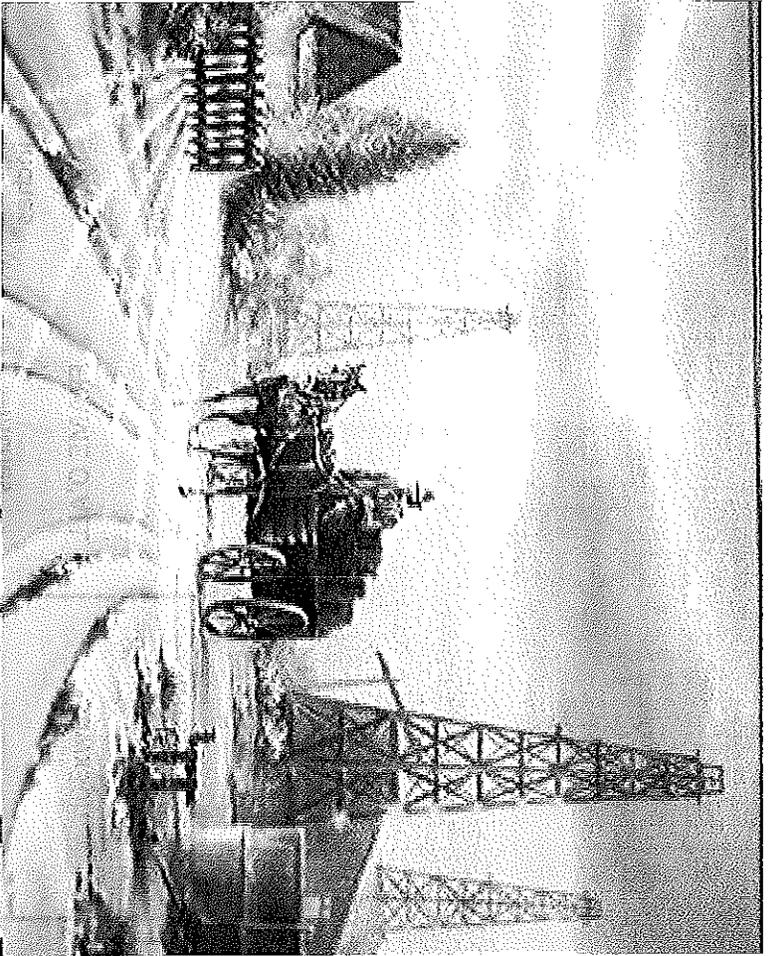
[Signature]

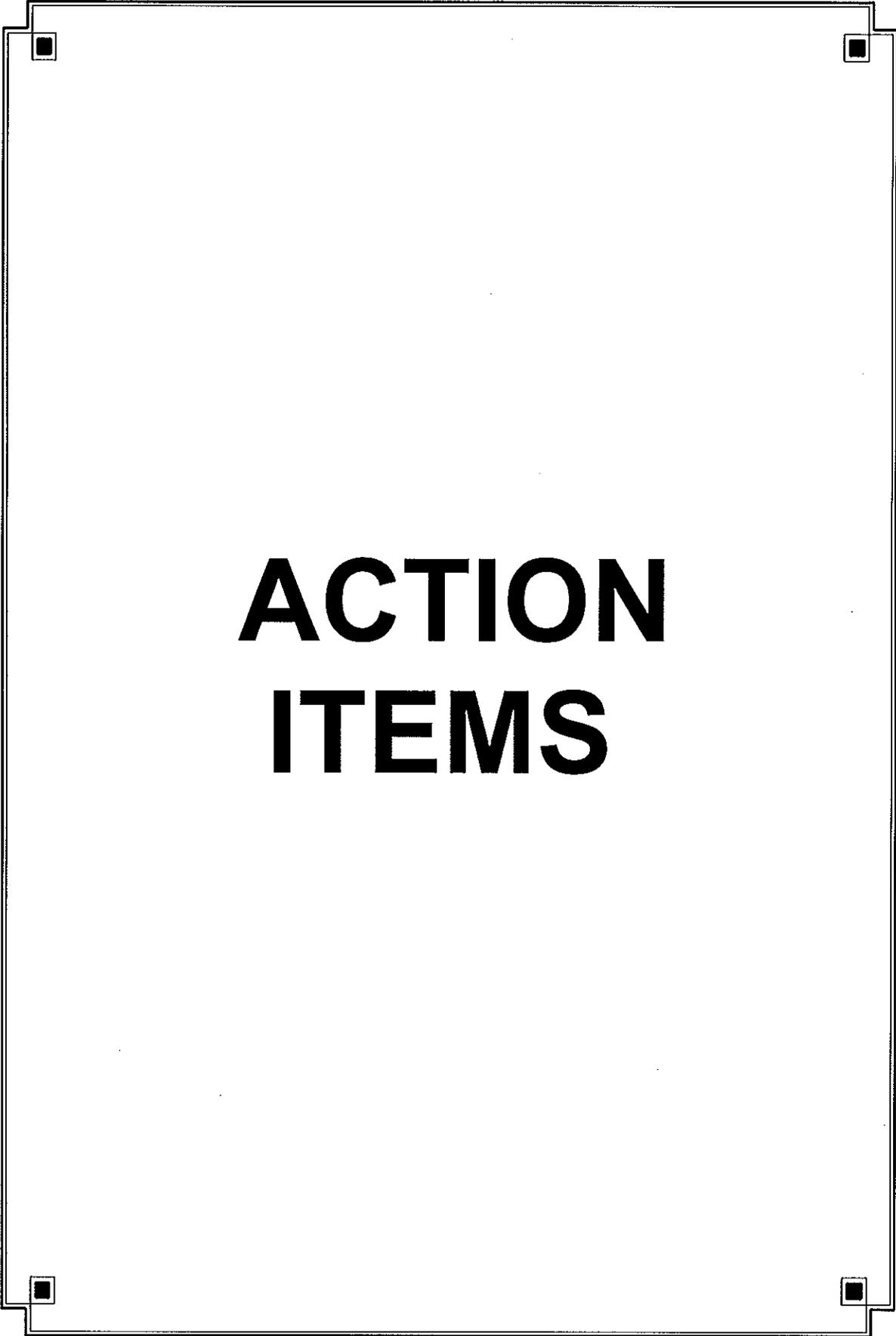
Department Director

[Signature]
City Manager

CITY CLERK'S USE ONLY
COMMISSION ACTION TAKEN

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





ACTION ITEMS



CITY OF HOBBS

COMMISSION STAFF SUMMARY FORM

MEETING DATE: November 2, 2015

SUBJECT: Application of HDF Hobbs, LLC, d/b/a Hilton Garden Inn for a Transfer of Ownership and Location of Liquor License No. 28006 to be Located at 4620 North Lovington Highway.

DEPT. OF ORIGIN: City Clerk's Office
DATE SUBMITTED: October 21, 2015
SUBMITTED BY: Jan Fletcher, City Clerk

Summary:

HDF Hobbs, LLC, d/b/a Hilton Garden Inn has applied to the State of New Mexico, Alcohol and Gaming Division, for the transfer of ownership and location of Liquor License No. 28006 to be located at 4620 North Lovington Highway. The license is currently owned by Tom Mathis and Dianne Mathis d/b/a La Caverna Inn & Suites & Post Time Saloon at 311 West Fox Street in Carlsbad, New Mexico. The application has received preliminary approval from the State of New Mexico.

The application packet was received by the City Clerk's Office on September 28, 2015, and a public hearing must be held by the City within forty-five (45) days from receipt of such notice. The City has duly published notice of the hearing and properly notified the applicant of such hearing by certified mail.

Fiscal Impact:

Reviewed By: [Signature]
Finance Department

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

Attachments:

Application packet from State of New Mexico, Alcohol and Gaming Division; Area Map; and Resolution concerning approval or disapproval of the transfer of ownership and location of the liquor license.

Legal Review:

Approved As To Form: [Signature]
City Attorney

Recommendation:

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

Approved For Submittal By:

[Signature]
Department Director
[Signature]
City Manager

CITY CLERK'S USE ONLY
COMMISSION ACTION TAKEN

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

CITY OF HOBBS

RESOLUTION NO. 6375

A RESOLUTION CONCERNING THE APPLICATION OF
HDF HOBBS, LLC, d/b/a HILTON GARDEN INN
FOR TRANSFER OF OWNERSHIP AND LOCATION
OF LIQUOR LICENSE NO. 28006 TO BE LOCATED AT
4620 NORTH LOVINGTON HIGHWAY, HOBBS, NEW MEXICO

WHEREAS, the City of Hobbs has received the application of HDF Hobbs, LLC, d/b/a Hilton Garden Inn for the transfer of ownership and location of Liquor License No. 28006 to be located at 4620 North Lovington Highway in Hobbs. The license is currently owned by Tom Mathis and Dianne Mathis d/b/a La Caverna Inn & Suites & Post Time Saloon in Carlsbad, New Mexico; and

WHEREAS, the liquor license application has received preliminary approval from the State of New Mexico, Alcohol and Gaming Division; and

WHEREAS, a public hearing is being held by the governing body of the City of Hobbs on November 2, 2015, on the question of whether or not the proposed transfer of ownership and location of the liquor license should be approved.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HOBBS, NEW MEXICO, that the application for transfer of ownership and location of Liquor License No. 28006 submitted by HDF Hobbs, LLC, d/b/a Hilton Garden Inn located at 4620 Lovington Highway in Hobbs, New Mexico, be and is hereby _____
_____ (approved or disapproved).

PASSED, ADOPTED AND APPROVED this 2nd day of November, 2015.

SAM D. COBB, Mayor

ATTEST:

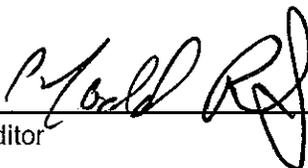
JAN FLETCHER, City Clerk

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

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

Beginning with the issue dated
October 01, 2015
and ending with the issue dated
October 08, 2015.



Editor

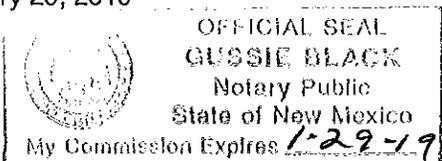
Sworn and subscribed to before me this
8th day of October 2015.



Business Manager

My commission expires
January 29, 2019

(Seal)



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

LEGAL NOTICE
OCTOBER 1, 8, 2015
NOTICE OF PUBLIC HEARING

NOTICE is hereby given that the City Commission of the City of Hobbs, New Mexico, will hold a public hearing at 6:00 p.m., on November 2, 2015, in the City Commission Chamber at City Hall, First Floor Annex, 200 East Broadway, Hobbs, New Mexico. The purpose of the hearing will be to determine whether the State of New Mexico Regulation and Licensing Department, Alcohol and Gaming Division, should approve or disapprove the following application:

**APPLICATION FOR TRANSFER OF OWNERSHIP
AND LOCATION OF LIQUOR LICENSE NO. 28006**

Record Owner of Existing License: Tom Mathis and Dianne Mathis
D/B/A Name: La Caverna Inn & Suites & Post Time Saloon
Current Premises Address: 311 West Fox Street
Carlsbad, NM 88220

Applicant: HDF Hobbs, LLC
D/B/A Name: Hilton Garden Inn
Proposed Premises Address: 4620 North Lovington Hwy.
Hobbs, NM 88240

DATED this 29th day of September, 2015.

/s/ Sam D. Cobb
SAM D. COBB, Mayor

#30363

67108146

00164000

ELDA GONZALEZ
CITY OF HOBBS
200 E. BROADWAY
HOBBS, NM 88240



New Mexico Regulation and Licensing Department
ALCOHOL AND GAMING DIVISION

Toney Anaya Building • 2550 Cerrillos Road • Santa Fe, New Mexico 87505
(505) 476-4875 • Fax (505) 476-4595 • www.rld.state.nm.us

September 24, 2015

RECEIVED

Certified Mail No.: 9171 9690 0935 0078 6750

Susana Martinez
GOVERNOR

Robert "Mike" Unthank
SUPERINTENDENT

James C. McKay
CHIEF GENERAL
COUNSEL

Mary Kay Root
DIRECTOR

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

Re: Lic. No. / Appl. No. License No. 28006 /Appl. No. 964451
Name of Applicant: HDF Hobbs, LLC
Doing Business As: Hilton Garden Inn
Proposed Location: 4620 N. Lovington Highway
Hobbs, New Mexico 88240

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

Greetings:

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

While the law states that "within forty-five (45) days after receipt of a Notice from the Alcohol and Gaming Division, the governing body shall hold a Public Hearing in the question of whether the department should approve the proposed issuance or transfer", we recognize the inherent conflict between the new 30 day notice and the existing 45 day hearing requirement. Extensions to the 45-day hearing requirement will be granted when necessary to allow for compliance with the 30 day notice. Notice of the Public Hearing required by the Liquor Control Act shall be given by the governing body by publishing a notice of the date, time, and place of the hearing twice during the 30 days prior to the hearing in a newspaper of general circulation within the territorial limits of the governing body The first notice must be published at least thirty (30) days before the hearing. Both publications must occur before a hearing can be conducted. The notice shall include: (A) Name and address of the Applicant/Licensee; (B) The action proposed to be taken by the Alcohol and Gaming Division; and (C) The location of the licensed premises. The governing body is required to send notice by certified mail to the Applicant of the date, time, and place of the Public Hearing. The governing body may designate a Hearing Officer to conduct the hearing. A record shall be made of the hearing.

THE APPLICANT IS SEEKING A TRANSFER OF OWNERSHIP & LOCATION OF LIQUOR LICENSE NO. 28006 WITH ON PREMISE CONSUMPTION ONLY.

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

- 1) The proposed location is within an area where the sale of alcoholic beverages is prohibited by the laws of New Mexico. (The governing body may disapprove if the proposed location is within 300 feet of a church or

Alcohol and Gaming Division
(505) 476-4875

Boards and Commissions Division
(505) 476-4600

Construction Industries Division
(505) 476-4700

Financial Institutions Division
(505) 476-4885

Manufactured Housing Division
(505) 476-4770

Securities Division
(505) 476-4580

Administrative Services Division
(505) 476-4800

school unless the license has been located at this location prior to 1981 or unless the Applicant/Licensee has obtained a waiver from the Local Option District governing body for the proposed licensed premises).

- 2) The issuance or transfer would be in violation of a zoning or other ordinance of the governing body. The governing body may disapprove if the proposed location is not properly zoned. Because this office is in receipt of a Zoning Statement from the governing body, this is not a basis for disapproval. Attached is a copy of a Zoning Statement from the local governing body.
- 3) The issuance would be detrimental to the public health, safety, or morals of the residents of the Local Option District. Disapproval by the governing body on public health, safety, or morals must be based on and supported by substantial evidence pertaining to the specific prospective transferee or location and a copy of the record must be submitted to the Alcohol and Gaming Division.

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

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

Sincerely,



Rose L. Garcia
Hearing Officer
NM Regulation & Licensing Dept.
Alcohol & Gaming Division
Phone: 505-476-4552
Fax: 505-476-4595
Email: rosel.garcia@state.nm.us

Enclosures:

1. Original Page 1 of the Application (must be signed and returned).
2. Copy of Page 2 of the Application
3. Zoning Statement



LIQUOR LICENSE APPLICATION

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

State Liquor License # 28006

Application Number 944451

Local option (AGD use) _____

Record Owner of Existing License Tom Mathis and Dianne Mathis
 Current D/B/A Name La Caverna Inn & Suites & Post Time Saloon
 Current Premises Address 311 W. Fox Street, Carlsbad, NM

Application is for: Change of Stock _____ Change of Officers/Directors _____ Transfer Ownership of Existing License _____ Transfer Ownership and Location _____ X _____ Transfer Location

Is _____ New License _____ Type of License being applied for Dispenser

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

NAME OF APPLICANT (company or individual) HDF Hobbs, LLC ADDRESS (including city, state, zip) 5345 Wyoming Blvd NE # 204, Albuquerque, NM 87109 TELEPHONE NUMBER (505)275-8223

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

D/B/A name to be used: Hilton Garden Inn (Exhibit A - Tax Registration Certificate) ✓
 Phone number for licensed premises: (575)393-5645

Physical location where license is to be used: 4620 N. Lovington Highway, Hobbs, Eddy County, NM 88240
 (Include street number / highway number / state road, city and county, state, and zip code)

Mailing address: 5345 Wyoming Blvd, NE # 204, Albuquerque, NM 87109

Are alcoholic beverages currently being dispensed at the proposed location? Yes _____ No X If yes, give license number and type

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

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

Signature of Applicant: X Tushar Patel Date 6/10/11



SUBSCRIBED AND SWORN TO before me this 10 day of June, 2011 By Tushar Patel

Notary Public Amanda Brvanti My Commission Expires 5/31/12

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

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

For Alcohol and Gaming Division Use Only

Approved _____ Disapproved _____ Director Approval _____ Date _____

RECEIVED
 JUL 20 2015
 ALCOHOL & GAMING DIVISION



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

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

Owned by Applicant X Leased by Applicant (attach copy of deed or lease) _____ Other (provide details) _____
(Exhibit C - Warranty Deed) ✓

2. If the land and building are not owned by Applicant, indicate the following:

A. Owner(s) N/A

B. Date and term of lease: N/A

3. Premises location is zoned (example C-1) Not Zoned. (Exhibit D - Zoning Statement) ✓
If the premises is zoned, attach zoning statement from local government giving location address and type of zone, stating whether alcoholic beverages are allowed at proposed location. If there is no zoning, attach confirmation from local government indicating there is no zoning.

4. Distance from nearest church *(Property line of church to licensed premises—shortest distance).
Miles/feet Approx 4,400 ft. Name of church Faith Assembly of God Address/location of church 2400 W. Millen Dr. Hobbs, NM

5. Distance from nearest school *(Property line of school to licensed premises—shortest distance).
Miles/feet Approx. 1,800 ft. Name of school New Mexico Junior College Address/location of school 5317 N. Lovington Highway, Hobbs, NM

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

N : Approx 100 miles Name of Military Installation, circle one: Kirtland Air Force Base (Albuquerque), White Sands Missile Range (Las Cruces), Holloman Air Force Base (Alamogordo), Cannon Air Force Base (Clovis).

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

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

8. Type of Operation:

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

Return this form to the Alcohol and Gaming Division, 2550 Cerrillos Road, Santa Fe, New Mexico 87505, if using overnight delivery.

RECEIVED
DIVISION 5
2015

EXHIBIT D



PLANNING DEPARTMENT

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

April 8, 2015

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

RE: Zoning Certification for beer, wine & full spirits "on premise consumption only" of alcoholic beverages for Hilton Garden Inn located at 4620 N. Lovington Hwy. in Hobbs, NM 88240.

Dear Mr. Hamm:

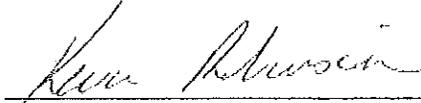
Pursuant to your request for a current Zoning Certification (attached) regarding the sale of beer, wine & full spirits alcoholic beverages for on premise consumption only for Hilton Garden Inn located at 4620 N. Lovington Hwy. in Hobbs, NM, please be advised that the City of Hobbs has not adopted a zoning ordinance to regulate land uses and locations of different types of development or specific business uses throughout the City. Consequently, the City of Hobbs has no current regulations which govern zoning districts and/or land uses, use of buildings, or use of vacant land. Therefore, the proposed land use as referred to herein, including the sale of alcoholic beverages for on premise consumption only at the above referenced property in Hobbs, NM is considered a use by right as of this date of April 8, 2015. The proposed use is in conformance with applicable zoning law as of this date.

Please note that the City does have a Major Thoroughfare Plan, Subdivision Regulations, Flood Zone, Fire Zone, Landscaping Regulations, Building Code, Liquor License and other development regulations that must be followed for improvements and changes in building occupancy types, including yard setback requirements. This letter is in regards to that portion of the above referenced real property that exists within the corporate limits of the City of Hobbs, NM on April 8, 2015.

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

Sincerely,

CITY OF HOBBS, NEW MEXICO



Kevin Robinson – Planning Department

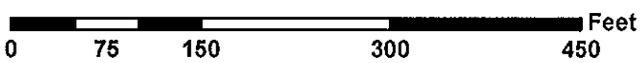
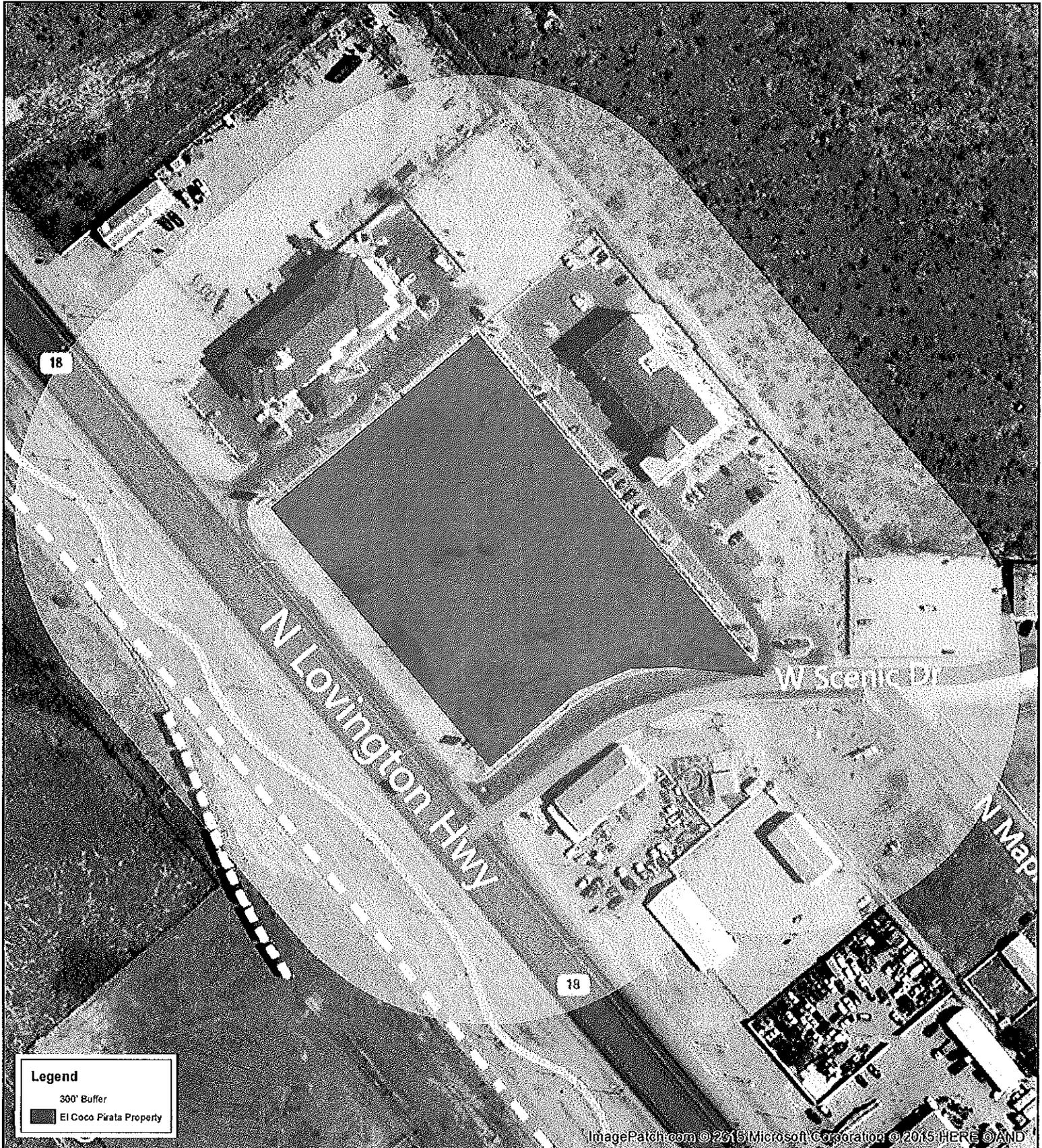
RECEIVED

JUL 20 2015

ALCOHOL & GAMING DIVISION

Hilton Garden Buffer Map

4620 N Lovington Hwy



City of Hobbs GIS/Mapping Department

Date: 9/30/2015 1 inch = 150 feet Time: 4:59:58 PM

DISCLAIMER: THE CITY OF HOBBS MAKES NO WARRANTY, REPRESENTATION OR GUARANTEE OF ANY KIND REGARDING ANY GIS DATA PROVIDED HEREIN OR THE SOURCES OF SUCH DATA. THE CITY OF HOBBS SPECIFICALLY DISCLAIMS ALL REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. DATA CONTAINED WITHIN THIS PRODUCT IS PROVIDED BY THE CITY OF HOBBS FOR INFORMATIONAL PURPOSES ONLY AND NOT IN COMPLIANCE WITH ANY LEGAL REQUIRED SURVEYING STANDARD.



CITY OF HOBBS

COMMISSION STAFF SUMMARY FORM

MEETING DATE: November 2, 2015

SUBJECT: Application of El Coco Pirata 2, LLC, d/b/a El Coco Pirata 2 for a Restaurant Liquor License for the Sale of Beer and Wine at 221 North Dal Paso Street

DEPT. OF ORIGIN: City Clerk's Office
DATE SUBMITTED: October 21, 2015
SUBMITTED BY: Jan Fletcher, City Clerk

Summary:

El Coco Pirata 2, LLC, has applied to the State of New Mexico, Alcohol and Gaming Division, for the issuance of a restaurant liquor license for the sale of beer and wine at the El Coco Pirata 2 Restaurant located at 221 North Dal Paso Street. This application has received preliminary approval from the State of New Mexico.

The application was received by the City Clerk's Office on September 29, 2015, and a public hearing must be held by the City within forty-five (45) days from receipt of such notice. The City has duly published notice of the hearing and properly notified the applicant of such hearing by certified mail.

Fiscal Impact:

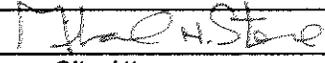
Reviewed By: 
Finance Department

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

Attachments:

Application packet from State of New Mexico, Alcohol and Gaming Division; Area Map; and Resolution concerning approval or denial of the application for a restaurant liquor license.

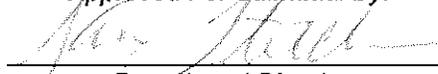
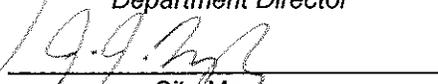
Legal Review:

Approved As To Form: 
City Attorney

Recommendation:

Motion to approve or deny the request; second; vote.

Approved For Submittal By:


Department Director

City Manager

CITY CLERK'S USE ONLY
COMMISSION ACTION TAKEN

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

CITY OF HOBBS

RESOLUTION NO. 6376

A RESOLUTION CONCERNING THE ISSUANCE OF A
RESTAURANT LIQUOR LICENSE TO
EL COCO PIRATA 2, LLC, d/b/a EL COCO PIRATA 2,
221 NORTH DAL PASO, HOBBS, NEW MEXICO

WHEREAS, the City of Hobbs has received the application of El Coco Pirata 2, LLC, d/b/a El Coco Pirata 2 for the issuance of a restaurant liquor license for the sale of beer and wine at 221 North Dal Paso, Hobbs, New Mexico; and

WHERE, the application has received preliminary approval from the State of New Mexico, Alcohol and Gaming Division; and

WHEREAS, a public hearing is being held by the governing body of the City of Hobbs on November 2, 2015, on the question of whether or not the proposed restaurant liquor license should be granted for the sale of beer and wine.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HOBBS, NEW MEXICO, that the restaurant liquor license application of El Coco Pirata 2, LLC, d/b/a El Coco Pirata 2 for the premises located at 221 North Dal Paso Street be and is hereby _____ (*approved or disapproved*) for the sale of beer and wine only.

PASSED, ADOPTED AND APPROVED this 2nd day of November, 2015.

SAM D. COBB, Mayor

ATTEST:

JAN FLETCHER, City Clerk

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

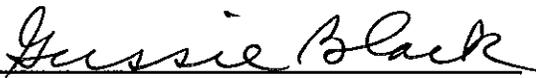
I, Todd Bailey, Editor of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 2 issue(s).

Beginning with the issue dated
October 01, 2015
and ending with the issue dated
October 08, 2015.



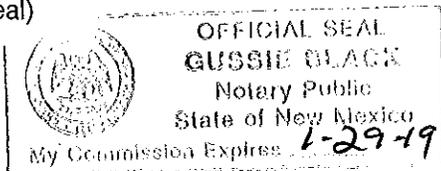
Editor

Sworn and subscribed to before me this
8th day of October 2015.



Business Manager

My commission expires
January 29, 2019
(Seal)



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

LEGAL NOTICE
October 1 and 8, 2015

NOTICE OF PUBLIC HEARING

NOTICE is hereby given that the City Commission of the City of Hobbs, New Mexico, will hold a public hearing at 6:00 p.m., on November 2, 2015, in the City Commission Chamber at City Hall, First Floor Annex, 200 East Broadway, Hobbs, New Mexico. The purpose of the hearing will be to determine whether the State of New Mexico Regulation and Licensing Department, Alcohol and Gaming Division, should approve or disapprove the following application:

**APPLICATION FOR RESTAURANT LICENSE
FOR THE SALE OF BEER AND WINE**

Applicant: El Coco Pirata 2, LLC
D/B/A Name: El Coco Pirata 2
Proposed Premises Address: 221 North Dal Paso
Hobbs, NM 88240

DATED this 29th day of September, 2015.

/s/ Sam D. Cobb
SAM D. COBB, Mayor

#30365

67108146

00164032

ELDA GONZALEZ
CITY OF HOBBS
200 E. BROADWAY
HOBBS, NM 88240



New Mexico Regulation and Licensing Department
ALCOHOL AND GAMING DIVISION

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

September 25, 2015

REC'D

Certified Mail No.: 9171 9690 0935 0079 1750 71

Susana Martinez
GOVERNOR

Robert "Mike" Unthank
SUPERINTENDENT

Tania Maestas, Esq.
ACTING CHIEF GENERAL
COUNSEL

Mary Kay Root
DIRECTOR

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

SEP 25 2015

Re: Lic. No. /Appl. No.: Appl. No. 969797
Name of Applicant: El Coco Pirata 2, LLC
Doing Business As: El Coco Pirata 2
Proposed Location: 221 N. Dal Paso Street
Hobbs, NM 88240

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

Greetings:

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

While the law states that "within forty-five (45) days after receipt of a Notice from the Alcohol and Gaming Division, the governing body shall hold a Public Hearing in the question of whether the department should approve the proposed issuance or transfer", we recognize the inherent conflict between the new 30 day notice and the existing 45 day hearing requirement. Extensions will be granted when necessary to allow for compliance with the 30 day notice. Notice of the Public Hearing required by the Liquor Control Act shall be given by the governing body by publishing a notice of the date, time, and place of the hearing twice during the 30 days prior to the hearing in a newspaper of general circulation within the territorial limits of the governing body. The first notice must be published at least thirty (30) days before the hearing. Both weeks of publication must be satisfied before a hearing can be conducted. The notice shall include: (A) Name and address of the Applicant/Licensee; (B) The action proposed to be taken by the Alcohol and Gaming Division; and (C) The location of the licensed premises. The governing body is required to send notice by certified mail to the Applicant of the date, time, and place of the Public Hearing. The governing body may designate a Hearing Officer to conduct the hearing. A record shall be made of the hearing.

Alcohol and Gaming Division
(505) 476-4875

Boards and Commissions Division
(505) 476-4600

Construction Industries Division
(505) 476-4700

Financial Institutions Division
(505) 476-4885

Manufactured Housing Division
(505) 476-4770

Securities Division
(505) 476-4580

Administrative Services Division
(505) 476-4800

THE APPLICANT IS SEEKING A RESTAURANT LIQUOR LICENSE FOR ON PREMISES CONSUMPTION.

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

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

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

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

Sincerely,



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

Enclosures:

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



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

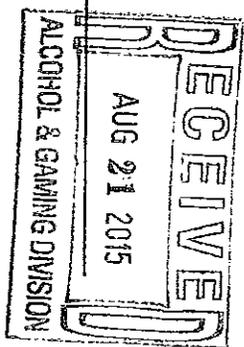
1. The land and building which is proposed to be the licensed premises is (check one):

Owned by Applicant Leased by Applicant (attach copy of deed or lease) Other (provide details) _____

2. If the land and building are not owned by Applicant, indicate the following:

A. Owner(s) DELFINO GARCIA

B. Date and term of lease 12-28-2014 to 12-22-2016



3. Premises location is zoned (example C-1) _____
If the premises is zoned, attach zoning statement from local government giving location address and type of zone, stating whether alcoholic beverages are allowed at proposed location. If there is no zoning, attach confirmation from local government indicating there is no zoning.

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

Miles/feet 528 feet Name of church FELLOWSHIP OF BELIEVERS Address/location of church 601 E. SWJOEN ST. HOBBS, NM 88240

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

Miles/feet 528 feet Name of school HOUSTON MIDDLE SCHOOL Address/location of school 300 N. HOUSTON HOBBS NM 88240

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

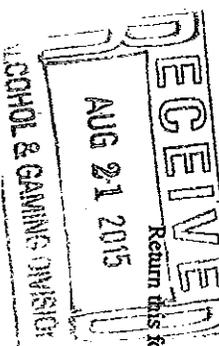
Yes Name of Military Installation, circle one: Kirtland Air Force Base (Albuquerque), White Sands Missile Range (Las Cruces), Holloman Air Force Base (Alamogordo), Cannon Air Force Base (Clovis).

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

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

8. Type of Operation:

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



Return this form to the Alcohol and Gaming Division, PO Box 25101, Santa Fe, New Mexico 87505-5101.

ALCOHOL & GAMING DIVISION
2550 CERRILLOS ROAD
SANTA FE, NEW MEXICO 87505
POSTING CERTIFICATE

DISPENSER (FULL SERVICE)
 RESTAURANT (BEER/WINE ONLY)
 CANOPY (DISPENSER-C)
 OTHER:

RETAILER (PACKAGE ONLY)
 DISPENSER (ON PREMISE ONLY)
 INTER-LOCAL DISPENSER
 LOTTERY

LICENSE NUMBER /APPLICATION NUMBER:

APPL. NO. 969797

TRANSFER OF OWNERSHIP & LOCATION
 TRANSFER OF OWNERSHIP ONLY

TRANSFER OF LOCATION ONLY
 NEW LICENSE

TRANSFERRED FROM: _____

CURRENT LOCATION: _____

TRANSFERRED TO:/APPLICANT: _____

PROPOSED LOCATION: 221 N. DAL PASO ST., HOBBS, NM

PROPOSED BUSINESS NAME EL COCO PIRATA, LLC

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

1. LOCATION POSTED IS WITHIN CORPORATE LIMITS OF: Hobbs
2. LOCATION POSTED IS IN UNINCORPORATED LIMITS OF: Lea County
3. DISTANCE FROM NEAREST CHURCH IS: 528 feet
NAME OF CHURCH IS: Fellowship of Believers
4. DISTANCE FROM NEAREST SCHOOL IS: 528 feet
NAME OF SCHOOL IS: Houston Middle School
5. DISTANCE FROM NEAREST MILITARY INSTALLATION: 126 miles
NAME OF INSTALLATION IS: Cannon Air Force Base, Clovis, NM
6. IF RURAL, DISTANCE FROM NEAREST EXISTING LIQUOR LICENSE IS:
BY PASSABLE ROAD: _____ BY STRAIGHT AIRLINE: _____
7. NOTICE POSTED ON:
 BUILDING
 BUILDING UNDER CONSTRUCTION
 BUILDING BEING REMODELED
 BILLBOARD
 NO BUILDING

DATE POSTED: 08-22-15

EXPIRATION DATE: 09-22-15

APPLICANT'S SIGNATURE

S.I.D. SPECIAL AGENT SIGNATURE

PRINTED

PRINTED



PLANNING DEPARTMENT

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

June 24, 2015

**El Coco Pirata #2
221 N. Dal Paso St.
Hobbs, NM 88240**

RE: Zoning Certification for a Restaurant located at 221 N. Dal Paso St. in Hobbs, NM 88240.

Dear Mr. Garza:

Pursuant to your request for a Zoning Certification regarding a Restaurant located at 221 N. Dal Paso St. in Hobbs, NM, please be advised that the City of Hobbs has not adopted a zoning ordinance to regulate land uses and locations of different types of development or specific business uses throughout the City. Consequently, the City of Hobbs has no current regulations which govern zoning districts and/or land uses, use of buildings, or use of vacant land. Therefore, the current land use as referred to herein, including a Restaurant located at 221 N. Dal Paso St. in Hobbs, NM is considered a use by right as of this date of June 24, 2015. The proposed use is in conformance with applicable zoning law as of this date.

Please note that the City does have a Major Thoroughfare Plan, Subdivision Regulations, Flood Zone, Fire Zone, Landscaping Regulations, Building Code, Liquor License and other development regulations that must be followed for improvements and changes in building occupancy types, including yard setback requirements. This letter is in regards to that portion of the above referenced real property that exists within the corporate limits of the City of Hobbs, NM on June 24, 2015.

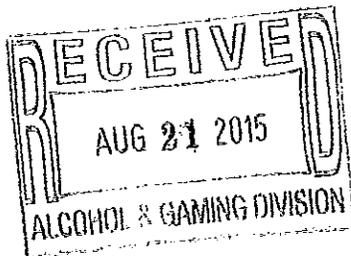
If you have any questions or need further information, please contact me at (575) 397-9351.

Sincerely,

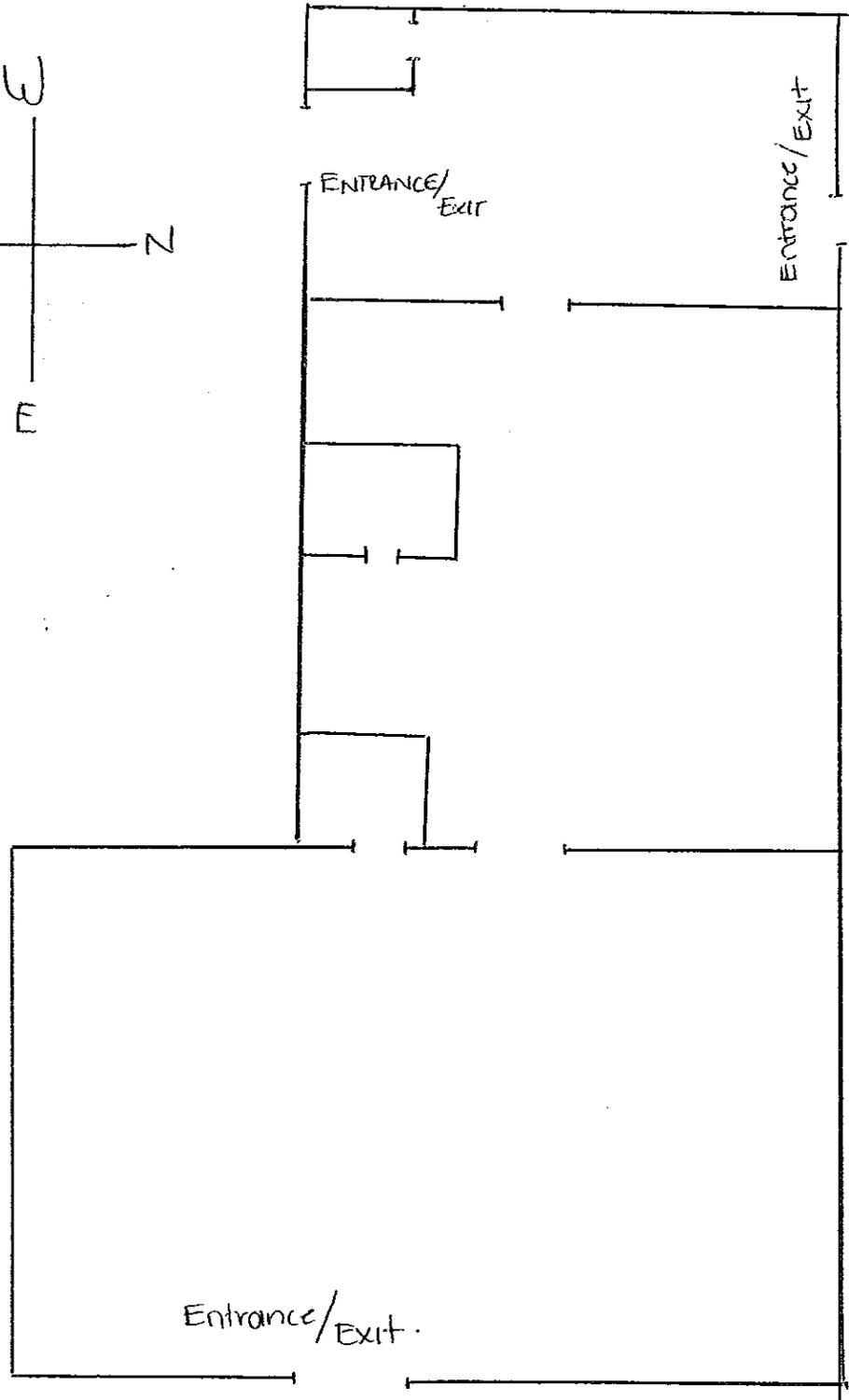
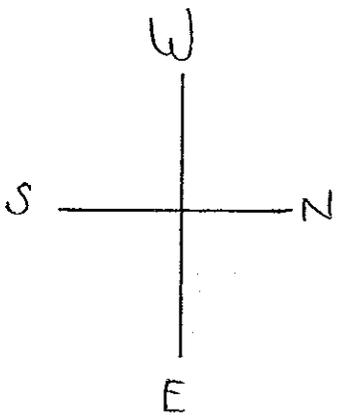
CITY OF HOBBS, NEW MEXICO

A handwritten signature in cursive script, appearing to read "Kevin Robinson", is written over a horizontal line.

Kevin Robinson - Planning Department

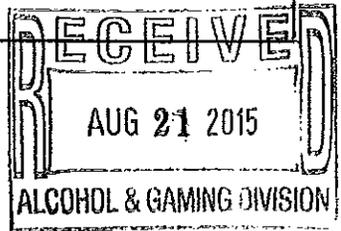


2,000 sq.ft.



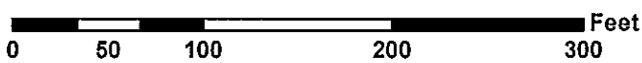
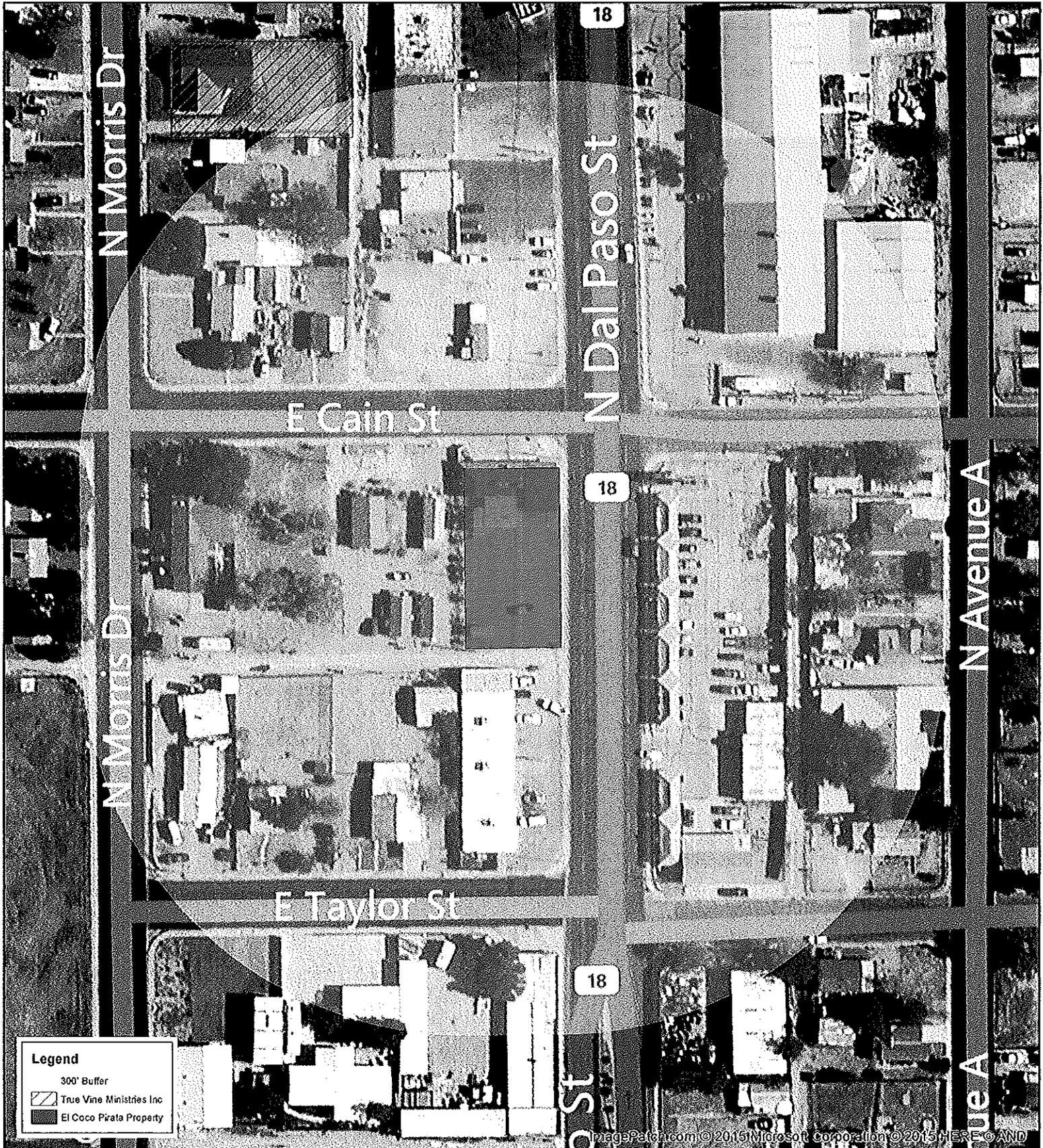
Cain st.

Dal Paso st.



El Coco Pirata Buffer Map

221 N Dal Paso



DISCLAIMER: THE CITY OF HOBBS MAKES NO WARRANTY, REPRESENTATION OR GUARANTEE OF ANY KIND REGARDING ANY GIS DATA PROVIDED HEREIN OR THE SOURCES OF SUCH DATA. THE CITY OF HOBBS SPECIFICALLY DISCLAIMS ALL REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. DATA CONTAINED WITHIN THIS PRODUCT IS PROVIDED BY THE CITY OF HOBBS FOR INFORMATIONAL PURPOSES ONLY AND NOT IN COMPLIANCE WITH ANY LEGAL REQUIRED SURVEYING STANDARD.

City of Hobbs GIS/Mapping Department

Date: 9/30/2015 1 inch = 100 feet Time: 4:56:09 PM



CITY OF HOBBS
COMMISSION STAFF SUMMARY FORM

MEETING DATE: November 2, 2015

SUBJECT: Approval of the Public Art Committee's Recommendation to Acquire a Sculpture for The Hobbs Animal Adoption Center

DEPT. OF ORIGIN: Legal Department
DATE SUBMITTED: October 28, 2015
SUBMITTED BY: Michael H. Stone, City Attorney

Summary:

The Public Art Committee has worked with New Mexico Arts, Art in Public Places Program, to choose an art sculpture to be placed in front of the Hobbs Animal Adoption Center and has acquire significant funding for the sculpture. The Artist is Ms. Lori Acott and the sculpture is entitled, "Who Rescued Who." The State will provide \$21,000.00, including delivery, towards the sculpture. The City will provide \$7,000.00 towards the sculpture and will be responsible for the installation and the landscaping costs associated with the sculpture. The estimated cost of installation and landscaping will be approximately \$4,000.00.

This approval is subject to the State providing \$21,000.00 towards this project.

Fiscal Impact:

The total cost of the sculpture, delivery, installation and landscaping will be approximately \$32,000.00. The State may provide \$21,000.00 plus delivery and the City will be responsible for \$7,000.00 plus the costs of installation and landscaping (approximately \$4,000.00). The City's \$7,000.00 is budgeted through match money in the Public Art Program.

Reviewed By: _____

Finance Department

Attachments:

Request for Public Art Funds

Legal Review:

Approved As To Form: _____

City Attorney

Recommendation: The Commission should give final approval for the acquisition of the sculpture, Who Rescued Who."

Approved For Submittal By:

Department Director

City Manager

CITY CLERK'S USE ONLY
COMMISSION ACTION TAKEN

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

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

REQUEST FOR PUBLIC ART FUNDS

Date of Request: 10/27/15

DESCRIPTION	ART PIECE VALUE AMOUNT	ESTIMATED INSTALLATION COST	TOTAL ART AND INSTALLATION AMOUNT	(3 to 1 ratio) LOCAL MATCH	(1 to 3 ratio) CITY MATCH	(100%) CITY MATCH	STATE MATCH	(local, city, state) TOTAL FUNDING	COMMENTS
"Who Rescued Who" by Lori Acott	\$28,000.00	\$4,000.00	\$32,000.00		\$7,000.00	\$4,000.00	\$21,000.00	\$32,000.00	\$28,000 includes delivery



CITY OF HOBBS

COMMISSION STAFF SUMMARY FORM

MEETING DATE: November 2, 2015

SUBJECT: Resolution adopting budgetary adjustment for the Fiscal Year 2015-2016
DEPT. OF ORIGIN: Finance Department
DATE SUBMITTED: October 27, 2015
SUBMITTED BY: Deborah Corral, Assistant Finance Director

Summary:

The fiscal budget of the City of Hobbs is adopted by resolution, and reviewed and approved by the Department of Finance & Administration. The budget is prepared prior to the beginning of the fiscal year, and as such, from time to time it becomes necessary to adjust the budget for items not contemplated at the time of its preparation, or for issues that arise during the fiscal year. Enclosed is a budgetary adjustment for the current year. There are several adjustments to individual line items within the multiple funds both increasing and decreasing revenue, expenses, and transfers within funds. A summary of the funds adjusted is attached to this resolution. After this adjustment is approved by the Commission, it must be forwarded to the Department of Finance & Administration for their approval.

Fiscal Impact:

Reviewed By: _____

[Signature]
Finance Department

The effect of these budgetary adjustments increases the August 25, 2015 ending cash balance from \$47,628,294.84 to \$47,815,930.46 for all funds. This is accomplished by a decrease in estimated expenditures of \$187,635.62.

Attachments:

- Actual Cash Balances
- Budgeted Adjustments by Fund
- Resolution approving Budget Adjustment for the fiscal year 2015-2016

Legal Review:

Approved As To Form: _____

[Signature]
City Attorney

Recommendation:

Motion to approve the resolution.

^s

Approved For Submittal By:

[Signature]
Department Director
[Signature]
City Manager

CITY CLERK=S USE ONLY
COMMISSION ACTION TAKEN

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

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

CITY OF HOBBS
RESOLUTION NO. 6377

BUDGETARY ADJUSTMENT
FISCAL YEAR 2015-2016

WHEREAS, the City Commission of the City of Hobbs, New Mexico, has found it necessary to amend certain items within the fiscal year budget in order to provide for additional expenditures and transfers not contemplated at the time of the preparation of the 2015-2016 budget.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HOBBS, NEW MEXICO, that the items of the 2015-2016 fiscal budget be amended.

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

PASSED, ADOPTED AND APPROVED this 2nd day of November, 2015

SAM D. COBB, Mayor

ATTEST:

JAN FLETCHER, City Clerk

City of Hobbs
FY16 Final Preliminary Budget (October 2015)

	Beginning Cash	Total Revenue	Interfund Transfer	Total Expenditures	Ending Cash	
1 GENERAL	86,088,855.09	72,586,878.79	(35,531,768.06)	94,929,219.48	28,214,746.34	30%
2 LAND ACQUISITION	-		500,000.00	500,000.00	-	
General Fund Subtotal	86,088,855.09	72,586,878.79	(35,031,768.06)	95,429,219.48	28,214,746.34	
11 LOCAL GOV CORR	76,769.45	180,100.00		137,500.00	119,369.45	
12 POLICE PROTECTION	53,815.87	88,000.00		88,000.00	53,815.87	
13 P D N (parif, drug, narcotics)	31,862.83				31,862.83	
15 COPS GRANT	1,000.00		31,862.83	31,862.83	1,000.00	
16 RECREATION	-	36,000,000.00	25,000,000.00	61,000,000.00	-	
17 OLDER AMERICAN	-	194,227.00	914,597.56	1,108,148.95	675.61	
18 GOLF	-	1,287,750.00	2,196,618.69	3,484,368.69	-	
19 CEMETERY	1,000.00	166,500.00	682,091.25	848,591.25	1,000.00	
20 AIRPORT	290,823.69	38,300.00		93,820.18	235,303.51	
23 LODGERS' TAX	713,543.86	1,751,200.00		1,553,450.38	911,293.48	
27 PUBLIC TRANSPORTATION	1,000.00	590,233.69	496,488.43	1,086,722.12	1,000.00	
28 FIRE PROTECTION	673,256.72	385,800.00	(365,000.00)	259,889.20	434,167.52	
29 EMER MEDICAL SERV	501.40	20,000.00		20,000.00	501.40	
Special Revenue Subtotals	1,843,573.82	40,702,110.69	28,956,658.76	69,712,353.60	1,789,989.67	
37 COMM DEVE CONST	1,000.00	600,830.81	959,993.03	1,561,823.84	-	
46 BEAUTIFICATION IMPROVEMEN	1,880,531.23		(187,115.67)	1,693,415.56	-	
48 STREET IMPROVEMENTS	1,017,736.28	2,935,158.75	1,642,303.14	5,595,198.17	-	
49 CITY COMM. IMPROVEMENTS	207,003.68	3,200,000.00	(3,199,999.92)		207,003.76	
Capitol Project Subtotals	3,106,271.19	6,735,989.56	(784,819.42)	8,850,437.57	207,003.76	
51 UTILITY BOND	-		307,004.68	307,004.68	-	
53 WASTEWATER BOND	1,989,842.96		2,053,023.05	2,053,023.05	1,989,842.96	
Debt Service Subtotals	1,989,842.96	-	2,360,027.73	2,360,027.73	1,989,842.96	
10 SOLID WASTE	1,015,425.47	6,136,656.57		6,136,656.57	1,015,425.47	
44 JOINT UTILITY EXTENSIONS CAPI	-	1,300,000.00	3,659,928.80	4,959,928.80	-	
60 JOINT UTILITY	3,974,698.92		1,419,973.35	5,394,672.27	-	
61 JOINT UTILITY CONST	-	238,000.00	3,544,875.11	3,782,875.11	-	
62 WASTE WATER PLANT CONST	5,196,383.00	4,050,000.00	10,006,598.52	19,252,981.52	-	
63 JOINT UTILTIY - WASTEWATER	5,630,113.41		(543,674.79)	2,413,641.32	2,672,797.30	
65 JOINT UTILTIY INCOME - WASTE	-	7,425,300.00	(7,425,300.00)		-	
66 JOINT UTILITY INCOME	-	6,263,500.00	(6,263,500.00)		-	
68 METER DEPOSIT RES	655,087.64	150,000.00		150,000.00	655,087.64	
69 INTERNAL SUPPLY	-	450,000.00	101,000.00	550,000.00	1,000.00	
Utility Subtotals	16,471,708.44	26,013,456.57	4,499,900.99	42,640,755.59	4,344,310.41	
64 MEDICAL INSURANCE	792,665.17	5,641,156.91		5,641,156.91	792,665.17	
67 WORKERS COMP TRUST	932,747.57	500,000.00		500,000.00	932,747.57	
Internal Service Subtotal	1,725,412.74	6,141,156.91	-	6,141,156.91	1,725,412.74	
70 MOTOR VEHICLE	1,000.00	4,500,000.00		4,500,000.00	1,000.00	
71 MUNI JUDGE BOND FUND	201,671.84				201,671.84	
72 RETIREE HEALTH INSURANCE TR	8,963,501.31	1,029,188.07		1,029,188.07	8,963,501.31	
73 CRIME LAB FUND	61,612.63	100,000.00		100,000.00	61,612.63	
75 FORECLOSURE TRUST FUND	71.88				71.88	
76 RECREATION TRUST	92,612.51	2,000.00			94,612.51	
77 LIBRARY TRUST	4,734.68	4,000.00		4,000.00	4,734.68	
78 SENIOR CITIZEN TRUST	7,264.44	1,500.00		1,500.00	7,264.44	
79 PRAIRIE HAVEN MEM	5,327.76	10.00			5,337.76	
80 COMMUNITY PARK TRUST	1,425.09				1,425.09	
82 EVIDENCE TRUST FUND	121,878.29	54,000.00			175,878.29	
83 HOBBS BEAUTIFUL	22,574.18	1,650.00		1,650.00	22,574.18	
86 CITY AGENCY TRUST	4,939.97	2,000.00		2,000.00	4,939.97	
Trust & Agency Subtotals	9,488,614.58	5,694,348.07	-	5,638,338.07	9,544,624.58	
Grant Total All Funds	120,714,278.82	157,873,940.59	0.00	230,772,288.95	47,815,930.46	

Oct 2015 BAR Detail

fund	org	object	project	Revised Budget	Proposed Increase/ (Decrease)	Revised Budget after BAR	Comment	type of request	in munis?	je#
001	010100	44901	00055 Drainage Channel/Cleanup	3,604,755.78	(2,793,901.79)	810,853.99	transfer to Affordable housing	reclass	no	
001	010100	44901	00162 Mkt Rate Housing (M/F Housing)	880,281.98	1,143,882.51	2,024,164.49	transfer from Green Meadows & Finance	reclass	no	
001	010100	44901	00169 Affordable Housing	2,645,189.59	4,369,096.12	7,014,285.71	transfer from Green Meadows & Drainage Channel	reclass	no	
001	010100	44901	00170 Housing Incentive (SF Housing)	193,567.38	3,416,263.74	3,609,831.12	transfer from Commercial, Essential, Downtown	reclass	no	
001	010100	44901	00171 Commercial Incentives	385,000.00	(385,000.00)	-	transfer to SF Housing Incentives	reclass	no	
001	010100	44901	00194 Essential Housing	3,000,000.00	(3,000,000.00)	-	transfer to SF Housing Incentives	reclass	no	
001	010100	44901	00197 Downtown Redevelopment	31,263.74	(31,263.74)	-	transfer to SF Housing Incentives	reclass	no	
001	010125	42201	Utilities	-	5,000.00	5,000.00	unbudgeted water bill	new request	no	
001	010125	42304	Printing & Duplicating	5,000.00	(2,056.41)	2,943.59	reclass to professional services	reclass	no	2016/02/138
001	010125	42601	Professional Services	2,129.44	2,056.41	4,185.85	reclass from printing & duplicating	reclass	no	2016/02/138
001	010131	42301	Supplies	10,000.00	5,000.00	15,000.00	increase for quote on AutoVote election system	new request	no	
001	010140	42209	Audit	60,000.00	(8,700.00)	51,300.00	reclass to equipment under 5000	reclass	no	
001	010140	42706	Equipment Under 5000	1,000.00	8,700.00	9,700.00	reclass from audit exp for time clocks/cc machines	reclass	no	
001	010140	44901	00220 Finance Dept Remodel	250,000.00	(181,688.62)	68,311.38	transfer to Mkt Rate Housing	reclass	no	2016/02/1844
001	010170	42302	Travel, Meets & Schools	29,800.00	(1,300.00)	28,500.00	reclass to cover NEGOV PO	reclass	no	2016/02/137
001	010170	42353	Training/Safety Equipment	7,200.00	36,000.00	43,200.00	reclass to cover PO for Safety Flashers	reclass	no	
001	010170	42353	Training/Safety Equipment	43,200.00	23,000.00	66,200.00	safety flashers project (4 additional vehicles)	new request	no	
001	010170	42353	Special Programs Presentation	30,050.00	19,000.00	49,050.00	holiday party	new request	no	
001	010170	42408	Software Data Processing	18,500.00	1,300.00	19,800.00	reclass to cover NEGOV PO	reclass	no	2016/02/1844
001	010170	42641	Wellness Program	50,000.00	(36,000.00)	14,000.00	reclass to cover PO for Safety Flashers	reclass	no	2016/02/137
001	010170	42641	Wellness Program	14,000.00	36,000.00	50,000.00	replay money transferred to training/safety equ.	new request	no	
001	010190	42643	Credit Card Fee Expenditure	-	3,000.00	3,000.00	unbudgeted credit card fees - MVD	new request	no	
001	010310	42643	Credit Card Fee Expenditure	-	1,000.00	1,000.00	unbudgeted credit card fees - Library	new request	no	
001	010320	44901	00184 Taylor Ranch Park	18,484,950.17	(500,000.00)	17,984,950.17	to bring reserve back to 30%	new request	no	
001	010330	42304	00227 Turf Field Marketing	-	17,400.00	17,400.00	reclass to cover turf field marketing	reclass	no	2016/02/1910
001	010330	42320	Special Programs	153,190.00	(17,400.00)	135,790.00	reclass to cover turf field marketing	reclass	no	2016/02/1910
001	010335	42201	Utilities	94,500.00	88,000.00	182,500.00	increase in water use	new request	no	
001	010410	44901	00224 Central/Grimes/HB Inter. Imp	1,200,000.00	(25,575.23)	1,174,424.77	reclass to Traffic Signal Upgrade	reclass	yes	2016/03/397
001	010412	44901	00159 Traffic Signal Upgrade	107,181.10	25,575.23	132,756.33	reclass from Central/Grimes/HB Inter. Imp	reclass	no	2016/03/397
001	010425	42232	Service - Janitor	-	5,000.00	5,000.00	Crime Lab Janitorial Svc not in original budget	new request	no	
001 Total				2,222,388.22						
130	134013	42324	Miscellaneous and Emergency	-	31,862.83	31,862.83	add budget for cash remaining in fund 13	new request	no	
130 Total				31,862.83						
180	184315	43006	Equipment Over 5000	115,338.94	(1,869.00)	113,469.94	reclass to new vehicle line to cover shortage	reclass	no	2016/03/835
180	184315	42232	Service - Janitor	18,000.00	21,500.00	39,500.00	increased cost of janitorial services& pest control	new request	no	
180	184315	42320	Special Programs	12,000.00	(5,000.00)	7,000.00	reclass to tournament expense	reclass	no	2016/02/1527
180	184315	42320	Special Programs Presentation	7,000.00	11,200.00	18,200.00	increase to cover late invoice on opening tourn.	new request	no	
180	184315	42388	Tournament Expense	-	5,000.00	5,000.00	reclass from special programs	reclass	no	2016/02/1527
180	184315	42601	00217 Golf Course Marketing	144,303.85	9,067.00	153,370.85	increase to match lodgers tax award	new request	no	
180	184315	42706	Equipment Under 5000	22,570.00	30,484.55	53,054.55	patio furniture exp not carried over from fy15	new request	no	
180	184315	42801	Soft Goods Expense	140,000.00	(500.00)	139,500.00	reclass from soft goods to f&b exp for snacks	reclass	no	2016/02/724
180	184315	42801	Soft Goods Expense	139,500.00	(2,500.00)	137,000.00	reclass to alcohol expense	reclass	no	2016/02/1527
180	184315	42805	Food & Beverage Expense	1,000.00	500.00	1,500.00	reclass from soft goods to f&b exp for snacks	reclass	no	2016/02/724
180	184315	42805	Food & Beverage Expense	1,500.00	1,900.00	3,400.00	reclass remaining alcohol exp budg to f&b exp.	reclass	no	2016/04/77

Oct 2015 BAR Detail

180	184316	42806	Alcohol Expense	5,500.00	2,500.00	8,000.00	reclass from soft goods to alcohol expense	reclass	Y	2016/02/1527
180	184316	42806	Alcohol Expense	8,000.00	(1,900.00)	6,100.00	reclass remaining alcohol exp budg to f&b exp.	reclass	Y	2016/04/77
180	184316	42810	Hard Goods	75,000.00	20,000.00	95,000.00	increase for club sales	new request	no	
180	184316	43004	Vehicle - New	58,000.00	2,207.00	60,207.00	reclass from equ over 5000 to cover shortage	reclass	Y	2016/03/835
180	184316	43006	Equipment Over 5000	8,000.00	(338.00)	7,662.00	reclass to new vehicle line to cover shortage	reclass	Y	2016/03/835
180	184316	43006	Equipment Over 5000	7,662.00	250.00	7,912.00	new request to cover overlooked sales tax	new request	no	
180 Total				92,501.55						
270	274027	42643	Credit Card Fee Expenditure	-	3,000.00	3,000.00	unbudgeted credit card fees - Hobbs Express	new request	no	
270 Total					3,000.00					
460	464046	44901	Green Meadows/Red Arson	2,537,388.22	(2,537,388.22)	-	transfer to MKT Rate & Affordable Housing	reclass	no	
460 Total				(2,537,388.22)						
Grand Total				(187,635.62)						

transfers:
to fund 1 from fund 46 2,537,388.72
to fund 18 from fund 1 91,501.55
to fund 13 from fund 1 31,862.83
to fund 27 from fund 1 3,000.00



CITY OF HOBBS
COMMISSION STAFF SUMMARY FORM

MEETING DATE: November 2, 2015

SUBJECT: 2015 NM Water Trust Fund; City of Hobbs Effluent Reuse Project, Phase II (339-WTB)
DEPT. OF ORIGIN: Utilities
DATE SUBMITTED: October 26, 2015
SUBMITTED BY: Tim Woomer, Utilities Director

Summary:

The New Mexico Finance Authority (NMFA) has approved 2015 Water Trust Funding of the City of Hobbs Effluent Reuse Project, Mahan to Rockwind Effluent Pipeline, in the amount of \$1,807,600.00.

The funding structure if approved consists of a 60% grant in the amount of \$1,084,560 and a 40% loan component in the amount of \$723,000. The loan is a 20 year term at a net interest rate of 0.25% (administrative fee of ¼ of 1%). Debt service incurred by the City Enterprise Fund upon approval of funding will be approximately \$38,000 annually.

Adoption of a resolution is required by the City Commission to enter into NMFA #339-WTB Water Project Fund Loan/Grant Agreement. The notice of the adopted Resolution will be published in the Hobbs for a 30-day public comment period with a tentative date of December 11, 2015 set for final closing.

Fiscal Impact:

Reviewed By: _____


Finance Department

Upon final closing of 339-WTB Water Project Fund Loan/Grant Agreement, debt service to the Enterprise Fund beginning June 1, 2016 will be approximately \$38,000 annually.

Attachments:

Resolution authorizing the Mayor to enter into an agreement with the New Mexico Finance Authority #339-WTB Water Project Fund Loan/Grant Agreement between the City of Hobbs and the New Mexico Finance Authority

Detailed Debt Service; #339-WTB

Legal Review:

Approved As To Form: _____


City Attorney

Recommendation:

Staff recommends that a resolution be adopted and an agreement be executed between the City of Hobbs and NMFA on #339-WTB Water Project Fund Loan/Grant Agreement.

Approved For Submittal By:


Department Director
City Manager

CITY CLERK'S USE ONLY
COMMISSION ACTION TAKEN

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

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

CITY OF HOBBS, LEA COUNTY, NEW MEXICO
RESOLUTION NO. 6378

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A WATER PROJECT FUND LOAN/GRANT AGREEMENT BY AND BETWEEN THE NEW MEXICO FINANCE AUTHORITY ("FINANCE AUTHORITY" OR THE "LENDER/GRANTOR") AND THE CITY OF HOBBS (THE "BORROWER/GRANTEE"), IN THE TOTAL AMOUNT OF ONE MILLION EIGHT HUNDRED SEVEN THOUSAND SIX HUNDRED DOLLARS (\$1,807,600), EVIDENCING AN OBLIGATION OF THE BORROWER/GRANTEE TO UTILIZE THE LOAN/GRANT AMOUNT SOLELY FOR THE PURPOSE OF FINANCING THE COSTS OF CONSTRUCTION OF PHASE II-EFFLUENT REUSE PROJECT CONSISTING OF DEVELOPING INFRASTRUCTURE INCLUDING PIPELINE TO CONVEY TREATED EFFLUENT WATERS FROM THE WASTEWATER RECLAMATION FACILITY TO ROCKWIND GOLF COURSE, HARRY MCADAMS PARK AND LOVINGTON HIGHWAY HEALTH TRAIL, AND SOLELY IN THE MANNER DESCRIBED IN THE LOAN/GRANT AGREEMENT; PROVIDING FOR PAYMENT OF THE LOAN AMOUNT AND AN ADMINISTRATIVE FEE SOLELY FROM THE NET SYSTEM REVENUES OF THE JOINT WATER AND WASTEWATER SYSTEM OF THE BORROWER/GRANTEE; CERTIFYING THAT THE LOAN/GRANT AMOUNT, TOGETHER WITH OTHER FUNDS AVAILABLE TO THE BORROWER/GRANTEE, IS SUFFICIENT TO COMPLETE THE PROJECT; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN/GRANT AGREEMENT; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS RESOLUTION; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN/GRANT AGREEMENT.

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

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

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

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

WHEREAS, all required authorizations, consents and approvals in connection with (i) the use of the Loan/Grant Amount for the purposes described, and according to the restrictions set forth, in the Loan/Grant Agreement; (ii) the availability of other moneys necessary and sufficient, together with the Loan/Grant Amount, to complete the Project; and (iii) the authorization, execution and delivery of the Loan/Grant Agreement which are required to have been obtained by the date of this Resolution, have been obtained or are reasonably expected to be obtained.

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

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

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

“Additional Funding Amount” means the amount to be provided by the Borrower/Grantee which includes the total value of the Soft Match or Hard Match (each as defined in Section 2.5 of the Policies), which, in combination with the Loan/Grant Amount and other amounts available to the Borrower/Grantee, is sufficient to complete the Project. The Additional Funding Amount is three hundred sixty-one thousand five hundred twenty dollars (\$361,520).

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

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

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

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

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

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

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

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

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

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

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

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

“Finance Authority” means the New Mexico Finance Authority.

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

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

“Grant” or “Grant Amount” means the amount provided to the Borrower/Grantee as a grant pursuant to the Loan/Grant Agreement for the purpose of funding the Project, and equals one million eighty-four thousand five hundred sixty dollars (\$1,084,560).

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

Gross Revenues do not include:

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

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

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

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

"Lender/Grantor" means the Finance Authority.

"Loan" or "Loan Amount" means the amount provided to the Borrower/Grantee as a loan pursuant to the Loan/Grant Agreement for the purpose of funding the Project, and equals seven hundred twenty-three thousand forty dollars (\$723,040).

"Loan/Grant" or "Loan/Grant Amount" means the combined amount partially provided to the Borrower/Grantee as the Grant Amount and partially borrowed by the Borrower/Grantee as the Loan Amount pursuant to the Loan/Grant Agreement for the purpose of funding the Project, and equals one million eight hundred seven thousand six hundred dollars (\$1,807,600).

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

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

"NMAC" means the New Mexico Administrative Code.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"State" means the State of New Mexico.

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

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

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

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

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

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

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

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

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

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

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

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

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

within six (6) months after the Closing Date, the Loan/Grant Agreement shall at the option of the Finance Authority, terminate and be of no further force or effect.

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

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

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

A. Authorization. This Resolution has been adopted by the affirmative vote of at least a majority of all of the members of the Governing Body. For the purpose of protecting the public health, conserving the property, and protecting the general welfare and prosperity of the public served by the Borrower/Grantee and acquiring and completing the Project, it is hereby declared necessary that the Borrower/Grantee execute and deliver the Loan/Grant Agreement evidencing the Borrower/Grantee's acceptance of the Grant Amount of one million eighty-four thousand five hundred sixty dollars (\$1,084,560) and borrowing the Loan Amount of seven hundred twenty-three thousand forty dollars (\$723,040) to be utilized solely for the purpose of completing the Project and paying Expenses, and solely in the manner and according to the restrictions set forth in the Loan/Grant Agreement, the execution and delivery of which is hereby authorized. The Borrower/Grantee shall use the Loan/Grant Amount to finance the acquisition and completion of the Project and to pay Expenses.

B. Detail. The Loan/Grant Agreement shall be in substantially the form of the Loan/Grant Agreement presented at the meeting of the Governing Body at which this Resolution was adopted. The Grant shall be in the amount of one million eighty-four thousand five hundred sixty dollars (\$1,084,560) and the Loan shall be in the amount of seven hundred twenty-three thousand forty dollars (\$723,040). Interest on the Loan Amount shall be zero percent (0%) per annum of the unpaid principal balance of the Loan Amount, and the Administrative Fee shall be one-quarter of one percent (0.25%) per annum of the unpaid principal balance of the Loan Amount, taking into account both payments made by the Borrower/Grantee and hardship waivers of payments granted to the Borrower/Grantee.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

[Form of Notice of Adoption of Resolution for Publication]
CITY OF HOBBS, LEA COUNTY, NEW MEXICO
NOTICE OF ADOPTION OF RESOLUTION

Notice is hereby given of the title and of a general summary of the subject matter contained in Resolution No. _____, duly adopted and approved by the City Commission of the City of Hobbs on November 2, 2015. A complete copy of the Resolution is available for public inspection during normal and regular business hours in the office of the City Clerk at 200 E. Broadway Street, Hobbs, New Mexico 88240.

The title of the Resolution is:

CITY OF HOBBS, LEA COUNTY, NEW MEXICO
RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A WATER PROJECT FUND LOAN/GRANT AGREEMENT BY AND BETWEEN THE NEW MEXICO FINANCE AUTHORITY ("FINANCE AUTHORITY" OR THE "LENDER/GRANTOR") AND THE CITY OF HOBBS (THE "BORROWER/GRANTEE"), IN THE TOTAL AMOUNT OF ONE MILLION EIGHT HUNDRED SEVEN THOUSAND SIX HUNDRED DOLLARS (\$1,807,600), EVIDENCING AN OBLIGATION OF THE BORROWER/GRANTEE TO UTILIZE THE LOAN/GRANT AMOUNT SOLELY FOR THE PURPOSE OF FINANCING THE COSTS OF CONSTRUCTION OF PHASE II-EFFLUENT REUSE PROJECT CONSISTING OF DEVELOPING INFRASTRUCTURE INCLUDING PIPELINE TO CONVEY TREATED EFFLUENT WATERS FROM THE WASTEWATER RECLAMATION FACILITY TO ROCKWIND GOLF COURSE, HARRY MCADAMS PARK AND LOVINGTON HIGHWAY HEALTH TRAIL, AND SOLELY IN THE MANNER DESCRIBED IN THE LOAN/GRANT AGREEMENT; PROVIDING FOR PAYMENT OF THE LOAN AMOUNT AND AN ADMINISTRATIVE FEE SOLELY FROM THE NET SYSTEM REVENUES OF THE JOINT WATER AND WASTEWATER SYSTEM OF THE BORROWER/GRANTEE; CERTIFYING THAT THE LOAN/GRANT AMOUNT, TOGETHER WITH OTHER FUNDS AVAILABLE TO THE BORROWER/GRANTEE, IS SUFFICIENT TO COMPLETE THE PROJECT; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN/GRANT AGREEMENT; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS RESOLUTION; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN/GRANT AGREEMENT.

A general summary of the subject matter of the Resolution is contained in its title. This notice constitutes compliance with NMSA 1978, § 6-14-6, as amended.

[End of Form of Notice of Adoption for Publication]

PASSED, APPROVED AND ADOPTED THIS 2ND DAY OF NOVEMBER, 2015.

CITY OF HOBBS,
LEA COUNTY, NEW MEXICO

By _____
Sam D. Cobb, Mayor

ATTEST:

Jan Fletcher, City Clerk

[Remainder of page intentionally left blank.]

Governing Body Member _____ then moved adoption of the foregoing Resolution, duly seconded by Governing Body Member _____.

The motion to adopt the Resolution, upon being put to a vote, was passed and adopted on the following recorded vote:

Those Voting Aye:

Those Voting Nay:

Those Absent:

_____ () Members of the Governing Body having voted in favor of the motion, the Mayor declared the motion carried and the Resolution adopted, whereupon the Mayor and City Clerk signed the Resolution upon the records of the minutes of the Governing Body.

After consideration of matters not relating to the Resolution, the meeting upon motion duly made, seconded and carried, was adjourned.

CITY OF HOBBS,
LEA COUNTY, NEW MEXICO

By _____
Sam D. Cobb, Mayor

ATTEST:

By _____
Jan Fletcher, City Clerk

[Remainder of page intentionally left blank.]

STATE OF NEW MEXICO

)
) ss.
)

COUNTY OF LEA

I, Jan Fletcher, the duly qualified and acting City Clerk of the City of Hobbs (the "Borrower/Grantee"), do hereby certify:

1. The foregoing pages are a true, perfect, and complete copy of the record of the proceedings of the City Commission of the Borrower/Grantee (the "Governing Body"), had and taken at a duly called regular meeting held at the City of Hobbs Commission Chambers, City Hall Annex located at 200 E. Broadway Street, Hobbs, New Mexico 88240 on November 2, 2015 at the hour of 6:00 p.m., insofar as the same relate to the adoption of Resolution No. _____ and the execution and delivery of the proposed Loan/Grant Agreement, a copy of which is set forth in the official records of the proceedings of the Governing Body kept in my office. None of the action taken has been rescinded, repealed, or modified.

2. Said proceedings were duly had and taken as therein shown, the meeting therein was duly held, and the persons therein named were present at said meeting, as therein shown.

3. Notice of the meeting was given in compliance with the permitted methods of giving notice of meetings of the Governing Body as required by the State Open Meetings Act, NMSA 1978, § 10-15-1, as amended, including the Borrower/Grantee's Open Meetings Act Resolution No. 6237, adopted and approved on January 5, 2015 in effect on the date of the meeting.

IN WITNESS WHEREOF, I have hereunto set my hand this 11th day of December, 2015.

CITY OF HOBBS, LEA COUNTY, NEW MEXICO

By _____
Jan Fletcher, City Clerk

EXHIBIT "A"

Notice of Meeting, Meeting Agenda and Minutes

SOURCES AND USES OF FUNDS

City of Hobbs
0339-WTB Water Conservation Treatment Project

Sources:

Bond Proceeds:	
Par Amount	723,040.00
Other Sources of Funds:	
WTB Grant Award	1,084,560.00
	<hr/>
	1,807,600.00
	<hr/>

Uses:

Project Fund Deposits:	
Project Fund	723,040.00
Other Uses of Funds:	
WTB Grant Award	1,084,560.00
	<hr/>
	1,807,600.00
	<hr/>

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

[Remainder of page intentionally left blank.]

BOND SUMMARY STATISTICS

City of Hobbs
0339-WTB Water Conservation Treatment Project

Dated Date	12/11/2015
Delivery Date	12/11/2015
Last Maturity	06/01/2035
Arbitrage Yield	0.250001%
True Interest Cost (TIC)	0.250001%
Net Interest Cost (NIC)	0.250000%
All-In TIC	0.250001%
Average Coupon	0.250000%
Average Life (years)	10.308
Duration of Issue (years)	10.145
Par Amount	723,040.00
Bond Proceeds	723,040.00
Total Interest	18,633.47
Net Interest	18,633.47
Total Debt Service	741,673.47
Maximum Annual Debt Service	38,089.28
Average Annual Debt Service	38,088.79
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life
Loan Component	723,040.00	100.000	0.250%	10.308
	723,040.00			10.308

	TIC	All-In TIC	Arbitrage Yield
Par Value	723,040.00	723,040.00	723,040.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense			
- Other Amounts			
Target Value	723,040.00	723,040.00	723,040.00
Target Date	12/11/2015	12/11/2015	12/11/2015
Yield	0.250001%	0.250001%	0.250001%

DETAILED BOND DEBT SERVICE

City of Hobbs
 0339-WTB Water Conservation Treatment Project

Loan Component (LOAN)

Period Ending	Principal	Coupon	Interest	Debt Service
06/01/2016	17,133	0.250%	853.59	17,986.59
06/01/2017	36,324	0.250%	1,764.76	38,088.76
06/01/2018	36,415	0.250%	1,673.96	38,088.96
06/01/2019	36,506	0.250%	1,582.92	38,088.92
06/01/2020	36,597	0.250%	1,491.66	38,088.66
06/01/2021	36,689	0.250%	1,400.16	38,089.16
06/01/2022	36,780	0.250%	1,308.44	38,088.44
06/01/2023	36,872	0.250%	1,216.50	38,088.50
06/01/2024	36,964	0.250%	1,124.32	38,088.32
06/01/2025	37,057	0.250%	1,031.90	38,088.90
06/01/2026	37,150	0.250%	939.26	38,089.26
06/01/2027	37,242	0.250%	846.38	38,088.38
06/01/2028	37,336	0.250%	753.28	38,089.28
06/01/2029	37,429	0.250%	659.94	38,088.94
06/01/2030	37,522	0.250%	566.36	38,088.36
06/01/2031	37,616	0.250%	472.56	38,088.56
06/01/2032	37,710	0.250%	378.52	38,088.52
06/01/2033	37,805	0.250%	284.24	38,089.24
06/01/2034	37,899	0.250%	189.74	38,088.74
06/01/2035	37,994	0.250%	94.98	38,088.98
	723,040		18,633.47	741,673.47

BOND SOLUTION

City of Hobbs
0339-WTB Water Conservation Treatment Project

Period Ending	Proposed Principal	Proposed Debt Service	Existing Debt Service	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
06/01/2016	17,133	17,987	1,989,241	2,007,228	3,305,275	1,298,047	164.66867%
06/01/2017	36,324	38,089	1,989,241	2,027,330	3,305,275	1,277,945	163.03588%
06/01/2018	36,415	38,089	1,989,241	2,027,330	3,305,275	1,277,945	163.03587%
06/01/2019	36,506	38,089	1,989,241	2,027,330	3,305,275	1,277,945	163.03587%
06/01/2020	36,597	38,089	1,989,241	2,027,330	3,305,275	1,277,945	163.03589%
06/01/2021	36,689	38,089	1,989,241	2,027,330	3,305,275	1,277,945	163.03585%
06/01/2022	36,780	38,088	1,989,241	2,027,329	3,305,275	1,277,946	163.03591%
06/01/2023	36,872	38,089	1,989,241	2,027,330	3,305,275	1,277,946	163.03591%
06/01/2024	36,964	38,088	1,989,241	2,027,329	3,305,275	1,277,946	163.03592%
06/01/2025	37,057	38,089	1,989,241	2,027,330	3,305,275	1,277,945	163.03587%
06/01/2026	37,150	38,089	1,989,241	2,027,330	3,305,275	1,277,945	163.03584%
06/01/2027	37,242	38,088	1,989,241	2,027,329	3,305,275	1,277,946	163.03591%
06/01/2028	37,336	38,089	1,989,241	2,027,330	3,305,275	1,277,945	163.03584%
06/01/2029	37,429	38,089	1,989,241	2,027,330	3,305,275	1,277,945	163.03587%
06/01/2030	37,522	38,088	1,989,241	2,027,329	3,305,275	1,277,946	163.03592%
06/01/2031	37,616	38,089	67,752	105,841	3,305,275	3,199,434	3122.88125%
06/01/2032	37,710	38,089	67,752	105,841	3,305,275	3,199,434	3122.88243%
06/01/2033	37,805	38,089		38,089	3,305,275	3,267,186	8677.71318%
06/01/2034	37,899	38,089		38,089	3,305,275	3,267,186	8677.82710%
06/01/2035	37,994	38,089		38,089	3,305,275	3,267,186	8677.77242%
	723,040	741,673	29,974,119	30,715,792	66,105,500	35,389,708	

\$1,807,600

**WATER PROJECT FUND
LOAN/GRANT AGREEMENT**

Dated

December 11, 2015

By and Between the

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

and the

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

**WATER PROJECT FUND
LOAN/GRANT AGREEMENT**

THIS LOAN/GRANT AGREEMENT (the "Agreement" or "Loan/Grant Agreement") dated December 11, 2015, is entered into by and between the **NEW MEXICO FINANCE AUTHORITY** (the "Finance Authority") (the "Lender/Grantor"), and the **CITY OF HOBBS** in Lea County, New Mexico (the "Borrower/Grantee").

WITNESSETH:

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

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

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

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

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

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

WHEREAS, the Borrower/Grantee has determined that it is in the best interests of the Borrower/Grantee and the constituent public it serves that the Borrower/Grantee enter into this Agreement with the Lender/Grantor to borrow seven hundred twenty-three thousand forty dollars (\$723,040) from the Lender/Grantor and to accept a grant in the amount of one million eighty-four thousand five hundred sixty dollars (\$1,084,560) from the Lender/Grantor to finance the costs of the Project, this Project being more particularly described in the Term Sheet; and

WHEREAS, based upon the Finance Authority's evaluation of the Application dated August 6, 2014 of the Borrower/Grantee and dealing with the Project, the Finance Authority staff has recommended to the Water Trust Board that the Borrower/Grantee receive financial assistance in the form of the Loan/Grant, and the Water Trust Board has authorized the Finance Authority to enter into and administer this Agreement; and

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

WHEREAS, 2015 N.M. Laws Ch. 88, being House Bill 578 of the 2015 Regular New Mexico Legislative Session, authorized the funding of the Project from the Water Project Fund; and

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

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

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

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

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

ARTICLE I DEFINITIONS

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

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

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

“Additional Funding Amount” means the amount to be provided by the Borrower/Grantee which includes the total value of the Soft Match or Hard Match (each as defined in Section 2.5 of the Policies) which, in combination with the Loan/Grant Amount and other moneys available to the Borrower/Grantee, is sufficient to complete the Project or to provide matching funds needed to complete the Project. The Additional Funding Amount is three hundred sixty-one thousand five hundred twenty dollars (\$361,520).

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

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

“Application” means the New Mexico Water Trust Board Application for Financial Assistance dated August 6, 2014 of the Borrower/Grantee and pursuant to which the Borrower/Grantee requested funding for the Project.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“Grant” or “Grant Amount” means the amount provided to the Borrower/Grantee as a grant pursuant to this Agreement for the purpose of funding the Project and equals one million eighty-four thousand five hundred sixty dollars (\$1,084,560).

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

Gross Revenues do not include:

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

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

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

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

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

“Lender/Grantor” means the Finance Authority.

“Loan” or “Loan Amount” means the amount provided to the Borrower/Grantee as a loan pursuant to this Agreement for the purpose of funding the Project and equals seven hundred twenty-three thousand forty dollars (\$723,040).

“Loan/Grant” or “Loan/Grant Amount” means the combined amount partially provided to the Borrower/Grantee as the Grant Amount and partially borrowed by the Borrower/Grantee as the Loan Amount pursuant to this Agreement for the purpose of funding the Project and equals one million eight hundred seven thousand six hundred dollars (\$1,807,600).

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

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

“NMAC” means the New Mexico Administrative Code.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“Resolution” means the Borrower/Grantee’s Resolution No. _____, adopted November 2, 2015, authorizing the acceptance of the Loan/Grant and the execution of this Agreement.

“State” means the State of New Mexico.

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

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

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

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

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

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

ARTICLE II
REPRESENTATIONS, COVENANTS AND WARRANTIES

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

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

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

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

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

(e) Scope of Project; Completion of Project; Compliance with Laws. The Project is for water conservation or recycling, treatment or reuse of water as provided by law. The Loan/Grant Amount will be used only for Eligible Items necessary to complete the Project. In particular, the Project will consist of construction of Phase II-effluent reuse project consisting of developing infrastructure including pipeline to convey treated effluent waters from the wastewater reclamation facility to Rockwind golf course, Harry McAdams Park and Lovington Highway Health trail, and shall include such other related work and revisions necessary to complete the Project. The Project is more particularly described in the Term Sheet. The Project will be completed with all practical dispatch and will be completed, operated and maintained so as to comply with all applicable federal, state and local laws, ordinances, resolutions and regulations and all current and future orders of all courts having jurisdiction over the Borrower/Grantee relating to the acquisition, operation, maintenance and completion of the Project and to the use of the Loan/Grant proceeds.

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

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

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

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

(j) Irrevocability of Enactments. While this Agreement remains outstanding, any ordinance, resolution or other enactment of the Governing Body accepting the terms hereof, pledging the Pledged Revenues, or in any way relating to the Loan/Grant or this Agreement, including the Resolution, shall be irrevocable until the Project has been fully acquired and completed, and the Loan Amount, including all principal and interest has been repaid, or provision made for payment thereof, and shall not be subject to amendment or modification in any manner which would result in any use of the proceeds of this Agreement in a manner not permitted or contemplated by the terms hereof. The Borrower/Grantee shall not impair the rights of the Finance Authority or of any holders of bonds or other obligations payable from the Pledged Revenues while this Agreement is outstanding.

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

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

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

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

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

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

(q) Use of Project; Continuing Covenant. During the Agreement Term, the Borrower/Grantee will at all times use the Project for the benefit of the Borrower/Grantee and the public it serves. The Borrower/Grantee shall not sell, lease, mortgage, pledge, relocate or otherwise dispose of or transfer the Project, or any part of the Project during the Useful Life of the System, or any part of the System during the Agreement Term; provided, however, that if the Project is a joint project of the Borrower/Grantee and other qualifying entities (as defined by

the Act), the Borrower/Grantee and the other qualifying entities may, with the express written approval of the Lender/Grantor and not otherwise, enter into an agreement allocating ownership and operational and maintenance responsibilities for the Project during its Useful Life. Any, such agreement shall provide that the Lender/Grantor shall have the power to enforce the terms of this Agreement, without qualification, as to each and every qualifying entity (as defined by the Act) owning or operating any portion of the Project during its Useful Life. If any portion of the Project will be constructed, located, completed or extended on real property owned by a qualifying entity (as defined by the Act) other than the Borrower/Grantee, the Borrower/Grantee shall, prior to any use of the Loan/Grant funds for the Project on such real property, obtain the written agreement of such other qualifying entity to abide by these restrictions with respect to such real property (and the portion of the Project to be constructed, located, completed or extended on such real property), which written agreement shall include an express statement by such other qualifying entity that the Lender/Grantor is a third party beneficiary of such written agreement. The Borrower/Grantee will operate and maintain the Project, so that it will function properly over its Useful Life. The provisions of this Section shall remain effective and enforceable by the Lender/Grantor for the duration of the Useful Life of the Project.

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

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

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

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

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

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

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

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

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

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

(a) Authority of Finance Authority. The Finance Authority has all necessary power and authority to enter into and perform and observe the covenants and agreements on its

part contained in this Agreement and, by proper action, has duly authorized the execution and delivery of this Agreement.

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

ARTICLE III AGREEMENT TERM

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

ARTICLE IV LOAN/GRANT AMOUNT DISBURSEMENT CONDITIONS

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

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

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

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

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

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

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

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

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

Section 5.1 Loan and Grant to the Borrower/Grantee.

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

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

(ii) Administrative Fee. The Borrower/Grantee shall, on an annual basis beginning June 1, 2016, pay to the Lender/Grantor an administrative fee equal to one-quarter of one percent (0.25%) per annum of the unpaid principal balance of the Loan Amount,

taking into account both payments made by the Borrower/Grantee and hardship waivers of payments granted to the Borrower/Grantee as provided by this Agreement. Any such Administrative Fee payment shall be due irrespective of whether or not a hardship waiver of payment is granted to the Borrower/Grantee for the principal payment otherwise due on June 1 of the applicable year or any other year.

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

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

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

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

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

(a) transfer from monies available for that purpose to the Expense Account amounts which together are sufficient to pay the Expenses of the Lender/Grantor, as shown on the Term Sheet, the amount requested or disbursed from each fund being in the sole discretion of the Finance Authority; and

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

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

ARTICLE VI LOAN PAYMENTS BY THE BORROWER/GRANTEE

Section 6.1 Payment Obligations Limited to Pledged Revenues; Pledge of the Pledged Revenues. The Borrower/Grantee promises to make the Loan Payments and to pay the Administrative Fees and other amounts owed by the Borrower/Grantee as herein provided. The Borrower/Grantee does hereby pledge and grant a lien on and a security interest in and conveys, assigns and pledges unto the Finance Authority and unto its successors in trust forever all right, title and interest of the Borrower/Grantee in and to (i) the Pledged Revenues to the extent required to make the Loan Payments, and to pay the Administrative Fees and other amounts owed by the Borrower/Grantee as herein provided, subject to and subordinate to all other pledges of the Pledged Revenues existing on the Closing Date and, further, that may exist in the future (except only that the pledge of the Pledged Revenues herein shall be on a parity with any other pledge of the Pledged Revenues by the Borrower/Grantee to repay any obligations issued by the Lender/Grantor pursuant to the Act or the Colonias Infrastructure Act), and (ii) all other rights hereinafter granted, for securing of the Borrower/Grantee's obligations under this Agreement, including payment of the Loan Amount, Administrative Fees and other amounts owed by the Borrower/Grantee as herein provided, provided, however that if the Borrower/Grantee, its successors or assigns, shall well and truly pay, or cause to be paid the Loan Amount at the time and in the manner contemplated by this Agreement, according to the true intent and meaning hereof, the Administrative Fees and all other amounts due or to become due under this Agreement in accordance with its terms and provisions then, upon such final payment or provision for payment by the Borrower/Grantee, the provisions of this Agreement and the rights created thereby with respect to the Loan Amount shall terminate and the Lender/Grantor shall give a written release or such other confirmation as may be necessary to remove any encumbrances upon the Pledged Revenues; otherwise, such provisions of this Agreement shall remain in full force and effect.

The pledge of the Pledged Revenues, the security interest in and the lien thereon shall be effective upon the Closing Date. The Borrower/Grantee, the Finance Authority, and the Water Trust Board acknowledge and agree that the obligations of the Borrower/Grantee hereunder are limited to the Pledged Revenues; and that this Agreement with respect to the Loan Amount, the Administrative Fees and other amounts owed by the Borrower/Grantee as herein provided shall constitute a special, limited obligation of the Borrower/Grantee. No provision of this Agreement shall be construed or interpreted as creating a general obligation or other indebtedness of the Borrower/Grantee within the meaning of any constitutional or statutory debt limitation. No provision of this Agreement shall be construed to pledge or to create a lien on or security interest in any class or source of Borrower/Grantee's moneys other than the Pledged Revenues, nor shall any provision of this Agreement restrict the future issuance of any bonds or obligations payable from any class or source of Borrower/Grantee's moneys including the Pledged Revenues. In addition, the Pledged Revenues not required to meet the obligation of the Borrower/Grantee under this Agreement may be utilized by the Borrower/Grantee for any other purposes permitted by law.

Section 6.2 Deposit of Payments of Loan Amount to Water Project Fund. All Loan Payments made by the Borrower/Grantee to the Finance Authority to repay the Loan Amount and interest thereon, if any, shall be deposited into the Water Project Fund.

Section 6.3 Manner of Payment. The Loan Amount shall be payable by the Borrower/Grantee to the Lender/Grantor in annual installments of principal payable on June 1 beginning in the year 2016 and continuing through the year 2035 as set forth more fully in Exhibit C to this Agreement. All payments of the Borrower/Grantee hereunder shall be paid in lawful money of the United States of America to the Finance Authority at the address designated in Section 11.1 of this Agreement. The obligation of the Borrower/Grantee to make payments hereunder, from and to the extent of the available Pledged Revenues, shall be absolute and unconditional in all events, except as expressly provided hereunder, and payment hereunder shall not be abated through accident or unforeseen circumstances. Notwithstanding any dispute between the Borrower/Grantee and the Finance Authority, any vendor or any other person, the Borrower/Grantee shall make all deposits hereunder, from and to the extent of the available Pledged Revenues, when due and shall not withhold any deposit hereunder pending final resolution of such dispute, nor shall the Borrower/Grantee assert any right of set-off or counterclaim against its obligation to make such deposits required hereunder.

Section 6.4 Borrower/Grantee May Budget for Payments. The Borrower/Grantee may, in its sole discretion, but without obligation and subject to the Constitution of the State, governing laws, and its budgetary requirements, make available properly budgeted and legally available funds to make the Loan Payments and other amounts owed by the Borrower/Grantee hereunder; provided, however, the Borrower/Grantee has not covenanted and cannot covenant to make such funds available and has not pledged any of such funds for such purpose.

Section 6.5 No Penalty for Prepayment of the Loan Amount. The Loan Amount shall be pre-payable by the Borrower/Grantee at anytime, without penalty.

Section 6.6 Lender/Grantor's Release of Lien and Further Assurances. Upon payment in full of the Loan Amount, Administrative Fees and other amounts owed by the Borrower/Grantee as herein provided in this Agreement and upon written request from the Borrower/Grantee the Lender/Grantor agrees to execute a release of lien and to give such further assurances as are reasonably necessary to ensure that the Lender/Grantor no longer holds or maintains any lien or claim against the Pledged Revenues.

ARTICLE VII THE PROJECT

Section 7.1 Agreement to Acquire, Complete and Maintain the Project.

(a) The Borrower/Grantee hereby agrees that in order to effectuate the purposes of this Agreement and to acquire and complete the Project it shall take such steps as are necessary and appropriate to acquire, complete, operate and maintain the Project lawfully and efficiently. The Project shall be constructed and completed substantially in accordance with the approved plans and specifications, and shall fully incorporate the available technologies and operational design for water use efficiency described in the approved plans and specifications. No Loan/Grant funds shall be used for items not constituting Eligible Items.

(b) As provided by NMSA 1978, § 72-4A-7(A)(1), as amended, of the Act, the Borrower/Grantee shall operate and maintain the Project in good operating condition and repair at all times during the Useful Life of the Project, which shall in no event be less than twenty (20) years, so that the Project will function properly over the Useful Life of the Project; provided, that if any portion of the Project will be constructed, located, completed, installed or extended on real property owned by a qualifying entity (as defined by the Act) other than the Borrower/Grantee, the Borrower/Grantee may, prior to any use of the Loan/Grant funds for the Project on such real property, obtain the written agreement of such other qualifying entity to perform these obligations with respect to such real property (and the portion of the Project to be constructed, located, completed or extended on such real property), which written agreement shall be subject to approval by the Lender/Grantor and shall include an express statement by such other qualifying entity that the Lender/Grantor is a third party beneficiary of such written agreement.

Section 7.2 Accounting for Amounts Credited to the Project Account. So long as no Event of Default shall occur and provided that all Conditions to the disbursement of the Loan/Grant Amount have been satisfied (including approval of the plans and specifications), upon receipt by the Finance Authority of a requisition substantially in the form of Exhibit "B" attached hereto signed by an Authorized Officer of the Borrower/Grantee, supported by certification by the Borrower/Grantee's project architect, engineer, or such other authorized representative of the Borrower/Grantee that the amount of the disbursement request represents the progress of design, construction, acquisition or other Project-related activities accomplished as of the date of the disbursement request, the Finance Authority shall, in its sole and absolute discretion: (1) submit a request for payment to the State Board of Finance for payment; and/or (2) disburse from the Water Project Fund, amounts which together are sufficient to pay the requisition in full. The Finance Authority shall make the appropriate entry in the Project

Account reflecting the amount of the payment. The certification provided pursuant to this Section 7.2 in support of the requisition must be acceptable in form and substance to the Finance Authority and, at its request, the Water Trust Board. The Borrower/Grantee shall provide such records or access to the Project as the Finance Authority, and, at its request, the Water Trust Board, in the discretion of each, may request in connection with the approval of the Borrower/Grantee's requisition requests made hereunder.

Section 7.3 No Disbursement for Prior Expenditures Except upon Approval. No request for payment shall be made to the State Board of Finance, and no disbursement shall be made from the Water Project Fund, of the Loan/Grant Amount, or any portion thereof, without the approval of the Finance Authority and, at its request, the Water Trust Board, to reimburse any expenditure made prior to the Closing Date.

Section 7.4 Borrower/Grantee Reporting to Lender/Grantor. During the acquisition implementation, installation and construction of the Project, the Borrower/Grantee shall provide the Lender/Grantor with a quarterly written report executed by an Authorized Officer of the Borrower/Grantee, in the form attached as Exhibit "D" hereto or in another form reasonably acceptable to the Lender/Grantor, describing the status of the Project as of the report date, uses of Loan/Grant funds during the quarterly period ending on the report date, and requests for distributions of Loan/Grant funds anticipated to occur during the quarterly period immediately following the report date. The first quarterly report shall be due on March 31, 2016, and subsequent reports shall be due on each March 31, June 30, September 30 and December 31 thereafter until the report date next following final distribution of the Loan/Grant funds. No reports shall be required after the report date next following final distribution of the Loan/Grant Funds, unless specifically required by the Finance Authority or the Water Trust Board. The description of the status of the Project in each quarterly report shall include, among other information, (a) a comparison of actual and anticipated requests for distributions of Loan/Grant funds as of the report date with those anticipated as of the Closing Date, (b) a description of actual and anticipated changes in the cost estimates for the Project as of the report date compared with those anticipated as of the Closing Date, and (c) a description of the percentage of completion of the Project.

Section 7.5 Completion of Disbursement of Loan/Grant Funds. Upon the earlier of (1) the completion of the Project, or (2) the expenditure of the whole Loan/Grant Amount, an Authorized Officer of the Borrower/Grantee shall deliver a certificate to the Finance Authority substantially in the form of Exhibit "E" attached hereto, stating that, to his or her knowledge, either (1) the Project has been completed, or (2) that the portion of the Loan/Grant Amount needed to complete the Project has been disbursed in accordance with the terms of this Agreement. No portion of the Loan/Grant Amount shall be disbursed after the date which is three (3) years from the Closing Date, unless a later date is approved in writing by an Authorized Officer of the Finance Authority.

Section 7.6 Application of Project Account Subsequent to Disbursement of Loan/Grant Funds; Termination of Pledge. (a) Upon the completion of the Project as signified by delivery of the completion certificate required by Section 7.5 hereof, the Finance Authority shall determine, by reference to the Project Account, whether any portion of the authorized

Loan/Grant Amount remains unexpended, and shall dispose of such unexpended proceeds in accordance with law; (b) In the event that a portion of the Loan/Grant Amount remains unexpended after the date which is three (3) years from the Closing Date, and no later date has been approved by an Authorized Officer of the Finance Authority, pursuant to Section 7.5 hereof, the Finance Authority shall dispose of such unexpended funds in accordance with law. Upon the occurrence of either event described in (a) or (b) above, the Finance Authority shall make the appropriate entry in the Project Account and, upon such entry, the pledge of the Loan/Grant Amount established in this Loan/Grant Agreement shall terminate.

ARTICLE VIII COMPLIANCE WITH LAWS AND RULES; OTHER COVENANTS

Section 8.1 Further Assurances and Corrective Instruments. The Lender/Grantor and the Borrower/Grantee agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Project or of the Pledged Revenues and for carrying out the intention hereof.

Section 8.2 Representatives of Lender/Grantor or of Borrower/Grantee. Whenever under the provisions hereof the approval of the Lender/Grantor or the Borrower/Grantee is required, or the Borrower/Grantee, or the Lender/Grantor is required to take some action at the request of either of them, such approval or such request shall be given for the Lender/Grantor or for the Borrower/Grantee, by an Authorized Officer of the Lender/Grantor or the Borrower/Grantee, as the case may be, and any party hereto shall be authorized to act on any such approval or request.

Section 8.3 Selection of Contractors. All contractors providing services or materials in connection with the Project shall be selected in accordance with applicable provisions of the New Mexico Procurement Code, NMSA 1978, §§ 13-1-28 through 13-1-199, as amended, or, if the Borrower/Grantee is not subject to the New Mexico Procurement Code, shall be selected in accordance with a documented procurement process duly authorized and established pursuant to laws and regulations applicable to the Borrower/Grantee.

Section 8.4 Required Contract Provisions. The Borrower/Grantee shall require the following provisions in any contract or subcontract executed in connection with the Project to which the Borrower/Grantee is a party:

(a) There shall be no discrimination against any employee or applicant for employment because of race, color, creed, sex, religion, sexual preference, ancestry or national origin; and

(b) Any contractor or subcontractor providing construction services in connection with the Project shall post a performance and payment bond in accordance with the requirements of NMSA 1978, § 13-4-18, as amended.

Section 8.5 Application of Act and Board Rules. The Lender/Grantor and the Borrower/Grantee expressly acknowledge that this Agreement is governed by provisions and requirements of the Act and the Board Rules, as amended and supplemented, and all applicable provisions and requirements of the Act and Board Rules are incorporated into this Agreement by reference.

ARTICLE IX INSURANCE; NON-LIABILITY OF LENDER/GRANTOR

Section 9.1 Insurance. The Borrower/Grantee shall carry general liability insurance or participate in the State's risk-management program and, to the extent allowed by the New Mexico Tort Claims Act, NMSA 1978, §§ 41-4-1 through 41-4-30, as amended, shall and hereby agrees to name the Lender/Grantor as an additional insured with respect to all claims, by or on behalf of any person, firm, corporation or other legal entity arising from the acquisition, completion or implementation of the Project or otherwise during the Agreement Term; provided, that if any portion of the Project will be constructed, located, completed or extended on real property owned by a qualifying entity (as defined by the Act) other than the Borrower/Grantee, the Borrower/Grantee may obtain the written agreement of such other qualifying entity to perform these insurance/risk-management program requirements for Borrower/Grantee with respect to such real property (and the portion of the Project to be constructed, located, completed or extended on such real property), which written agreement shall include an express statement by such other qualifying entity that the Lender/Grantor is a third party beneficiary of such written agreement.

Section 9.2 Non-Liability of Lender/Grantor.

(a) Lender/Grantor shall not be liable in any manner for the Project, Borrower/Grantee's use of the Loan/Grant, the acquisition, implementation, construction, installation, ownership, operation or maintenance of the Project, or any failure to act properly by the Borrower/Grantee or any other owner or operator of the Project.

(b) Lender/Grantor shall not be liable for the refusal or failure of any other agency of the State to transfer any portion of the Loan/Grant Amount in its possession, custody and control to the Finance Authority for disbursement to the Borrower/Grantee, or to honor any request for such transfer or disbursement of the Loan/Grant Amount.

(c) From and to the extent of the Pledged Revenues, and to the extent permitted by law, the Borrower/Grantee shall and hereby agrees to indemnify and save the Finance Authority harmless against and from all claims, by or on behalf of any person, firm, corporation, or other legal entity, arising from the acquisition or operation of the Project during the Agreement Term, from: (i) any act of negligence or other misconduct of the Borrower/Grantee, or breach of any covenant or warranty by the Borrower/Grantee hereunder; and (ii) the incurrence of any cost or expense in connection with the acquisition or operation of the Project in excess of the Loan/Grant Agreement proceeds and interest on the investment thereof. The Borrower/Grantee shall indemnify and save the Finance Authority harmless, from and to the extent of the available Pledged Revenues, from any such claim arising as aforesaid

from (i) or (ii) above, or in connection with any action or proceeding brought thereon and, upon notice from the Finance Authority, shall defend the Finance Authority in any such action or proceeding.

ARTICLE X EVENTS OF DEFAULT AND REMEDIES

Section 10.1 Events of Default Defined. Any one of the following shall be an "Event of Default" under this Agreement:

(a) Failure by the Borrower/Grantee to pay any amount required to be paid under this Agreement on the date on which it is due and payable; or

(b) Failure by the Borrower/Grantee to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Agreement for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to the Borrower/Grantee by the Lender/Grantor unless the Lender/Grantor shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice can be wholly cured within a period of time not materially detrimental to the rights of the Lender/Grantor but cannot be cured within the applicable thirty (30) day period, the Lender/Grantor will not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the Borrower/Grantee within the applicable period and diligently pursued until the failure is corrected; and provided, further, that if by reason of force majeure the Borrower/Grantee is unable to carry out the agreements on its part herein contained, the Borrower/Grantee shall not be deemed in default under this paragraph 10.1(b) during the continuance of such inability (but force majeure shall not excuse any other Event of Default); or

(c) Any warranty, representation or other statement by or on behalf of the Borrower/Grantee contained in this Agreement or in any instrument furnished in compliance with or in reference to this Agreement is determined to be false or misleading in any material respect.

(d) A petition is filed against the Borrower/Grantee under any bankruptcy, moratorium, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, and is not dismissed within thirty (30) days after such filing, but the Finance Authority shall have the right to intervene in the proceedings prior to the expiration of such thirty (30) days to protect their interests;

(e) The Borrower/Grantee files a petition in voluntary bankruptcy or seeking relief under any provision of any bankruptcy, moratorium, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, or consents to the filing of any petition against it under any such law; or

(f) The Borrower/Grantee admits insolvency or bankruptcy or its inability to pay its debts as they become due or is generally not paying its debts as such debts become due,

or becomes insolvent or bankrupt or makes an assignment for the benefit of creditors, or a custodian (including, without limitation, a receiver, liquidator or trustee) of the Borrower/Grantee for any of its property is appointed by court order or takes possession thereof and such order remains in effect or such possession continues for more than thirty (30) days, but the Finance Authority shall have the right to intervene in the proceedings prior to the expiration of such thirty (30) days to protect their interests.

Section 10.2 Limitations on Remedies. A judgment requiring payment of money entered against the Borrower/Grantee shall be paid from only available Pledged Revenues unless the Borrower/Grantee in its sole discretion pays the judgment from other available funds.

Section 10.3 Remedies on Default. Whenever any Event of Default has occurred and is continuing and subject to Section 10.2 hereof, the Lender/Grantor may take whatever of the following actions may appear necessary or desirable to enforce performance of any agreement of the Borrower/Grantee in this Agreement:

- (a) File a mandamus proceeding or other action or proceeding or suit at law or in equity to compel the Borrower/Grantee to perform or carry out its duties under the law and the agreements and covenants required to be performed by it contained herein;
- (b) Terminate this Agreement;
- (c) Cease disbursing any further amounts from the Project Account;
- (d) Demand that the Borrower/Grantee immediately repay the Loan/Grant Amount or any portion thereof if such funds were not utilized in accordance with this Agreement;
- (e) File a suit in equity to enjoin any acts or things which are unlawful or violate the rights of the Lender/Grantor; or
- (f) Intervene in judicial proceedings that affect this Agreement or the Pledged Revenues; or
- (g) Take whatever other action at law or in equity may appear necessary or desirable to enforce any other of its rights hereunder; or
- (h) The Borrower/Grantee shall be responsible for reimbursing the Lender/Grantor for any and all fees and costs incurred in enforcing the terms of this Agreement.

Section 10.4 No Remedy Exclusive. No remedy herein conferred upon or reserved to the Lender/Grantor is intended to be exclusive, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In

order to entitle the Borrower/Grantee or the Lender/Grantor to exercise any remedy reserved in this Article X, it shall not be necessary to give any notice, other than such notice as may be required in this Article X.

Section 10.5 Waivers of Events of Default. The Lender/Grantor may, in its sole discretion, waive any Event of Default hereunder and the consequences of any such Event of Default; provided, however, all expenses of the Lender/Grantor in connection with such Event of Default shall have been paid or provided for. Such waiver shall be effective only if made by a written statement of waiver issued by the Finance Authority. In case of any such waiver or rescission, or in case any proceeding taken by the Lender/Grantor, on account of any such Event of Default shall have been discontinued or abandoned or determined adversely, then and in every such case, the Lender/Grantor shall be restored to its former position and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other Event of Default, or impair any right consequent thereon.

Section 10.6 No Additional Waiver Implied by One Waiver. In the event that any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver shall be in writing and limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Section 10.7 Agreement to Pay Attorneys' Fees and Expenses. In the event that the Borrower/Grantee shall default under any of the provisions hereof, and the Finance Authority shall employ attorneys or incur other expenses for the collection of payments hereunder, or the enforcement of performance or observance of any obligation or agreement on the part of the Borrower/Grantee herein contained, the Borrower/Grantee agrees that it shall, on demand therefor, pay to the Finance Authority the fees of such attorneys and such other expenses so incurred, to the extent such attorneys' fees and expenses may be determined to be reasonable by a court of competent jurisdiction; provided, however, that the obligation of the Borrower/Grantee under this Section shall be limited to expenditures from and to the extent of the available Pledged Revenues.

ARTICLE XI MISCELLANEOUS

Section 11.1 Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered as follows:

If to the Borrower/Grantee, to:

City of Hobbs
Attn.: City Clerk
200 E. Broadway
Hobbs, New Mexico 88240

If to the Finance Authority, then to:

New Mexico Finance Authority
Attn.: Chief Executive Officer
207 Shelby Street
Santa Fe, New Mexico 87501

The Borrower/Grantee or the Lender/Grantor may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 11.2 Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the Lender/Grantor and the Borrower/Grantee and their respective successors and assigns, if any.

Section 11.3 Integration. This Agreement and any other agreements, certifications and commitments entered into between the Lender/Grantor and the Borrower/Grantee on the Closing Date constitute the entire agreement of the parties regarding the Loan/Grant and the funding of the Project through the Loan/Grant as of the Closing Date, and the terms of this Agreement supersede any prior applications, discussions, understandings or agreements between or among the parties in connection with the Loan/Grant, to the extent such prior applications, discussions, understandings or agreements are inconsistent with this Agreement.

Section 11.4 Amendments. This Agreement may be amended only with the written consent of both of the parties hereto. The consent of the Finance Authority for amendments not affecting the terms of payment of the loan component of this Agreement may be given by an Authorized Officer of the Finance Authority. The execution of any such consent by and Authorized Officer of the Finance Authority shall constitute his or her determination that such amendment does not affect the terms of payment of the loan component of this Agreement.

Section 11.5 No Liability of Individual Officers, Directors or Trustees. No recourse under or upon any obligation, covenant or agreement contained in this Agreement shall be had against any member, employee, director or officer, as such, past, present or future, of the Lender/Grantor, either directly or through the Finance Authority, or against any officer, employee, director or member of the Borrower/Grantee, past, present or future, as an individual so long as such individual was acting in good faith. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such officer, employee, director or member of the Borrower/Grantee or of the Finance Authority is hereby expressly waived and released by the Borrower/Grantee and the Finance Authority as a condition of and in consideration for the execution of this Agreement.

Section 11.6 Severability. In the event that any provision of this Agreement, other than the obligation of the Borrower/Grantee to make the Loan Payments and the Administrative Fee hereunder, shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 11.7 Execution in Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 11.8 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New Mexico.

Section 11.9 Captions. The captions or headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement.

[Remainder of page intentionally left blank.]

[Signature pages follow.]

IN WITNESS WHEREOF, the Finance Authority, on behalf of itself, has executed this Agreement, which was approved by the Water Trust Board on June 3, 2015 and by the Finance Authority's Board of Directors on June 25, 2015, in its respective corporate name with its corporate seal affixed hereto and attested by their duly authorized officers; and the Borrower/Grantee has caused this Agreement to be executed and attested by duly authorized officers thereof. All of the above are effective as of the date first above written.

LENDER/GRANTOR:

NEW MEXICO FINANCE AUTHORITY

By _____
Chief Executive Officer or Designee

ATTEST:

By _____

Prepared for Execution by Officers of the
New Mexico Finance Authority:

VIRTUE & NAJJAR, PC
As Loan/Grant Counsel

By _____
Jonas M. Nahoum

Approved for Execution by Officers of the
New Mexico Finance Authority:

By _____
Daniel C. Opperman
Finance Authority General Counsel

BORROWER/GRANTEE:

CITY OF HOBBS,
LEA COUNTY, NEW MEXICO

By _____
Sam D. Cobb, Mayor

ATTEST:

By _____
Jan Fletcher, City Clerk

EXHIBIT "A"

TERM SHEET

**\$1,807,600 WATER PROJECT LOAN/GRANT TO THE
CITY OF HOBBS, LEA COUNTY, NEW MEXICO**

Project Description: The Project is for water conservation or recycling, treatment or reuse of water as provided by law. The Loan/Grant Amount will be used only for Eligible Items necessary to complete the Project. In particular, the Project will consist of construction of Phase II-effluent reuse project consisting of developing infrastructure including pipeline to convey treated effluent waters from the wastewater reclamation facility to Rockwind golf course, Harry McAdams Park and Lovington Highway Health trail, and shall include such other related work and revisions necessary to complete the Project. The Project may be further described in the Application and in the final plans and specifications for the Project approved by the Water Trust Board and the Finance Authority as provided by this Agreement. However, in the event of any inconsistency, the description of the Project as stated in this Term Sheet shall control.

Grant Amount: \$1,084,560

Loan Amount: \$723,040

Pledged Revenues: "Pledged Revenues" means the Net System Revenues of the Borrower/Grantee pledged to the payment of the Loan Amount and Administrative Fees pursuant to the Resolution and the Loan/Grant Agreement.

Outstanding Senior Obligations for Pledged Revenues: CWSRLF 001, Matures 3/2030.

Outstanding Parity Obligations: 250-WTB, Matures 6/2032; and 316-WTB, Matures 6/2035.

Authorizing Legislation: Borrower/Grantee Resolution No. _____, adopted November 2, 2015

Additional Funding Amount: \$361,520

Closing Date: December 11, 2015
Project Account Amount: \$1,807,600
Expense Account Deposit: \$0
Administrative Fee: 0.25%

Conditions to be satisfied prior to first disbursement of Loan/Grant funds: Delivery to Finance Authority of (i) a copy of the agenda of the meeting of the Governing Body at which the Resolution was adopted and at which this Agreement, the Resolution and all other Loan/Grant documents were authorized by the Governing Body (the "Meeting"), certified as a true and correct copy by the City Clerk of the Borrower/Grantee, (ii) a copy of the minutes or record of proceedings of the Meeting, approved and signed by the Mayor and attested to by the City Clerk of the Borrower/Grantee, and (iii) a copy of the notice of meeting for the Meeting evidencing compliance with the Borrower/Grantee's Open Meetings standards in effect on the date of the Meeting.

Other Conditions applicable to the Loan/Grant: All Conditions defined in the Agreement.

EXHIBIT "B"

FORM OF REQUISITION

RE: \$1,807,600 Loan/Grant Agreement by and between the Finance Authority, as Lender/Grantor, and the City of Hobbs, as Borrower/Grantee (the "Loan/Grant Agreement")

Loan/Grant No. 339-WTB

Closing Date: December 11, 2015

TO: NEW MEXICO FINANCE AUTHORITY

You are hereby authorized to disburse from the Project Account – City of Hobbs with regard to the above-referenced Loan/Grant Agreement the following:

REQUISITION NUMBER: _____

NAME AND ADDRESS OF PAYEE: _____

WIRING INFORMATION

BANK NAME:	_____
ACCOUNT NUMBER:	_____
ROUTING NUMBER:	_____

AMOUNT OF PAYMENT: \$ _____

PURPOSE OF PAYMENT: _____

ELIGIBLE ITEM CATEGORY (See below): _____

DATED: _____

By: _____
Authorized Officer

Title: _____

Each obligation, item of cost or expense mentioned herein is for a loan/grant made by the Lender/Grantor pursuant to the Water Project Finance Act to the Borrower/Grantee within the State of New Mexico, is due and payable, has not been the subject of any previous requisition and is a proper charge against the Project Account – City of Hobbs. All representations contained in the Loan/Grant Agreement and the related closing documents remain true and correct and the Borrower/Grantee is not in breach of any of the covenants contained therein.

The proceeds of the Loan/Grant have been or will be used to pay the costs of Eligible Items, as defined in the Loan/Grant Agreement. Eligible Items are (1) matching requirements for federal and local cost shares, (2) engineering feasibility reports, (3) contracted engineering design, (4) inspection of construction, (5) special engineering services, (6) environmental or archeological surveys, (7) construction, (8) land acquisition, (9) easements and rights of way, (10) Eligible Legal Costs and (11) Eligible Fiscal Agent Fees, subject to limitations as set forth in the Loan/Grant Agreement.

All construction and all installation of equipment with proceeds of the Loan/Grant has or will be used in accordance with plans and/or specifications approved on behalf of the Finance Authority the New Mexico Environment Department, has or will be acquired in compliance with applicable procurement laws and regulations and has or will be inspected and approved in accordance with applicable laws and regulations.

Capitalized terms used herein, are used as defined or used in the Loan/Grant Agreement.

EXHIBIT "C"

PAYMENT PROVISIONS OF THE LOAN

The Loan Amount shall be payable by the Borrower/Grantee to the Lender/Grantor in twenty (20) annual installments of principal pursuant to the attached debt service schedule, beginning June 1, 2016 and ending June 1, 2035. The Loan Amount shall be prepayable at any time without penalty. The Administrative Fee shall be due and payable annually on June 1 of each year while the Loan, or any portion thereof, remains outstanding.

EXHIBIT "D"

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

Fund Recipient Names: City of Hobbs		WTB Project Number: 339-WTB	
Recipient Contact: City Clerk		WTB Project Name: Phase II Effluent Reuse Project	
Phone Number: (575) 397-9207		Project Type: Water Conservation, Treatment, Recycling or Reuse	
Quarterly Project Report <input type="checkbox"/>	Final <input type="checkbox"/>	Other <input type="checkbox"/>	_____
Report Period: From - ___ / ___ / ___		To - ___ / ___ / ___	
Contract Expiration: _____			
Total WTB Award: \$ _____ Current Balance: \$ _____			
Loan % 40 Grant % 60 Match % 20			
Expected WTB Award Expenditure Next Quarter: \$ _____			
Additional Funding Amount Expended to Date: \$ _____			
Expected Additional Funding Amount Expenditure Next Quarter: \$ _____			
Project Phase: Planning <input type="checkbox"/> Design <input type="checkbox"/> Construction <input type="checkbox"/>			
PROJECT TIME: Original Completion Date: _____			
Current Completion Date: _____			
Days Remaining for Completion _____			
Percent Project is Complete _____ % On Schedule? Yes <input type="checkbox"/> No <input type="checkbox"/>			
Briefly Describe Project Progress During This Reporting Period:			
Issues Addressed During This Period (Indicate any current and/or anticipated issues that remain unresolved):			
Goals/Milestones With Timeline or Dates For The Next Reporting Period:			
Name and Title of Authorized Officer: (Print)		Authorized Officer Signature:	
Date: _____			

EXHIBIT "E"

FORM OF CERTIFICATE OF COMPLETION

RE: \$1,807,600 Loan/Grant Agreement by and between the Finance Authority, as Lender/Grantor, and the City of Hobbs, as Borrower/Grantee (the "Loan/Grant Agreement")

Loan/Grant No. 339-WTB

Closing Date: December 11, 2015

TO: NEW MEXICO FINANCE AUTHORITY

I, _____, the _____ of the
[Name] [Title or position]

Borrower/Grantee, hereby certify as follows:

1. The project described in the Loan/Grant Agreement (the "Project"), or the applicable phase of the project if funding was for a phased Project, was completed and placed in service on _____, 20__.

2. The total cost of the Project was \$ _____.

3. Cost of the Project paid from the Loan/Grant Amount was \$ _____.

4. Cost of the Project paid from the Additional Funding Amount was \$ _____.

5. The portion of the Loan/Grant Amount unexpended for the Project is \$ _____.

6. The Project was completed and is and shall be used consistent with and subject to the covenants set forth in the Loan/Grant Agreement.

This certificate shall not be deemed to prejudice or affect any rights of or against third parties which exist at the date of this certificate or which may subsequently come into being.

CITY OF HOBBS, LEA COUNTY, NEW MEXICO

By: _____

Its: _____



CITY OF HOBBS
COMMISSION STAFF SUMMARY FORM

MEETING DATE: November 2, 2015

SUBJECT: Application for FY 2016 funding from the New Mexico Water Trust Board
DEPT. OF ORIGIN: Utilities
DATE SUBMITTED: October 21, 2015
SUBMITTED BY: Tim Woomer, Utilities Director

Summary:

The New Mexico Water Trust Board (Board) solicits applications for funding of water conservation projects. A resolution of the City of Hobbs City Commission authorizing the submission of an application to the New Mexico Water Trust Board for 2016 funding is required as part of the application process.

As a segment of the City's Effluent Reuse Project, it is recommended that the City submit an application requesting financial assistance in the amount of \$1,000,000 for an environmental assessment and design of a reclaimed water transmission pipeline to the Taylor Ranch subdivision and extending north to Navajo Drive. This pipeline is an integral part of the City of Hobbs Reclaimed Water Master Plan and is identified as the Northeast Distribution Segment.

The submission of an application for 2016 Water Trust funding is solely to rank all water conservation projects for Legislative approval to fund under the Water Trust Fund and is not a financial commitment to the City of Hobbs.

Fiscal Impact:

Reviewed By: _____

[Signature]
Finance Department

There is no fiscal impact in the submittal of an application for funding.

Attachments:

- A Resolution authorizing the City of Hobbs to complete and submit an application to the New Mexico Water Trust Board
- Signatory Authorization Form

Legal Review:

Approved As To Form: _____

[Signature]
City Attorney

Recommendation:

Approve a Resolution authorizing the City of Hobbs to complete and submit an application to the New Mexico Water Trust Board to fund a segment of the Effluent Reuse Project, Phase II.

Approved For Submittal By:

[Signature]
Department Director

[Signature]
City Manager

CITY CLERK'S USE ONLY
COMMISSION ACTION TAKEN

Resolution No. _____

Continued To: _____

Ordinance No. _____

Referred To: _____

Approved _____

Denied _____

Other _____

File No. _____

CITY OF HOBBS

RESOLUTION NO. 6379

RESOLUTION AUTHORIZING THE MAYOR TO
EXECUTE AN APPLICATION FOR FY 2016 FUNDING
FROM THE NEW MEXICO WATER TRUST BOARD

BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HOBBS,
NEW MEXICO, that the Mayor be and hereby is authorized and directed to effectuate
this resolution on behalf of the City of Hobbs and authorizes the City staff to take the
necessary steps to apply for the FY 2016 Funding from the New Mexico Water Trust
Board electronically through the website provided by the New Mexico Water Trust
Board.

PASSED, ADOPTED AND APPROVED this ____ day of _____, 2015.

SAM COBB, Mayor

ATTEST:

JAN FLETCHER, City Clerk

Application Certification
2016 Water Trust Board Application Cycle

I certify that: The City of Hobbs

We have the authority to request funding as described in this 2016 Water Trust Board application. We comply with all applicable state and federal regulations and requirements. To the best of my knowledge all information contained in this application is valid and accurate and the submission of this application has been authorized by the governing body of the undersigned jurisdiction.

(Highest Elected Official)

Signature _____

Title _____

Print Name _____

Date _____

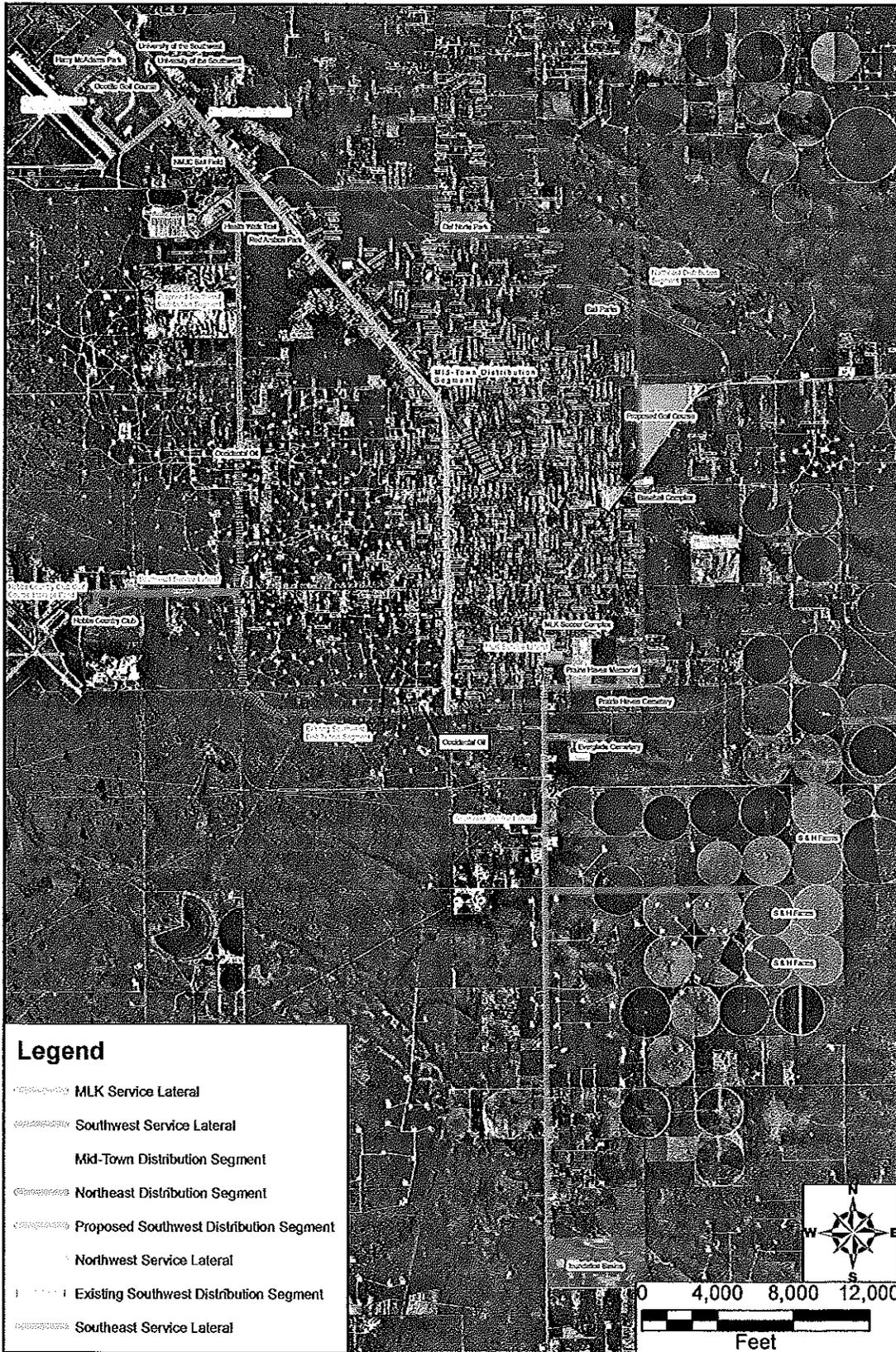
(Finance Officer/Director)

Signature _____

Title _____

Print Name _____

Date _____

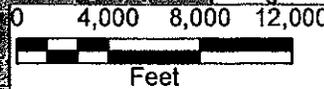
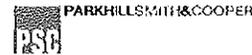


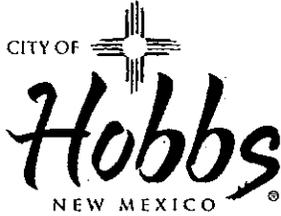
Legend

-  MLK Service Lateral
-  Southwest Service Lateral
-  Mid-Town Distribution Segment
-  Northeast Distribution Segment
-  Proposed Southwest Distribution Segment
-  Northwest Service Lateral
-  Existing Southwest Distribution Segment
-  Southeast Service Lateral



City of Hobbs, New Mexico
Reclaimed Wastewater Distribution
Master Plan
Figure 3





CITY OF HOBBS
COMMISSION STAFF SUMMARY FORM

MEETING DATE: November 2, 2015

SUBJECT: Bid No. 1535-16 Furnish Municipal Vehicles
DEPT. OF ORIGIN: General Services
DATE SUBMITTED: October 28, 2015
SUBMITTED BY: Ronny Choate, Director of General Services

Summary:

: Bids were opened on September 15, 2015 to furnish vehicles. Bid packets were mailed to eight potential bidders and bids were received from three vendors. Bids were received from:

- Rich Ford Albuquerque, NM
- Tate Branch, Hobbs NM
- Permian Chevrolet, Hobbs NM

Unit prices were requested for eight items.

1.- 3/4 Ton Crew Cab, 2.-1 Ton Flatbed, 3.-1/2 Ton Crew Cab, 4.-3/4 Ton Extended Cab, 5.-Four Door Full Size SUV, 6.-1/2 Ton Crew Cab Short Bed, 7.-Four Door Sedan, 8.-1/2 Ton 4x4 Crew Cab Short Bed.

Rich Ford of Albuquerque NM was the low bidder for all eight unit prices.

Total for eight unit prices was **\$235,252.00**. This represents about a 10% cost saving over the two other bids.

These unit prices were then compared to the New Mexico State Contract which is available each year to all Cities, Counties throughout the State.

New Mexico State Contract Total for eight unit prices **\$217,000.00**

Purchases under the State Contract would be from Bob Turner Ford, Rich Ford, and Bob Francis Dodge all of Albuquerque NM. Additional 1 ton units, not bid will be purchased through CES contracts.

Fiscal Impact:

Reviewed By: 

Total budget for vehicle purchases is approximately \$ 330,726.00.

Finance Department

Attachments:

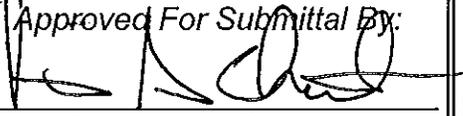
Legal Review:

Approved As To Form: 
City Attorney

Recommendation:

City staff recommends to reject all Bids and purchase all vehicles under New Mexico Approved Purchase Agreements/CES. Each vehicle purchase will be reviewed with Appropriate Department Director and then be approved by the City Manager before Purchase Orders are issued.

Approved For Submittal By:



Department Director



City Manager

CITY CLERK'S USE ONLY
COMMISSION ACTION TAKEN

Resolution No. _____

Ordinance No. _____

Approved _____

Other _____

Continued To: _____

Referred To: _____

Denied _____

File No. _____



CITY OF HOBBS
COMMISSION STAFF SUMMARY FORM

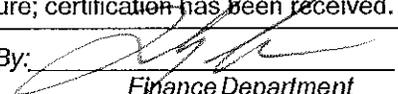
MEETING DATE: November 2, 2015

SUBJECT: RESOLUTION TO APPROVE THE FINAL PLAN FOR ZIA CROSSING SUBDIVISION, PHASE 1, UNIT 5 AS RECOMMENDED BY THE PLANNING BOARD. Located southwest of the intersection of Millen Drive and Zia Crossing Parkway within the municipal boundaries, submitted by Black Gold Estates, LLC.

DEPT. OF ORIGIN: Planning Division
DATE SUBMITTED: October 26, 2015
SUBMITTED BY: Kevin Robinson – Planning Department

Summary: The Final Plan for Zia Crossing Subdivision, Phase 1, Unit 5, is submitted by Black Gold Estates, LLC. The proposed subdivision is located southwest of the intersection of Millen Drive and Zia Crossing Parkway within the municipal boundaries (newly annexed). The proposed subdivision encompasses +/- 9.30 acres and will contain 44 single family residential lots. The average residential lot size is 50' x 100'. The Planning Board reviewed this issue on September 15, 2015 and voted 6 to 0 to recommend approval pending receipt of an Engineer of Record Certification as to infrastructure; certification has been received.

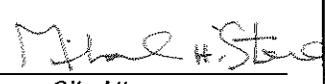
Fiscal Impact:

Reviewed By: 
Finance Department

The positive impact of the new development and new housing from GRT collections and monthly utility bills of the residents should offset any expenses that the City will incur from the maintenance responsibility of streets, water and sewer lines.

Attachments: Resolution, Final Plan, Planning Board Minutes.

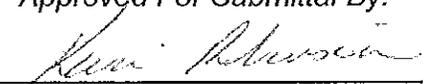
Legal Review:

Approved As To Form: 
City Attorney

Recommendation:

Approval of the Resolution to approve the Final Plan for Zia Crossing Subdivision, Phase 1, Unit 5, as recommended by the Planning Board.

Approved For Submittal By:


Department Director

City Manager

CITY CLERK'S USE ONLY
COMMISSION ACTION TAKEN

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

CITY OF HOBBS

RESOLUTION NO. 6380

A RESOLUTION APPROVING THE FINAL PLAN OF ZIA CROSSING SUBDIVISION, PHASE 1, UNIT 5, AS RECOMMENDED BY THE PLANNING BOARD.

WHEREAS, Black Gold Estates, LLC has submitted a Final Plan for Zia Crossing Subdivision, Phase 1, Unit 5, for review by the City Planning Board; and

WHEREAS, the subdivision Final Plan was reviewed and approved by the Hobbs Planning Board at the September 15, 2015 meeting.

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

1. The City of Hobbs hereby grants Final Plan Approval to Zia Crossing Subdivision, Phase 1, Unit 5, as recommended by the Planning Board; and

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

PASSED, ADOPTED AND APPROVED this 2nd day of November, 2015.

SAM D. COBB, Mayor

ATTEST:

JAN FLETCHER, CITY CLERK



November 2, 2015

Mr. Todd Randall
City Engineer
City of Hobbs
200 E. Broadway
Hobbs, New Mexico 88240

Re: **Zia Crossing, Unit 5**

Dear Mr. Randall:

The construction of the infrastructure proposed for City ownership has been completed. Periodic inspection and testing indicate that the work was completed pursuant to the approved plans and specifications.

The infrastructure is ready for utilization.

If you have any questions regarding the project, please contact our office.

Sincerely,

the Ross Group

Philip L. Ross, PE

Cc: Kevin Robinson

Mr. Shaw made a motion, seconded by Mr. Ramirez to approve the Special Meeting Minutes as presented. The vote on the motion was 6-0 and the motion carried.

4) Communications from Citizens.

There were no communications from the Citizens.

5) Review and Consider Final Plat Plan of La Paloma Unit 5 and La Paloma Unit 6 as submitted by property owner Daniel Johncox.

Mr. Robinson said this is the final subdivision plat of La Paloma Unit 5 and Unit 6. He said staff has the engineer's certification and all infrastructures required are in place. He said preliminary plat approval was approved by the Board September 2014. Mr. Drennan made a motion, seconded by Mr. Ramirez to approve La Paloma Unit 5 and Unit 6. The vote on the motion was 6-0 and the motion carried.

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

Mr. Robinson said this is the Final Plat approval for Zia Crossing Subdivision. He said this will not be submitted to the Commission prior to receiving the engineer's certification which they do not have at this time. Mr. Ramirez asked when they expected to see the certification. Mr. Robinson said the first of October. Mr. Hicks said it would help Commission if they could see the Master Plan. Mr. Hicks asked how many total lots? Mr. Robinson said 327. Mr. Shaw made a motion, seconded by Mr. Kesner to approve the final plat subject to receiving the engineer's certification. The vote on the motion was 6-0 and the motion carried.

7) Review and Consider front yard setback variance as submitted by Darren Sowell Architects, LLC. on behalf of Allsup's Convenience Stores, property owner, for property located at 1100 East Sanger.

Withdrawn.

8) Discussion Items:

A) Review proposed amendments of MC Title 16 (Subdivisions).

Mr. Robinson said this item is a discussion item only. He said this is the proposed amendments for our subdivision ordinance. He said at the last meeting the Board suggested a subcommittee to discuss all of the proposed changes. Mr. Hicks asked if there were any volunteers? Mr. Shaw and Mr. Kesner agreed to volunteer to make up the subcommittee. Mr. Robinson said Mr. Bruce Reid, County Planner is here today. He said there is a subcommittee meeting scheduled for the 29th at 10 am at the Lea County Voting Room. Mr. Randall said that a lot of developers would like a check list for a subdivision development. Mr. Hicks said that would be very valuable.

ZIA CROSSING SUBDIVISION MASTER PLAN

CITY OF HOBBS, LEA COUNTY, NEW MEXICO

MILLEN ROAD

12 7

COMMERCIAL / MULTI-FAMILY
7.22 ACRES

N1/4 CORNER SECTION 13
FOUND CONCRETE
MONUMENT WITH
BRASS DISK

COMMERCIAL / MULTI-FAMILY
5.85 ACRES

COMMERCIAL / MULTI-FAMILY
8.22 ACRES

NE CORNER SECTION 13
FOUND CONCRETE
MONUMENT WITH
BRASS DISK



DRAINAGE CORRIDOR

MUNICIPAL INFRASTRUCTURE CORRIDOR

HOMESTRETCH ROAD

Unit 5
54 Sites

Paddock Road

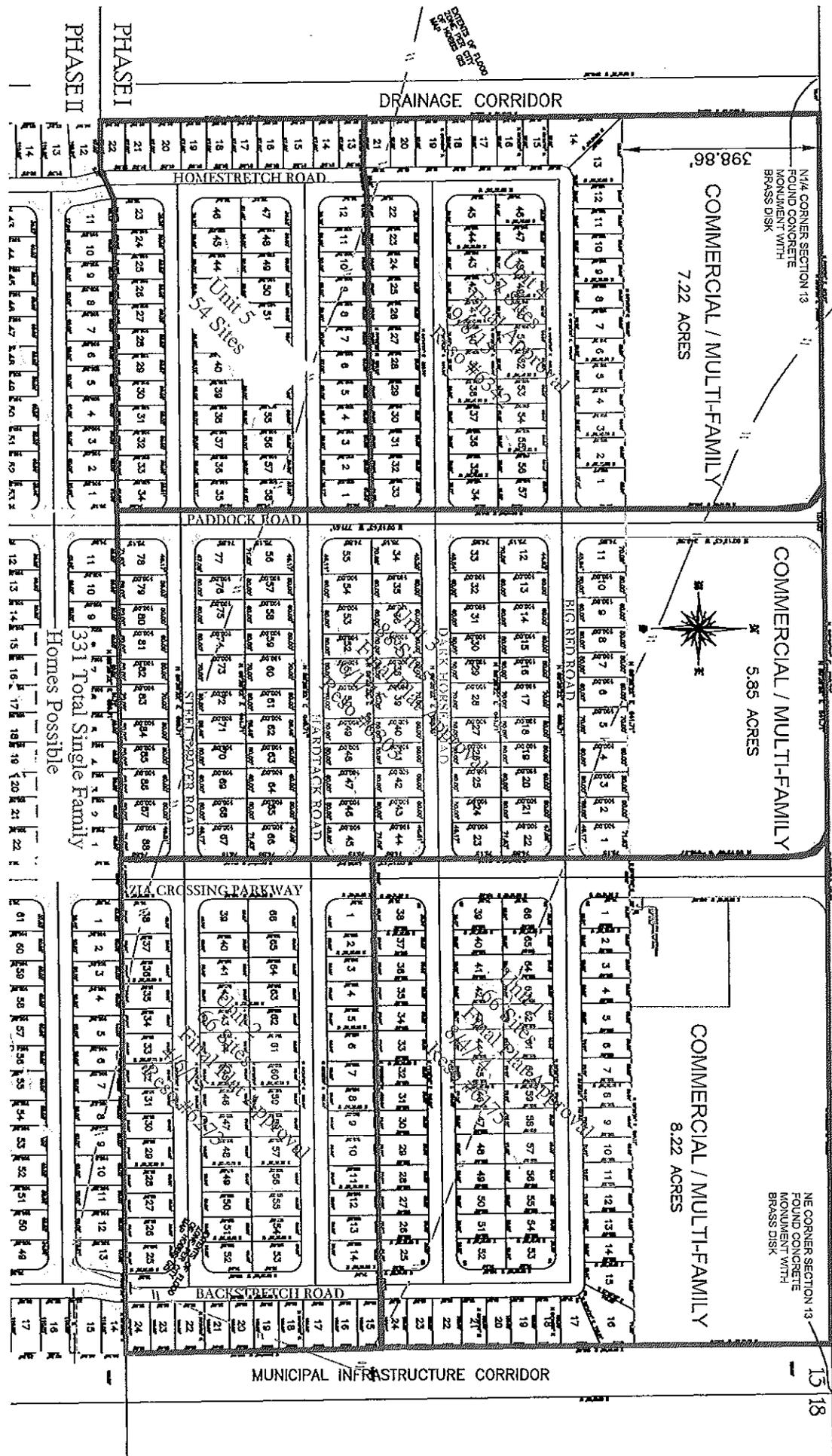
STREET CREEPER ROAD

ZIA CROSSING PARKWAY

BACKSRETCH ROAD

PHASE I
PHASE II

Homes Possible
331 Total Single Family





CITY OF HOBBS
COMMISSION STAFF SUMMARY FORM

MEETING DATE: November 2, 2015

SUBJECT: Resolution Approving the Dedication of the extension of French Drive and Summary Subdivision of Tract "D-1A" north of West Bender Boulevard located in Section 20 & 21, Township 18 South, Range 38 East, N.M.P.M., Lea County, New Mexico.

DEPT. OF ORIGIN: Planning Division
DATE SUBMITTED: October 26, 2015
SUBMITTED BY: Kevin Robinson - Planning Department

Summary: The Dedication Plat of the extension of French Drive and the Summary Subdivision of Tract "D-1A" north of West Bender Boulevard is submitted for your review and consideration. The Municipal infrastructure is in place including Water (10"), Sewer (10") and an industrial section roadway. Additional work needs to be performed addressing roadway\drainage issues prior to receiving an Engineer of Record Certification and the developer has posted a cash bond with the Municipality in the amount of \$7,193.00 as surety of completion.

The Planning Board reviewed this issue on October 20 and voted 5-0 to recommend approval providing receipt of an EOR or an adequate Cash Bond.

Fiscal Impact:

Reviewed By: [Signature] Finance Department

This street dedication will probably not have any budget impact to the City, except for minor street maintenance costs.

Attachments:

Resolution, Dedication plat, Cash Bond, Planning Board Minutes.

Legal Review:

Approved As To Form: [Signature] City Attorney

Recommendation:

Consider Approval of the Resolution to accept dedication of the extension of French Drive and the Summary Subdivision of Tract "D-1A".

Approved For Submittal By:

[Signature] Department Director

[Signature] City Manager

CITY CLERK'S USE ONLY
COMMISSION ACTION TAKEN

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

CITY OF HOBBS

RESOLUTION NO. 6381

A RESOLUTION ACCEPTING THE DEDICATION PLAT OF THE EXTENSION OF FRENCH DRIVE AND APPROVING THE SUMMARY SUBDIVISION OF TRACT "D-1A" IN SECTION 20 & 21, TOWNSHIP 18 SOUTH, RANGE 38 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO.

WHEREAS, the City of Hobbs has recently received the signed right of way dedication plat from Grimes Land Company, LTD, property owner, dedicating the western portion of the extension of French Drive north of West Bender Boulevard to the City of Hobbs; and

WHEREAS, the City of Hobbs has recently received the signed Summary Subdivision of Tract "D-1A" plat from Grimes Land Company, LTD, property owner, dedicating the eastern portion of the extension of French Drive north of West Bender Boulevard to the City of Hobbs; and

WHEREAS, that portion of the dedication on both plats is located wholly within the municipal boundaries of the City of Hobbs.

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

1. The City of Hobbs hereby accepts the Dedication Plat of the extension of French Drive and approves the Summary Subdivision of Tract "D-1A" north of West Bender Boulevard, located within Section 20 & 21, Township 18 South, Range 38 East, as shown on the plats attached hereto as Exhibit "A" and made a part of this resolution.

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

PASSED, ADOPTED AND APPROVED this 2nd day of November, 2015

SAM D. COBB, Mayor

ATTEST:

JAN FLETCHER, City Clerk



PLANNING DIVISION

200 E. Broadway St.
Hobbs, NM 88240

575-397-9351 bus
575-397-9227 fax

City of Hobbs, New Mexico

August 2, 2012

MEMORANDUM

To: Toby Spears – Finance Director

From: Kevin Robinson – Planning Department

Re: Cash Bond – French Drive Projection

The following check is presented for deposit as a “Cash Bond” assuring the completion of the French Drive Projection, as approved by the City of Hobbs Planning Board on October 20, 2015. The bond will act as surety that those repairs needed to allow storm waters to traverse adjacent to the northern portion of the dedicated right-of-way of West Bender Boulevard will be completed. If you have any questions please do not hesitate to call.

Thanks,
Kevin Robinson
City of Hobbs
Planning Department
Office: (575)-391-4111
Cell: (575)-441-4360

GRIMES LAND COMPANY, LTD.



125584 Dash Feed
Protects to Reduce

10/26/15

\$ 7193.⁰⁰

PAY TO THE
ORDER OF

CITY OF HOBBS

SEVENTY-ONE HUNDRED NINETY-THREE & ⁰⁰/₁₀₀

DOLLARS

MEMO CASH BOND -- FRENCH DRIVE



Greg W. [Signature]
AUTHORIZED SIGNATURE

Security features. Details on back

GRIMES LAND COMPANY, LTD.

CITY OF HOBBS
FRENCH DRIVE

2400 - 1 (PERMITS/BOND)

3404 N. Enterprise Dr,
Hobbs, NM 88240
PHONE (575) 492-0480
FAX (575) 492-0479

PROPOSAL



GARY SCHUBERT

PAGE 1
 BID DATE September 25, 2015
 PROJECT FRENCH DRIVE CROSS DRAIN
 ESTIMATOR: SHANE TIMMS
 CELL PHONE (575) 602-3802
 E-MAIL: stims40@ralco.com

PHONE: _____
 FAX: _____
 E-MAIL: _____

ITEM NO.	DESCRIPTION	ESTIMATED QUANTITY	UNIT	UNIT PRICE	ESTIMATED AMOUNT
1	REMOVALS	2,091	SF	\$1.85	\$3,868.35
2	BLADE AND SHAPE BASE COURSE	2,091	SF	\$0.25	\$522.75
3	2" HOT MIX ASPHALT	2,091	SF	\$1.34	\$2,801.94
	TOTAL				\$7,193.04
(BY OTHERS: TAXES PERMITS AND TESTING IF REQUIRED)					
(NO OTHER WORK QUOTED ANY ITEMS NOT LISTED WILL BE QUOTED SEPARATELY)					
NOTES					

- Add Applicable taxes to price total.
This proposal does not include: no final grading of sidewalk, no landscaping, no landscape grading, no testing or applicable taxes.
 - We cannot be held responsible for any pavement settlement over utility ditches, trenches, foundations or any other work that has been constructed by others. All material is guaranteed to be specified. All work to be completed in a professional manner according to standard practices.
 - Any alteration or deviation from show specifications involving extra costs will be executed only upon written orders, and will become a change order over and above the estimate.
 - All agreements contingent upon strikes, accident or delay beyond our control. Owner is to carry fire, tornado and all other necessary insurance.
 - Our workers are fully covered by Workers Compensation Insurance.
- PAYMENT TERMS**
 Payment to be made as follows: net amount due upon completion. Interest starts the 30th day from invoice date at the rate of 1.5% per month.
- ACCEPTANCE**
 By signing, the customer agrees that the above prices, notes, and terms are acceptable and authorizes commencement of work and procurement of materials.

Ramirez and Sons, Inc.

By: _____
 Print Name: Shane Timms _____
 Title: Estimator _____
 Date: _____

(Customer)

By: _____
 Print Name: _____
 Title: _____
 Date: _____

4) Communications from Citizens.

There were no communications from the Citizens.

- 5) Review and Consider Variance to Municipal Code Chapter 15.32.030 (Sign Code) as requested by Planet Fitness & Ranchers Steak House for a sign located adjacent to the 2,000 block of N. Turner right-of-way. The proposed free standing sign will have a maximum sign height of 43' feet and require an 8 foot variance.**

- 6) Review and Consider Dedication Plat & Summary Subdivision Plat as presented by Grimes Land Co. for property located north of W. Bender and adjacent to the projection of French Drive.**

Mr. Robinson said this is a dedication and Summary Subdivision Plat submitted by Grimes Land Company. He said they are awaiting the Engineers Certification for the projected French Drive. He said Title 16 allows Summary Subdivision administrative approval and acceptance of a dedicated street as long as it is fully developed. He said historically this provision within the Title 16 has been interpreted to mean inconsequential dedications. He said staff was not comfortable doing a summary subdivision of an 1800 foot new street that the municipality would have to maintain after the dedication. He said only half of this is being dedicated on a Summary Subdivision and the other half is a true dedication plat which is the west half.

Mr. Robinson said there will have to be a variance for the block length variance. Mr. Gary Schubert said staff has a Master Plan and the cul-de-sac is temporary until further development occurs. He said the Master Plan is to connect the street to other streets and long term to Central Street.

Mr. Hicks asked if the dedication and the subdivision plat will go to Commission? Mr. Robinson said the dedication has to go because staff does not have authority to accept a dedication without it being a part of a Summary Subdivision, however in this case both will go to the Commission for clarity's sake. Mr. Ramirez made a motion, seconded by Mr. Kesner to approve the Dedication and the Summary Subdivision with the acceptance of the cash bond or certificate of completion by the engineer. The vote on the motion was 5-0 and the motion carried.

- 7) Review and Consider Subdivision Sketch Plan as submitted by James Owensby, property owner.**

- 8) Review and Consider front yard setback variance as submitted by Darren Sowell Architects, LLC. on behalf of Allsup's Convenience Stores, property owner, for property located at 1100 East Sanger.**

- 9) Final Review of proposed Mobile Vendor Ordinance.**

Mr. Robinson this is the final review of the Mobile Vendor Ordinance. He said the next meeting all of the mobile vendors will be invited. He said the biggest issue that the Board