

**REGULAR MEETING OF THE CITY COMMISSION  
MONDAY, SEPTEMBER 14, 2015 @ 5:30 P.M.  
CITY COMMISSION CHAMBERS, 214 S. LOVE STREET**

**Call to Order:** The meeting was called to order by Mayor Gandy at 5:30 p.m.

**Present and answering roll call:** Commissioner Bengé, Commissioner Trujillo, Commissioner Butcher, Commissioner Campos, and Mayor Gandy

**Also Present:** City Manager James Williams, Assistant City Manager Jared Cobb, City Attorney Patrick McMahon, Police Chief David Rodriguez, City Clerk Carol Ann Hogue, and Finance Director Chapman

**Invocation:** Commissioner Butcher gave the invocation.

**Pledge of Allegiance:** Commissioner Butcher led the pledge.

**Approval of Agenda:** Mayor Gandy called for a motion. Commissioner Bengé so moved to approve the agenda. Commissioner Trujillo seconded and a roll call was taken: Commissioner Trujillo – Yes, Commissioner Campos – Yes, Commissioner Butcher - Yes, Commissioner Bengé – Yes, and Mayor Gandy – Yes.

**Approval of the Regular Meeting Minutes of August 10, 2015:** Mayor Gandy called for a motion. Commissioner Trujillo so moved to approve the regular meeting minutes of August 24, 2015; Commissioner Campos seconded. Roll call was taken: Commissioner Butcher – Yes, Commissioner Trujillo – Yes, Commissioner Bengé – Yes, Commissioner Campos – Yes, and Mayor Gandy – Yes.

**COMMISSIONER AND STAFF REPORTS:**

- Commissioner Campos asked Chamber Director RaeLynn Stuart to discuss 1<sup>st</sup> Annual Responder Day at the Chaparral Park and all Lea County first responders were invited to attend. Chamber Director Stuart stated she plans to continue to host event and invite other cities.
- Commissioner Butcher asked for an update on sprinkler system at Chaparral Park; City Manager Williams stated a replacement part for the pump did come in and a trans booster is out, which will not allow sprinkler system to turn on automatic, but system is turned on manually. Commissioner Butcher thanked Assistant City Manager Cobb for the work he has done for the City.
- Mayor Gandy asked for an update on street repairs; City Manager Williams stated all intersections have been repaired, with the exception to repairing 6 foot of curbing on Avenue C.
- Commissioner Trujillo asked to get with the County to advise surrounding residents of demolition project of jail house concerning schedule of noise, safety

issue, exit routes and possibly consider a neighborhood meeting to keep residents informed.

- Assistant City Manager Cobb informed Commissioners of his resignation, thanked the City of Lovington for given the opportunity of being able to serve and work with City Commission, Staff and the public; and will keep himself updated on the City of Lovington projects.

**NON-ACTION ITEMS:**

**Discussion of Lodgers Tax Board Appointment:** City Manager Williams informed Commissioners of Shannon Pettigrew resignation to the recent appointment to the Lodger's Tax Board due to changes in her schedule. Vacancy will be advertised, with final appointment by the City Commission at the September 24, 2015 meeting. Commissioner Trujillo suggested recommending someone who is involved with hotel industry. Discussion only, no action was taken

**ACTION ITEMS:**

**Consider Approval of Resolution 2015-80: Approval of Fund Policy:** Mayor Gandy called for a motion. Commissioner Campos so moved to consider Resolution 2015-80: Approval of Fund Policy; Commissioner Butcher seconded. Finance Director Chapman addressed Commissioners of approval of resolution which clarifies existing fund balances, order of spending, and a clear reserve policy. There being no further discussion, a roll call was taken: Commissioner Trujillo – Yes, Commissioner Bengé – Yes, Commissioner Butcher – Yes, Commissioner Campos – Yes, and Mayor Gandy – Yes. Motion was approved.

**Consider Approval of Resolution 2015-81: City Vehicle Policy:** Mayor Gandy called for a motion. Commissioner Trujillo so moved to consider approving Resolution 2015-81: City Vehicle Policy; Commissioner Butcher seconded. Finance Director Chapman addressed Commissioners of City Vehicle Policy which will comply with IRS rules. Finance Director Chapman stated officer who live in Hobbs will still be in compliance with vehicle policy and the tax law because all first responders personnel are generally expected to be on call 24 hours. Chief of Police stated moving from Lovington to Hobbs was allowed because of housing shortage, however housing is available; once position is vacated by somebody they are allowed to live in Hobbs but would need to drive personal vehicle back and forth. There being no further discussion, a roll call was taken: Commissioner Bengé – Yes, Commissioner Butcher – Yes, Commissioner Trujillo – Yes, Commissioner Campos – Yes, and Mayor Gandy – Yes. Motion was approved.

**Consider Approval of Resolution 2015-82: SENMEDD/COG Fiscal Agent Agreement for Senior Citizen Vehicle:** Mayor Gandy called for a motion. Commissioner Trujillo so moved to consider Resolution 2015-82: SENMEDD/COG Fiscal Agent Agreement for Senior Citizen Vehicle; Commissioner Bengé seconded. City Manager Williams addressed Commissioners of approving resolution will authorize the Mayor to sign a fiscal agent agreement with the Southeastern New Mexico Council of Governments in order for the

City to utilize a 2014 Legislative Capital Outlay Appropriation in the amount of \$29,000 for the purchase of a van for the Senior Citizens Center. There being no further discussion, a roll call was taken: Commissioner Butcher – Yes, Commissioner Bengé – Yes, Commissioner Campos – Yes, Commissioner Trujillo – Yes, and Mayor Gandy – Yes. Motion was approved.

**Consider Approval of Resolution 2015-83: Lovington – Lea County Economic Development Agreement:** Mayor Gandy called for a motion. Commissioner Butcher so moved to consider Resolution 2015-83: Lovington – Lea County Economic Development Agreement; Commissioner Trujillo seconded. City Manager Williams addressed Commissioners of annual Economic Development agreement between the City of Lovington and Lea County where the County provides the City a \$5,000 reimbursement, which is utilized to help fund activities taken by the EDC. There being no further discussion, a roll call was taken: Commissioner Campos – Yes, Commissioner Trujillo – Yes, Commissioner Butcher – Yes, Commissioner Bengé – Yes, and Mayor Gandy – Yes. Motion was approved.

**Consider Approval of Resolution 2015-84: Participation in LGRF Program:** Mayor Gandy called for a motion. Commissioner Butcher so moved to consider Resolution 2015-84: Participation in LGRF Program; Commissioner Campos seconded. Assistant City Manager Cobb addressed Commissioners of approving resolution will allow City to sign project agreement to receive \$46,875.00 in reimbursement from NMDOT to pay for a portion of the 17<sup>th</sup> Street Phase I Project. There being no further discussion, a roll call was taken: Commissioner Campos – Yes, Commissioner Trujillo – Yes, Commissioner Bengé – Yes, Commissioner Butcher – Yes, and Mayor Gandy – Yes. Motion was approved.

**Consider Approval of Block Party Permit; Central Avenue September 19, 2015:** Mayor Gandy called for a motion. Commissioner Trujillo so moved to consider approval of Block Party Permit; Central Avenue September 19, 2015; Commissioner Campos seconded. City Manager Williams informed Commissioners of Lea Community Foundation for the Arts has requested that Central Avenue from Love Street to Main Street be closed to traffic on September 19, 2015 between the hours of 5:30 p.m. and 9:30 p.m. the purpose of this closure is to allow for a fundraising event named “An Evening of Previews”, which will showcase the recent digital upgrades to the Lea Theater. Tickets will be available at \$10 for adults and \$7.00 for children and will include “Movie Food” and access to the Theater. As there is a charge for this event and a temporary closure of a collector street, Commission approval is required. There being no further discussion, a roll call was taken: Commissioner Trujillo – Yes, Commissioner Bengé – Yes, Commissioner Campos – Yes, Commissioner Butcher – Yes, and Mayor Gandy – Yes. Motion was approved.

**Consider Parks and Recreation Board Appointments:** Mayor Gandy called for a motion. Commissioner Trujillo so moved to consider Evelyn Holguin and Clint Laughrin to the Parks and Recreation Board Appointment; Commissioner Butcher seconded. There

being no further discussion, a roll call was taken: Commissioner Bengé – Yes, Commissioner Campos – Yes, Commissioner Butcher – Yes, Commissioner Trujillo – Yes, and Mayor Gandy – Yes. Motion was approved.

**Consider Approval of Accounts Payable:** Mayor Gandy called for a motion. Commissioner Bengé so moved to approve the accounts payable; Commissioner Campos second. There being no further discussion, a roll call was taken: Commissioner Campos – Yes, Commissioner Butcher – Yes, Commissioner Trujillo – Yes, Commissioner Bengé – Yes, and Mayor Gandy – Yes. Motion was approved.

**PUBLIC COMMENT:** Mara Salcido invited everyone to attend Lea Theater “Evening of Previews” on September 19, 2015 for Lea Community of the Arts Foundation Fundraiser.

Andrew Akufo, Executive Director of the Lea County Commissioner for the Arts, informed Commissioners of the Walker Award which honors artists who have made a lifetime contribution. Mr. Akufo extended an invitation for the City of Lovington to nominate an artist before the October 1<sup>st</sup> deadline; Annual Awards Banquet will be held on November 21, 2015. Entries are judged by a panel from Lea County.

**CLOSED SESSION:** At 5:55 p.m., Commissioner Trujillo moved to adjourn the Regular Session and convene in Closed Session Pursuant to Section 10-15-1 NMSA 1978 Subsection H-7 pending or threatened litigation - status of pending or threatened claims; Subsection H-2 regarding limited personnel matters – hiring, promotion, demotion, dismissal, assignment or resignation of individual public employees; Subsection H-8 regarding the purchase, acquisition, or disposition of real property or water rights – Disposition of City Commercial Property. Commissioner Campos seconded, a roll call vote was taken: Commissioner Bengé - Yes; Commissioner Trujillo - Yes; Commissioner Butcher – Yes; Commissioner Campos - Yes; and Mayor Gandy - Yes.

At 7:10 p.m., Commissioner Campos so moved to adjourn the Closed Session and reconvene in Regular Session stating that matters discussed were limited only to those specified in the motion and no action was taken. Commissioner Butcher seconded and a roll call vote was taken: Commissioner Campos - Yes; Commissioner Bengé - Yes; Commissioner Butcher - Yes; Commissioner Trujillo - Yes; and Mayor Gandy - Yes.

**ADJOURNMENT:** There being no further business, Mayor Gandy adjourned, the meeting at 7:11 p.m.

**APPROVED:** \_\_\_\_\_  
**SCOTTY GANDY, MAYOR**

**ATTEST:** \_\_\_\_\_  
**CAROL ANN HOGUE, CITY CLERK**

**CITY OF LOVINGTON**  
COMMISSION STAFF SUMMARY FORM

MEETING DATE: September 28, 2015



TYPE:  RESOLUTION  ORDINANCE  PROCLAMATION  INFORMATION  OTHER ACTION

**SUBJECT:** Library Board Appointment  
**DEPARTMENT:** Lovington Public Library Board of Trustees  
**SUBMITTED BY:**  
**DATE SUBMITTED:** September 17, 2015

**STAFF SUMMARY:**

The position occupied by Kenda Medillin on the Lovington Public Library Board of Trustees has become vacant. This term, which expires in January 2016, requires Commission appointment.

The vacancy will be published as required.

**FISCAL IMPACT:**

REVIEWED BY: \_\_\_\_\_

(Finance Director)

**ATTACHMENTS:**

**RECOMMENDATION:**

Discussion only.

\_\_\_\_\_  
Department Head

*James R. Williams*  
\_\_\_\_\_  
City Manager

**CITY OF LOVINGTON**  
COMMISSION STAFF SUMMARY FORM

MEETING DATE: September 28, 2015



TYPE:  RESOLUTION  ORDINANCE  PROCLAMATION  INFORMATION  OTHER ACTION

**SUBJECT:** Youth Center Board Appointments  
**DEPARTMENT:** Youth Center  
**SUBMITTED BY:** Jami Bailey, Director  
**DATE SUBMITTED:** September 22, 2015

**STAFF SUMMARY:**

The terms of Youth Center Board members Kay Hardin, Marla Price, and Robert DeLaCruz have expired. The open positions will be advertised and names for appointment will be submitted to the Commission at the October 12, 2015 regular City Commission Meeting for appointment.

**FISCAL IMPACT:**

REVIEWED BY: \_\_\_\_\_

(Finance Director)

**ATTACHMENTS:**

**RECOMMENDATION:**

Information only.

\_\_\_\_\_  
Department Head

*James R. Williams*  
\_\_\_\_\_  
City Manager

CITY OF LOVINGTON  
COMMISSION STAFF SUMMARY FORM

MEETING DATE: September 28, 2015



TYPE:  RESOLUTION  ORDINANCE  PROCLAMATION  INFORMATION  OTHER ACTION

SUBJECT: Saltwater Disposal Well Discussion  
DEPARTMENT: Executive  
SUBMITTED BY: James R. Williams, City Manager  
DATE SUBMITTED: September 23, 2015

**STAFF SUMMARY:**

The City has received a request from Vanguard Operating, LLC to renew the saltwater disposal well lease for an additional five year term. They have requested the current rate of \$0.08 per barrel be maintained in the agreement. In the spring, they had made a verbal request to staff that we consider a flat annual rate, but it was determined that it would not be in the best interests of the City to pursue that option and no formal written request was made.

Staff and legal will provide you additional information during the discussion.

**FISCAL IMPACT:**

REVIEWED BY: \_\_\_\_\_

(Finance Director)

**ATTACHMENTS:**

Historical disposal  
Request letter  
Original agreement

**RECOMMENDATION:**

Discussion only. Provide direction to staff and legal on how to proceed.

\_\_\_\_\_  
Department Head

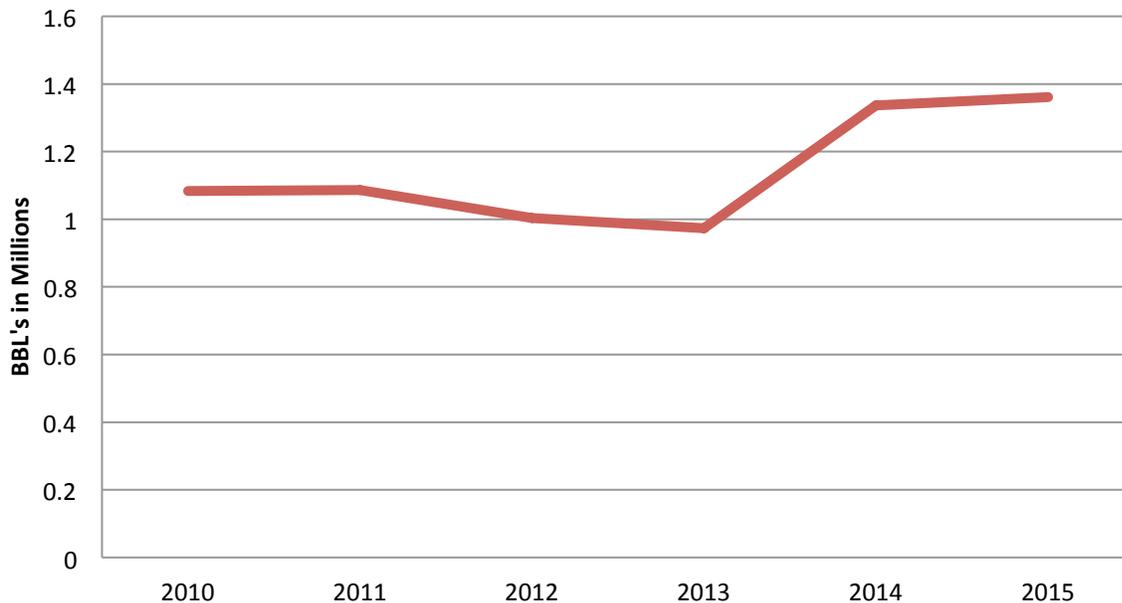
*James R. Williams*  
\_\_\_\_\_  
City Manager

## HISTORICAL PRODUCTION SUMMARY

	2010	2011	2012	2013	2014	2015
January	100,661	107,584	95,932	48,839	108,691	103,772
February	94,280	88,908	90,367	44,403	100,289	107,565
March	105,024	108,542	71,540	75,309	117,583	118,227
April	80,637	91,171	108,928	108,722	114,648	113,509
May	84,726	87,674	104,160	91,106	113,192	118,410
June	54,368	83,330	86,361	90,803	113,192	114,430
July	54,368	84,381	99,183	54,717	112,250	118,204
August	99,907	84,350	100,178	82,263	112,250	
September	99,407	82,469	76,325	104,523	112,250	
October	100,030	86,572	75,858	117,366	105,094	
November	103,659	84,040	44,099	106,177	111,396	
December	106,870	97,102	50,752	49,161	116,113	
<b>TOTAL</b>	<b>1,083,937</b>	<b>1,086,123</b>	<b>1,003,683</b>	<b>973,389</b>	<b>1,336,948</b>	<b>794,117</b>

### Production Summary

\*2015 Estimated



September 10, 2015

City of Lovington  
214 S. Lowe  
Lovington, New Mexico 88260

Re: Renewal for Additional Five (5) Year Term  
Salt Water Disposal Lease  
Sec 1 and E/2 of Sec 2, Twp 17S, R36E, NMPM

Dear Mayor Scotty Gandy,

Vanguard Operating, LLC succeeded Rocky Smith SWD Systems, Inc. as Owner and Operator of the subject Salt Water Disposal Agreement. We are providing notice per paragraph 13 of the subject agreement that we exercise our option to renew the agreement for an additional 5 years. Given the current suppressed nature of the oil market, we would kindly ask if you would allow us to continue at the current price agreement, with the rate per barrel of \$.08 per barrel and the monthly minimum of \$400/month. Please provide me with a confirmation of receipt and acceptance by The City of Lovington. Thank you.

Sincerely,



Newt Painter, Field Superintendent

Received and Accepted this \_\_\_\_\_ day of \_\_\_\_\_ 2015 by \_\_\_\_\_

14261

SALT WATER DISPOSAL LEASE

THIS AGREEMENT made and entered into this the 15<sup>th</sup> day of October 2005, by and between City of Lovington, New Mexico, whose address is 214 S. Love, Lovington, New Mexico 88260 (hereinafter referred to as "Surface Owner"), and Saga Saltwater Disposal Corp, a Texas corporation registered in New Mexico, whose principal place of business is 200 North Loraine, Suite 1300, Midland, Texas 79701 (hereinafter referred to as "Operator"), WITNESSETH:

A. Surface Owner owns the following described real estate in Lea County, New Mexico, to wit:

The Surface Estate Of:

Section 1, and the E/2 of Section 2, Township 17 South, Range 36 East, NMPM

(hereinafter referred to as "Said Land").

B. The State "E" Tract 18 Well No. 21 was permitted as a disposal well on November 14, 1978; the State "E" Tract 18 Well No. 22 was permitted as a disposal well on September 10, 1980; and the State "E" Tract 18 Well No. 23 was permitted as a disposal well on November 27, 1995. These three wells ("Said Wells") are located on Said Land described above. Operator desires to continue operating Said Wells for the purpose of injecting and disposing of salt water and other fluids contained therein produced from Operator's leases and other leases into Said Wells with the approval of and pursuant to the rules and regulations of the Oil Conservation Division of the State of New Mexico.

C. Operator also desires to construct a collection point for produced water at the Well No. 23 ("Collection Point").

D. Surface Owner and Operator desire to enter into this Agreement whereupon Surface Owner will lease the well pad areas around Said Wells commencing on the effective date of this Agreement.

NOW, THEREFORE in consideration of the sum of \$10.00 rental and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Surface Owner, IT IS AGREED AS FOLLOWS:

1. Surface Owner does hereby grant, lease, and let the surface areas around the Said Wells, consisting of the well pad locations, exclusively unto Operator for the purpose of utilizing the same in connection with Said Wells into which Operator shall be entitled to inject brine water, brackish water, formation water, and all types of oilfield waste water produced from oil and gas production wells (hereinafter referred to as "produced water" or "water produced") into subsurface strata through Said Wells as may be authorized by the New Mexico Oil Conservation Division and any other regulatory agency having jurisdiction thereof. Operator shall be entitled to place improvements upon the aforesaid well

location pads and Collection Point, such as water storage tanks, structures, appliances, engines, and machinery used in connection with the water disposal wells, to save, treat, process, store, transport, and inject such water. Notwithstanding the foregoing, except for oil separated from produced water, Operator shall not use said premises for purposes of reclamation or treatment of oil wastes for reclaiming oil, nor shall Operator use said premises for a storage yard for oilfield related equipment, tools or materials. Surface Owner does hereby grant to Operator the right of ingress and egress over existing roads to the aforesaid well pads which roads Operator agrees to maintain in sufficient condition so that in all weather all vehicle traffic stays within the confines of existing roads. Notwithstanding the above described grant of ingress and egress over existing roads, the parties agree that Operator shall keep any gate over said road closed or, if no gate, shall keep any cattle guard located on said road cleaned out, properly maintained and in good working condition during the term of this Agreement. Operator agrees it will construct a berm around the improvements placed upon the aforesaid well pads and Collection Point, and which berms shall be sufficient in size and capacity to contain the entire total contents of all water storage tanks located thereon. Upon request of Surface Owner, Operator shall fence said well pads and or said Collection Point with a fence sufficient to keep livestock out of same.

2. Subject to Surface Owner and Operator mutually agreeing upon the location for each of Operator's produced water disposal pipelines, Surface Owner does hereby grant to Operator rights-of-way and easements not to exceed 30-feet in width for the purpose of installing salt water disposal pipelines from producing oil and gas wells and from the Collection Point produced water to Said Wells for injection. The parties agree that the location of each such pipeline shall be laid on top of the ground at the edge of existing roads unless there is no existing road to be so utilized. Operator agrees to bury any salt water disposal line upon request of Surface Owner and where there is sufficient soil to bury such pipelines to a depth of 36 inches.
3. Operator shall pay Surface Owner as rental the sum of six cents (\$0.06) per barrel (API BBL 42 gal.) for each barrel of metered water disposed of in Said Wells. Compensation will be based on the New Mexico Oil Conservation Division ("OCD") Form C-120-A or other form required to be filed with the OCD for total monthly barrels of metered water disposed of in Said Wells. Operator agrees to install and maintain a meter or meters to measure all water disposed of in the Said Wells, and to keep same accurately calibrated and available for inspection by Surface Owner. Further, Operator agrees to meter all water disposed of in Said Wells. Rental shall be due and payable to Surface Owner by the twenty-fifth (25<sup>th</sup>) day of the month following the month produced water is first disposed of in Said Wells and payment shall be due and payable by the twenty-fifth (25<sup>th</sup>) day of each succeeding month for as long as disposal operations continue. Further, Operator shall pay to Surface Owner a minimum monthly payment of \$300.00 per month for any month in which the rental of six cents (\$0.06) per barrel fails to

equal \$300.00 per month due Surface Owner. The minimum monthly payment of \$300.00 per month may be prorated for that portion of the initial month when this Agreement becomes effective. Should Surface Owner direct Operator to pay the monthly rental hereinabove provided to any depository for his credit and a charge is made therefor, such charge shall be at the expense of Surface Owner. In the event that Operator fails to make timely payment or tender hereunder for any reason, or if Operator fails to comply with any other terms and provisions of this Agreement, Surface Owner shall provide Operator with written notice setting forth such failure, and if Operator fails to correct same within thirty (30) days after receipt of such written notice, Surface Owner shall be entitled to terminate this Agreement without further notice to Operator; however, such a termination shall not relieve Operator of any obligations or responsibilities accrued prior to such termination. Designation of a depository by Surface Owner shall be made by Surface Owner giving Operator written notice of such designation, and Surface Owner agrees to execute a recordable instrument mutually satisfactory to Surface Owner and Operator setting forth the designation of a depository for receipt of payments due Surface Owner.

4. Nothing herein contained to the contrary shall prohibit Surface Owner from collecting reasonable sums as damages to the surface estate, improvements, livestock, water (both above and below the ground), soil, vegetation and any other property of Surface Owner, which result from or arise by reason of Operator's operations hereunder, and Operator hereby agrees to pay reasonable sums for such damages to Surface Owner which may result from or arise by reason of Operator's said operations. Reasonable sums for such damages shall be amounts equal to those paid in Lea County, New Mexico, for similar damages at the time of such damage, and Operator agrees to pay Surface Owner such damage sums within thirty (30) days after such damage occurs; provided, however, Operator shall not be obligated to pay for the grant of pipeline rights of way and easements which the parties mutually agree upon as provided above but, nevertheless, Operator shall be obligated and hereby agrees to pay reasonable sums for damage occurring in, on or to the rights of way and easements which may result from or arise by reason of operator's said operations, said damages to be determined in the same manner as set forth above.
5. Within ninety (90) days after expiration of the initial term, renewal period or other termination of this Agreement, Operator shall remove all personal property and fixtures placed by Operator and shall have the right to draw and remove all casing, as authorized by the State. Operator shall, at its expense, cause Said Wells to be plugged and abandoned in conformity with the rules, regulations, and laws of the State of New Mexico upon expiration of this Lease; and shall restore the surface of the pads at Said Wells and Collection Point to the same condition which existed at the time of execution of this Agreement as reasonably practical.
6. Operator, in operating the disposal well, shall test on a reasonable basis, but not less than semi-annually, to insure that Operator is not injecting the produced water

into fresh water bearing sands or oil and gas bearing strata. Prior to any such tests, Operator shall notify Surface Owner so that Surface Owner, or his representative, may be present at such test, and Operator agrees to provide Surface Owner with a written copy of the test results for each such test. If any pipeline is to be buried, Operator shall install same with a dirt blanket surrounding any such line and shall bury same to the depth of 36 inches and, thereafter, shall return the pipeline cut to conform with the contour of the adjacent land, and Operator shall remove and dispose of the rocks larger than four inches (4") in size unearthed in connection with pipeline installation. The parties understand and agree that Operator shall not cut any of Surface Owner's fences in connection with the laying or installing of any pipeline by Operator.

7. Operator agrees to conduct all of its operations hereunder in accordance with the rules and regulations of the appropriate regulatory agencies in compliance with applicable law. Specifically, in connection with the injection of produced water into the subsurface strata through the well bore of the aforesaid wells, Operator agrees to do so only in accordance with the provisions of any permit granted by the New Mexico Oil Conservation Division and all rules and regulations of said Division, as same may be amended from time to time, and in accordance with the terms and provisions of this Agreement.
8. The rights of either party hereunder may be assigned, only in whole, and the provisions hereof shall extend to the heirs, legal representatives, successors, and assigns of the parties, but no change or division in the ownership of Said Land or in the ownership of or any right to receive the rentals provided for herein, however accomplished, shall operate to enlarge the obligations or diminish the rights of Operator. No change or division shall be binding upon Operator for any purpose until thirty (30) days after Operator has first been furnished (by certified mail at Operator's principal place of business) recordable instruments, or certified copies of the recorded instrument effecting such transfer of title.
9. Surface Owner agrees that Operator, at its option, may discharge any tax, mortgage, or other lien upon Said Land and, in the event that Operator does so, it shall be subrogated to such lien with the right to enforce the same and apply the payments hereinabove provided and accruing hereunder toward satisfying the same.
10. Operator, its employees, agents and invitees shall exercise Operator's rights granted herein at Operator's sole risk, cost and expense; and Operator shall indemnify and hold Surface Owner harmless from and against any and all claims, demands, causes of action, costs, expenses and liability of any nature whatsoever, including court costs, attorney's fees, and any expenses incurred in enforcing this provision, which may result from, arise out of, be related to, or in any way be connected with Operator's exercise of the rights granted herein, or in the breach, violation or nonperformance of any obligation of Operator to be observed or performed hereunder; provided, however, that nothing herein shall be construed to

require or obligate Operator to indemnify Surface Owner against or hold Surface Owner harmless from Surface Owner's own negligent acts or omissions. Further, Operator shall indemnify and save harmless the Surface Owner from and against any and all damages, cleanup expenses, fines or penalties resulting from any violation of or lack of compliance with applicable local, state or federal environmental laws and regulations resulting from Operator's operations. If at anytime during the Agreement or any renewal thereof, Surface Owner's producing fresh water supply is contaminated from Operator's disposal or operations, Operator shall provide a new source of fresh water comparable to Surface Owner's producing source.

11. Nothing contained herein shall authorize or permit any other produced water disposal well to be converted or developed by Operator on Said Land unless the parties mutually agree by written amendment, signed by all parties, which so provides.
12. During the term of this Agreement, Operator shall keep its operations clean and free from weeds, trash, debris; shall keep its equipment painted with colors of Operator's choice; and shall also keep its operations free from spills of produced water, petroleum products, and chemicals, which may spill or leak upon Said Land, i.e. any such spills or leaks shall be removed immediately. Operator shall, within ninety (90) days after termination of this Agreement, restore Said Land to its original condition by removing its equipment and other improvements, removing caliche pads, removing any contaminated soil and replacing with top soil, and reseeded same.
13. The initial term of this Agreement is five (5) years. At the end of the five (5) year term of this Agreement, Operator shall have the option to renew this Agreement for an additional five (5) year period upon identical terms set forth herein, as may be amended in writing from time to time, provided that the per barrel rental rate shall be eight cents (8¢) per barrel and the minimum monthly rate shall be four hundred (\$400.00) per month. In order to renew this agreement for an additional five (5) year period, Operator shall provide Surface Owner written notice at least ninety (90) days prior to the end of the initial five (5) year term of its exercise of the option to renew for said additional five (5) year period. Operator shall have the option to renew this Agreement for subsequent five (5) year periods. Any such subsequent five (5) year period shall be upon the terms as renegotiated by the parties prior to commencement of such five (5) year period. In the event Operator does not provide Surface Owner with written notice of renewal at least ninety (90) days prior to the end of the initial five (5) year term this Agreement shall terminate at the end of said five (5) year term, provided, however Operator's obligations and responsibilities accrued prior to such termination shall continue in force and effect.
14. If at anytime during the initial term of this Agreement or the renewal period, Operator elects to stop disposal of produced water in Said Wells, Operator shall

give written notice to Surface Owner of such election, Operator shall continue to pay Surface Owner the minimum monthly rental required in Paragraph 3, as may be amended, until Operator has removed all its personal property and fixtures and restored the surface of Said Land in compliance with the terms and provisions of Paragraph 5 above. Upon completion of such removal and restoration this Agreement shall terminate except as to the obligations and responsibilities of Operator which accrued prior to such termination which shall continue in force and effect. Upon delivery of such notice to Surface Owner, Operator shall execute and place of record a release of this Agreement in the county clerk's records in the county in which Said Land is located.

IN WITNESS WHEREOF, we have hereunto set our hands on the day and year first above written, but effective as of ~~August~~ <sup>October</sup> 1st, 2005.

CITY OF LOVINGTON, NEW MEXICO

By: Troy Harris  
Troy S. Harris, Mayor  
"Surface Owner"

SAGA SALTWATER DISPOSAL CORP

By: B.J. Caldwell  
B.J. Caldwell, Corporate Secretary  
"Operator"

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

The foregoing instrument was acknowledged before me this 25<sup>th</sup> day of ~~August~~ <sup>October</sup> ~~XXXX~~, 2005,  
by **Troy J. Harris**, Mayor, City of Lovington, New Mexico.

Shannon S. Lester  
NOTARY PUBLIC

My Commission Expires:

May 6, 2006

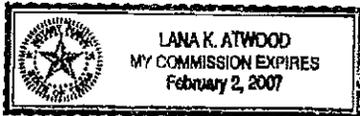


OFFICIAL SEAL  
Shannon S. Lester  
NOTARY PUBLIC - STATE OF NEW MEXICO

5/6/06

STATE OF TEXAS )  
 ) ss.  
COUNTY OF MIDLAND )

The foregoing instrument was acknowledged before me this 9<sup>th</sup> day of ~~August~~ <sup>November</sup>, 2005,  
by **B.J. Caldwell**, Corporate Secretary, Saga Saltwater Disposal Corp.



Lana K. Atwood  
NOTARY PUBLIC

My Commission Expires:

2-2-07

STATE OF NEW MEXICO  
COUNTY OF LEA  
FILED



NOV 16 2005  
at 11:20 o'clock A.M  
and recorded in Book 1410  
Page 860  
Melinda Huggins, Lea County Clerk  
By [Signature] Deputy

14261

*Scanned Copy*

**SALTWATER DISPOSAL AGREEMENT**

This Agreement, made and entered into this 1<sup>st</sup> day of November, 2004, by and between Saga Saltwater Disposal Corp whose address is 200 N. Loraine Street, Suite 1300, Midland, Texas 79701, hereinafter called "Operator", and Samson Resources Company, whose address is Samson Plaza, 2 West Second Street, Tulsa, Oklahoma 74103, hereinafter called "Producer".

WITNESSETH THAT:

WHEREAS the Operator has a salt water disposal facility in Lea County, New Mexico for disposing of produced water from wells in Lea County, New Mexico. Said Facility is located in Section 1 (D), Township 17 South, Range 37 East, Lea County, New Mexico.

WHEREAS, The Producer is an oil and gas operator with a well (or wells) located in Lea County, New Mexico and produces salt water in connection with its oil and gas operations.

WHEREAS the Producer has requested that the Operator take and dispose of its salt water through the Operator's salt water facility and the Operator is willing to do so on the terms and conditions hereinafter set forth.

**I.  
SUBJECT MATTER OF AGREEMENT**

Producer's salt water shall be delivered to a connection point or points designated by the Operator on the Operator's salt water gathering system, and to make the connection to the Operator's gathering system, at the Producer's sole cost, risk and expense. The Operator will dispose of the same along with the other salt water presently in the system, subject to the conditions and limitations hereof.

**II.  
LIMITATIONS**

Operator, in its sole discretion, may limit the rate and volume of salt water delivered by the Producer to the facility. The oxygen and solid content of the salt water must be acceptable to the Operator. At no time will Producer dispose of water from drilling pits into the system. Producer will dispose of only produced water from the producing Abo formation in the area.

**III.  
PRIORITIES OF THE SYSTEM**

Operator shall have first call on the total capacity of this system and in the event capacity is used by Operator, Operator shall not be held responsible for any loss or damage including, but not limited to salt water contamination or loss of production incurred by Producer as a result of total capacity of the system being taken by Operator. If the total capacity of the system is inadequate to receive and dispose all available water then all water offered by Producer and by any other third party producer(s) shall be curtailed, proportionately, by Operator, on a best estimate basis, based on the average daily disposal volume of Producer and each other third party producer during the previous year. So long as Operator acts in good faith in exercising such curtailment rights, Operator shall not be liable in the event such curtailment is inaccurate in relation to actual disposal volumes during the previous year by each such producer.

**IV.  
DISCONTINUANCE OF OPERATIONS**

In the event of any leakage, breakdown of any type, or shut down for repairs of the Operator's salt water facility, the Operator shall have the right without liability to the

SWDS 210

*J*  
*Caylor C.S. Sr. Esq.*

Producer, to discontinue taking water from the Producer and Producer agrees to dispose of its water in another manner until such system resumes operations.

**V.  
MAINTENANCE OF PRODUCER'S SYSTEM**

The Producer will maintain its line and be responsible for any damage resulting from construction, operation and maintenance of lines or equipment connecting Producer's well(s) to the System. The Producer will submit the necessary state commission forms for the saltwater disposal and will obtain the necessary pipeline right-of-way from surface owner for the pipeline laid from Producer's lease and/or well to the Operators connection point. The Producer shall be solely responsible for its salt water and for any damage or injury caused thereby prior to delivery into Operator's system at the designated delivery point or points.

**VI.  
METERING REQUIREMENTS**

The Producer will install and maintain a water metering system acceptable to the Operator at the point of entry into the system. Producer shall provide the monthly meter water volumes to Operator by the 20<sup>th</sup> of the month following the disposal month. The metered water volumes will be read on the last day of each month. Producer shall perform the necessary meter maintenance. The Operator reserves the right to audit and verify all meter readings at its discretion.

**VII.  
INDEMNITY**

Producer shall defend, indemnify and hold harmless Operator, its joint owners and affiliates and officers, directors, employees and agents of any of the foregoing from and against any claim, loss, damage, fine, penalty or cause of action of any kind arising out of or relating to Producer's breach of any representation or obligation of Producer hereunder.

Operator represents and warrants that it has the right to accept and dispose of Producer's water in the subject disposal facility. Operator shall indemnify, defend and hold harmless Producer, its joint owners and affiliates and officers, director, employees and agents of any of the foregoing from and against any and all claim, loss, damage, fine, penalty or cause of action of any kind arising out of or relating to any representation or obligation of Operator hereunder.

**VIII.  
SYSTEM FEES**

Operator agrees to take possession to all salt water produced at the point of entry into the system and to dispose of this produced salt water for the following rates:

1. A rate of \$0.25 per barrel.

**IX.  
BILLING PROCEDURES**

Operator shall bill Producer monthly on the 5<sup>th</sup> of the month, and payment shall be due on or before 30 days from Producer's receipt of invoice in Operator's corporate offices. In the event of the failure of Producer to promptly pay the billing, Operator shall have the right within 60 (sixty) days after rendition of statements by Operator to place the account of Producer in the hands of Operator's attorneys for collection, whereupon all attorney's fees and costs shall be added to the sums owing by Producer. The failure of Operator to place such account in its attorney's hands for collection shall not be considered waiver of the

right to do so at any time. Operator shall have the right to disconnect the disposal system from the well after 7 days notice of any default in payment of the billings.

**X.  
TERM OF AGREEMENT**

This Agreement shall be effective on the date of first delivery of salt water by Producer into the system and thereafter as herein provided, but shall be subject to termination at the will of either party 30 (thirty) days after submission of written intent to terminate.

**XI.  
ASSIGNABILITY**

The rights of Operator and Producer may be freely assigned hereunder, provided the Assignee assumes the burdens and obligations of this agreement.

**XII.  
NOTICE OF TEMPORARY SHUT-IN STATUS**

If the Producer should find it necessary to invoke shut-in status and not use the salt water disposal facilities for a period greater than 30 (thirty) days, it shall be the sole responsibility of the Producer to notify the Operator in writing of this intent.

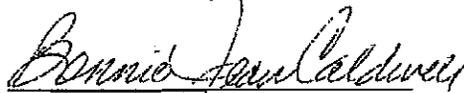
**XIII.  
COMPLIANCE WITH LAWS AND REGULATIONS**

All operations hereunder shall be subject to applicable federal, state and local regulatory authorities having jurisdiction, and neither party hereto shall be under liability to the other to the extent that performance under this agreement may be temporarily or permanently impaired or prohibited by applicable federal, state or local law or regulatory authority.

**XIX.  
ENTIRE AGREEMENT**

This Agreement shall constitute the entire agreement of the parties with regard to the matters contained herein. No amendment, alteration or modification to this Agreement shall be effective unless in writing and signed by each of the undersigned parties.

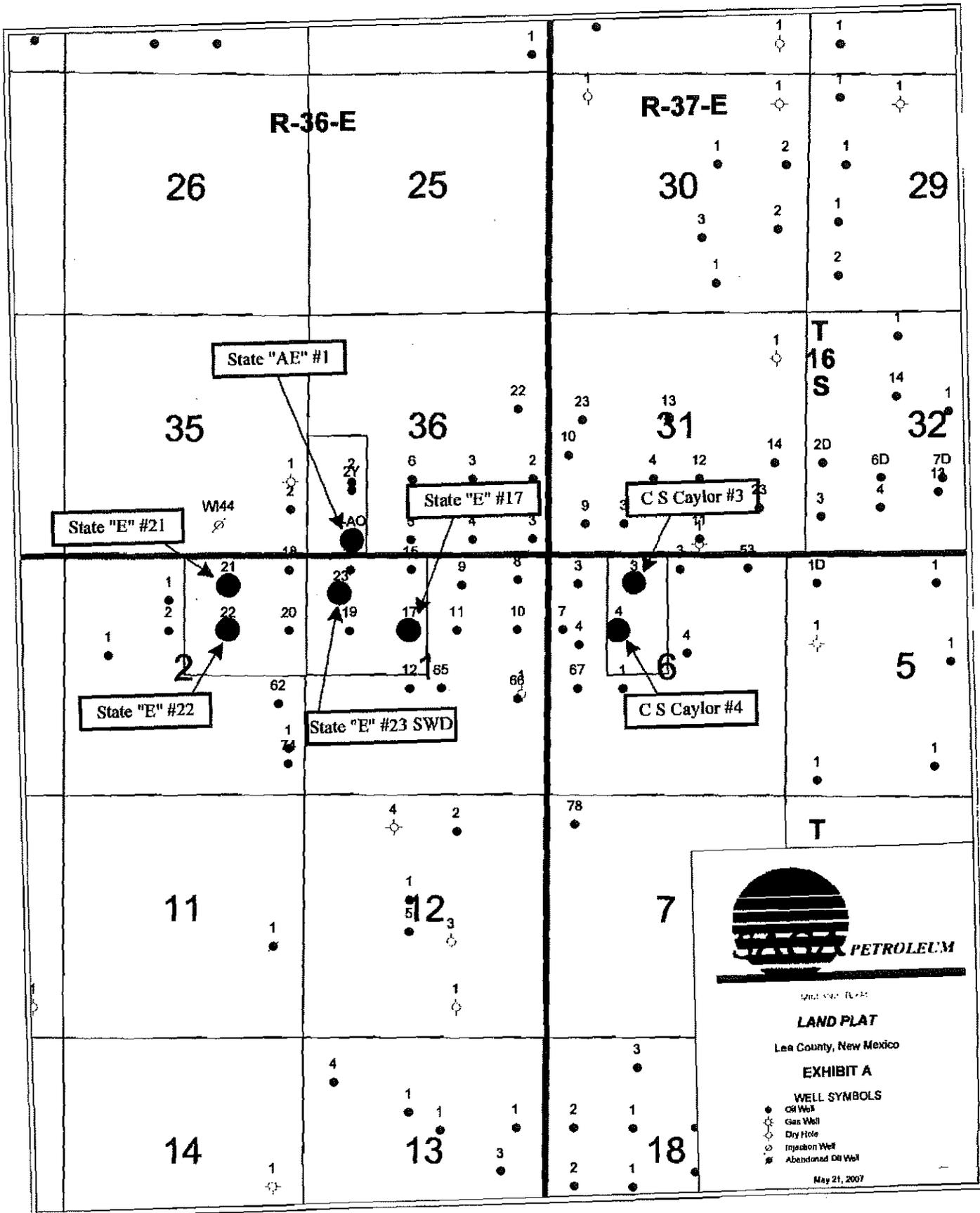
**Operator:** SAGA SALTWATER DISPOSAL CORP



By: Bonnie Jean Caldwell  
Corporate Secretary

**Producer:** SAMSON RESOURCES COMPANY

  
By: Marlyn R. Garrett  
Title: Vice President



R-36-E

R-37-E

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State "AE" #1

State "E" #21

State "E" #17

C S Caylor #3

State "E" #22

State "E" #23 SWD

C S Caylor #4

T  
16  
S

T



LEA COUNTY PETROLEUM

**DESCRIPTION**

**SAGA Petroleum Corporation  
Lea County, New Mexico**

API#	Operator	Lease	Well #	Well Status	Depth Rights	Acres	Legal	WI	NRI	Reg. Number	Field Name
30-025-05424	SAGA PETROLEUM LIMITED LIABILITY CO.	C S CAYLOR	3	Pumping	Excludes the Unitized Lovington San Andres	80	S-6, T-17S, R-37E	1.0000	0.8250	20275	LOVINGTON
30-025-05425	SAGA PETROLEUM LIMITED LIABILITY CO.	C S CAYLOR	4	Temporarily Abandoned	"		S-6, T-17S, R-37E	1.0000	0.8250	20275	LOVINGTON
30-025-03773	SAGA PETROLEUM LIMITED LIABILITY CO.	STATE "AE"	1	Temporarily Abandoned	Excludes the Unitized Lovington San Andres from S-250 down to & including R-36E Also formation, excluding the Lovington Glorieta formation	80	S-36, T-16S, R-36E	1.0000	0.8250	20327	LOVINGTON
30-025-03842	SAGA SALTWATER DISPOSAL CORP.	STATE "E" Tract	17	Temporarily Abandoned	Excludes the Unitized Lovington San Andres	160	S-1, T-17S, R-36E	0.9000 *	0.9000	301800	LOVINGTON
30-025-03857	SAGA SALTWATER DISPOSAL CORP.	18	21	Active	"	160	S-2, T-17S, R-36E	0.9000 *	0.9000	20323	SWD
30-025-03858	SAGA SALTWATER DISPOSAL CORP.	18	22	Temporarily Abandoned	"		S-2, T-17S, R-36E	0.9000 *	0.9000	20323	SWD
30-025-24357	SAGA SALTWATER DISPOSAL CORP.	18	23	Active	"		S-1, T-17S, R-36E	0.9000 *	0.9000	20323	SWD
					Total	480					

\* Due to non-constant on SWD Refurbishing Saga is receiving 100% of the Disposal Income.

**CITY OF LOVINGTON**  
COMMISSION STAFF SUMMARY FORM

MEETING DATE: September 28, 2015



TYPE:  RESOLUTION     ORDINANCE     PROCLAMATION     INFORMATION     OTHER ACTION

**SUBJECT:** Resolution 2015-85: Athletic Facility MOU  
**DEPARTMENT:** Executive  
**SUBMITTED BY:** James R. Williams, City Manager  
**DATE SUBMITTED:** September 14, 2015

**STAFF SUMMARY:**

Resolution 2015-85 will formally adopt the MOU between the City and Schools for the public use of school owned athletic facilities. As specified in the MOU, the facility to be open for public use at this time is the high school football field.

**FISCAL IMPACT:**

REVIEWED BY: \_\_\_\_\_

(Finance Director)

**ATTACHMENTS:**

MOU between City and District  
Resolution 2015-85

**RECOMMENDATION:**

Motion to approve Resolution 2015-85

\_\_\_\_\_  
Department Head

*James R. Williams*  
\_\_\_\_\_  
City Manager

**THIS MEMORANDUM OF UNDERSTANDING** is made this \_\_\_\_\_ day of \_\_\_\_\_, 2015 between the City of Lovington, a municipal corporation, hereinafter known as “City”, and the Lovington Municipal School District Board of Education, hereinafter known as “District”.

## **1.0 PURPOSE**

The memorandum of understanding (hereinafter “MOU”) formalizes the relationship between the participating entities in order to facilitate the public use of certain athletic facilities operated by and situated on property owned by the District. The purpose of this agreement is to promote physical fitness for students and for all other residents of the community. It is understood that use by students of the District for athletic events will be the first priority.

## **2.0 TERM**

This MOU shall be for a period of five (5) years from the date of execution by both parties unless terminated earlier, as provided herein. The parties may renew this MOU only by separate written agreement or addendum hereto, which must be executed by both parties.

## **3.0 CONTRIBUTIONS**

The City agrees to perform the following:

- 3.1 Provide security and accountability for any keys issued to the City of Lovington.
- 3.2 Provide personnel to lock the facilities identified in this agreement at 9:00 p.m. Sunday thru Saturday, to include holidays.
- 3.3 Provide personnel to unlock the facilities identified in this agreement on Saturday and Sunday at 6:00 a.m., to include holidays
- 3.4 Provide a visible law enforcement presence through the use of random close patrols.
- 3.5 In the event heavy public use occurs, provide cleanup assistance in conjunction with District personnel.

The District agrees to perform the following:

- 3.6 Provide public access to facilities identified by this MOU between the hours of 6:00 a.m. and 9:00 p.m. seven days per week.
  - 3.6.1 No public use will be allowed during school sports team practice(s) or event(s).
- 3.7 Furnish utilities and be responsible for all maintenance and repair of the facilities.

- 3.8 Provide adequate signage at facilities that addresses facility use guidelines and rules.
- 3.9 Provide public notice of facility closures.

#### **4.0 FACILITIES**

The facilities provided by the District for public use during the specified times and dates established by this MOU are limited to:

- 4.1 High School Football Stadium
  - 4.1.1 The only area authorized for public use is the track. No public use of the football field turf is allowed unless authorized by the District.

#### **5.0 TERMINATION**

This agreement may be terminated by either party, with or without cause, upon thirty (30) days written notice to the other party.

#### **6.0 LEGAL CLAIMS**

For any claims arising out of this agreement by third parties, the District and City will each be responsible for their own negligent acts or omissions.

#### **7.0 GOVERNING LAWS AND PROVISIONS**

This Agreement shall be governed by the laws of the State of New Mexico. Jurisdiction and venue relating to any litigation or dispute arising out of this Agreement shall be in the District Court of Lea County, New Mexico, only. If any part of this contract shall be deemed in violation of the laws or Constitution of New Mexico, only such part thereof shall be thereby invalidated, and all other parts hereof shall remain valid and enforceable.

If any party is found by a court to have breached this Agreement, the breaching party agrees to pay all reasonable costs, attorney's fees and expenses that shall be made or incurred by another party in enforcing any covenant or provision of this Agreement, including the expenses of in house counsel.

#### **8.0 NOTICE**

All notices to be given with respect to this agreement shall be given in writing. Each notice shall be sent either by certified mail, postage prepaid, and return receipt requested to the party to be notified, or by personal delivery at the

address set forth herein or at such other address as either party may from time to time designate in writing.

City of Lovington  
City Manager  
214 S. Love  
Lovington, NM 88260

Lovington Municipal School District  
Superintendent  
18 W. Washington  
Lovington, NM 88260

**9.0 ENTIRE AGREEMENT**

The foregoing constitutes the entire agreement between the parties hereto and may be modified only in writing by the parties hereto.

**IN WITNESS WHEREOF**, the parties hereto have executed this agreement the day and year first written above.

**City of Lovington**

**Lovington Municipal School District**

\_\_\_\_\_  
By: Scotty Gandy, Mayor

\_\_\_\_\_  
By: Dymorie Maker, President

ATTEST: Lovington City Clerk

ATTEST: Board Secretary

\_\_\_\_\_  
Carol Ann Hogue

\_\_\_\_\_  
Mara Salcido-Alcantar, Secretary

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
District Attorney

**RESOLUTION 2015-85**

**APPROVING A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF LOVINGTON AND THE LOVINGTON MUNICIPAL SCHOOL DISTRICT FOR PUBLIC USE OF ATHLETIC FACILITIES**

**WHEREAS**, the Commission of the City of Lovington recognizes the need for multiple areas within the City that will promote physical fitness for students and all other residents; and

**WHEREAS**, the Lovington Municipal School District has additional areas that are more than suitable to meet the goal of promoting physical fitness; and

**WHEREAS**, a partnership between the City and District in this endeavor is in the best interests of the citizens of Lovington.

**NOW THEREFORE, BE IT RESOLVED** by the City Commission that the Memorandum of Understanding, attached hereto for reference, for public use of athletic facilities is approved and adopted.

**PASSED, APPROVED, AND ADOPTED SEPTEMBER 28, 2015.**

\_\_\_\_\_  
Scotty Gandy, Mayor

ATTEST:

\_\_\_\_\_  
Carol Ann Hogue, City Clerk

CITY OF LOVINGTON  
COMMISSION STAFF SUMMARY FORM

MEETING DATE: September 28, 2015



TYPE:  RESOLUTION     ORDINANCE     PROCLAMATION     INFORMATION     OTHER ACTION

SUBJECT: Resolution 2015-86: PPA Amendments  
DEPARTMENT: Executive  
SUBMITTED BY: James R. Williams, City Manager  
DATE SUBMITTED: September 17, 2015

**STAFF SUMMARY:**

Resolution 2015-86 will amend the PPA between the City and LCFA. The following items will be amended in the original agreement, entered into on October 1, 2014:

- a sixty day agreement extension (operation of the theater must begin prior to 12:01 a.m. November 30, 2015.
- LCFA bylaws will be adopted that will create a permanent voting position on the Foundation Board of Directors for a representative appointed by the Lovington City Commission.
- The City will provide the Foundation space for an office at a location separate from the Theater if needed during the initial term and lease period specified in the agreement.
- During review by the Lovington EDC, they have requested that their representative be a permanent member of the Executive Committee.

**FISCAL IMPACT:**

REVIEWED BY: \_\_\_\_\_

(Finance Director)

**ATTACHMENTS:**

Amendment  
Original PPA  
Request letters from LCFA  
Resolution 2015-86

**RECOMMENDATION:**

Motion to approve Resolution 2015-86.

Commission may also make an appointment to the Foundation Board of Directors for the City Representative position.

\_\_\_\_\_  
Department Head

*James R. Williams*  
\_\_\_\_\_  
City Manager

## **AMENDMENT TO PROJECT PARTICIPATION AGREEMENT**

The City of Lovington, herein called "City", the Lovington Economic Development Corporation, herein called "EDC", and the Lea Community Foundation for the Arts, herein called "Foundation" agree to the following Amendments to Section 2 of the attached Project Participation Agreement for the Lea Theater and that bolded language below will replace and/or add to the current subsections of Section 2 of the Agreement.

### **2. Contribution by Lea Community Foundation for the Arts**

- A. The Foundation will adopt bylaws that create a permanent voting position on the Foundation's Board of Directors for a Lovington Economic Development Corporation Director. The EDC Representative shall also be a permanent member of the Executive Committee, per Foundation bylaws, whether an officer or not.**
- B. The Foundation will be required to begin operation of the Lea Theater prior to 12:01 a.m. (MST) on November 30, 2015. Operation is deemed as conducting its first regular digital movie or performing arts production, as defined by the Foundations mission statement and goals. Fundraisers, of any form, held at the theater will not satisfy this requirement.**
- E. The Foundation will adopt bylaws upon execution of the amendment approved by the City Commission on September 28, 2015 that creates a permanent voting position on the Foundation's Board of Directors for a representative appointed by the Lovington City Commission.**

Furthermore, the City, EDC, and Foundation agree to the following Amendment to Section 3 of the attached Project Participation Agreement for the Lea Theater and that bolded language below will add to the current Section 3 of the Agreement.

### **3. Contribution by City of Lovington**

- C. The City will provide the Foundation space for an office at a location separate from the Theater if needed during the initial term and lease period specified in Section 8.**

Furthermore, the City, EDC, and Foundation agree to the following Amendment to Section 8 of the attached Project Participation Agreement for the Lea Theater and that bolded language below will replace the current Section 8 of the Agreement.

### **8. Term of Participation Agreement**

**This agreement will be effective upon execution of the agreement and terminate at 12:01 a.m. (MST) on November 30, 2015 if obligations and conditions as specified are not met. If all commitments and obligations are met by the Foundation as specified in this agreement, the City will enter into a lease agreement with the Foundation for a ten (10) year period with an option to purchase the property for one dollar (\$1.00) at any time during the lease period upon approval by the City Commission.**

**IN WITNESS WHEREOF**, the parties hereto have executed this amendment.

\_\_\_\_\_  
Scotty Gandy, Mayor  
City of Lovington

\_\_\_\_\_  
Date

ATTEST:

\_\_\_\_\_  
Carol Ann Hogue, City Clerk  
City of Lovington

\_\_\_\_\_  
Date

APPROVED AS TO FORM

\_\_\_\_\_  
Patrick McMahon, City Attorney  
City of Lovington

\_\_\_\_\_  
Date

\_\_\_\_\_  
Randy Pettigrew, President  
Lovington Economic Development Corporation

\_\_\_\_\_  
Date

\_\_\_\_\_  
Connie Sevier, President  
Lea Community Foundation for the Arts

\_\_\_\_\_  
Date

RESOLUTION NO. 2014-34

**WHEREAS**, the Lea Community Foundation for the Arts has identified the need to restore and operate the historic Lea Theater as a theater and performing arts center; and

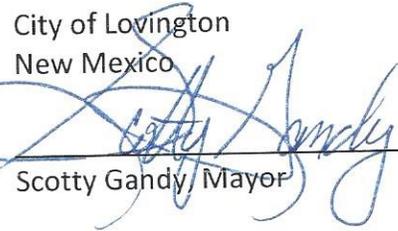
**WHEREAS**, the City has purchased the Lea Theater utilizing Local Economic Development Funds as authorized by Ordinance 495.

**NOW, THEREFORE, BE IT RESOLVED**, that the City of Lovington will enter into a Project Participation Agreement with the Lea Community Foundation for the Arts that will allow for the operation of a theater and performing arts center.

DONE THIS 11<sup>th</sup> DAY OF AUGUST, 2014 at



City of Lovington  
New Mexico

  
\_\_\_\_\_  
Scotty Gandy, Mayor

ATTEST:

  
\_\_\_\_\_  
Carol Ann Hogue, City Clerk

## PROJECT PARTICIPATION AGREEMENT

This Agreement is entered into on this 1<sup>st</sup> day of OCTOBER, 2014 by and between the City of Lovington, New Mexico, a municipal corporation (hereinafter referred to as "City") and the Lea Community Foundation for the Arts (hereinafter "Foundation").

### 1. Recitals

- A. Pursuant to the Local Economic Development Act, NMSA 1978, §§ 5-10-1 through 5-10-13, (LEDA); the City adopted the Ordinance No. 495 (LEDA Ordinance), authorizing the City of Lovington to consider applications for economic assistance.
- B. The Foundation has submitted an application to the City for assistance under the LEDA Ordinance. In the application, the Foundation has proposed the purchase of the Lea Theater, begin operations of the Theater, and initiate renovations to the Theater.

### 2. Contribution by Lea Community Foundation for the Arts

- A. The Foundation will adopt bylaws that create a permanent position on the Foundation's Board of Directors for a Lovington Economic Development Corporation Director.
- B. The Foundation will be required to begin operation of the Lea Theater within one year of the execution of this agreement. Operation is deemed as conducting its first regular digital movie or performing arts production, as defined by the foundations mission statement and goals. Fundraisers, of any form, held at the theater will not satisfy this requirement.
- C. The Foundation is expected to solicit donations and grants to complete the renovations needed for this project.
- D. The Foundation will be responsible for all engineering and architectural services, improvements, renovations, construction waste disposal, hazard removal, safety improvements, inspections and testing, insurance, repairs, maintenance, operating costs, and all utilities unless otherwise specified in this agreement.
- E. It is agreed and understood that all improvements, renovations, and removal of any equipment, furniture, or fixtures must be authorized by the City.

**3. Contribution by City of Lovington**

- A. The City will purchase the Lea Theater utilizing one time funding from the Local Economic Development Fund in the amount of two hundred fifty thousand dollars (\$250,000).
- B. The City will enter into an agreement with the Lea Community Foundation for the Arts to operate a theater and performing arts center in the Lea Theater building.

**4. Specific Project Objectives and Completion Dates**

<b>Objective</b>	<b>Completion Date</b>
Complete Foundation Bylaws and filing with State of New Mexico	(30 days)
Licensing contracts with film distributors completed	(8 months)
Cinema digital upgrades, phase one lighting, and cosmetic upgrades complete	(11 months)
Theater reopened and operating	End of 12 <sup>th</sup> month

**5. Review**

The Lovington Economic Development Corporation will review the project timeline, progress, and the Foundation's finances each quarter for the duration of this agreement. Financial review will be conducted utilizing normal and standard accounting procedures.

**6. Termination**

If it is determined that the Foundation has become insolvent or fails to meet the project objectives and deadlines, the Lovington Economic Development Corporation will obtain the right to operate the facility as a theater and performing arts center

**7. Amendments**

This agreement may be amended or modified, and the performance by any part of its obligations hereunder may be waived, only in a written instrument duly executed by the City, the Lovington Economic Development Corporation, and the Foundation.

**8. Term of Participation Agreement**

This agreement will be effective upon execution of the agreement and terminate in one year if obligations and conditions as specified are not met. If all commitments and obligations are met by the Foundation as specified in this agreement, the City will enter into a lease agreement with the Foundation for a ten (10) year period with an option to

purchase the property for one dollar (\$1.00) at any time during the lease period upon approval by the City Commission.

#### **9. Use**

It is agreed and understood that the Lea Theater may be used by the Foundation for the purposes of operating a theater and performing arts center and in such manner the Foundation shall no violate any ordinances or other regulations of the City of Lovington, County of Lea, or any other state or federal rule, regulation or law, now in force or hereinafter adopted, which in any manner shall affect the use of the premises.

#### **10. Improvements**

It is agreed and understood that the Foundation may construct certain improvements of the structure and equipment upon the lea theater at the Foundation's own cost and conforming to the building code or regulations of the City of Lovington. It is further agreed and understood by the parties that the Foundation shall obtain structure, building, electrical, plumbing, environmental, facility, or other permits.

All improvements permanently installed or are necessary for the continued operation of the facility as a theater and performing arts center upon termination or cessation of this agreement shall become the property of the City of Lovington.

#### **11. Liens**

The Foundation shall not permit any liens or encumbrances to be filed against the property, which is subject to this agreement, or against the City's interest in the premises.

The Foundation shall make no contract or agreement for the construction, alteration, or repairing of any portion of the lea theater without prior written approval by the City. Any such contract shall provide for ten (10) days notice to the City prior to the beginning of any work and such contract or agreement is in writing and contains an express waiver by such contractor of any claim for mechanic's or materialman's lien against the premises or improvements thereon.

#### **12. Condition**

The Foundation agrees that it will surrender the property peaceably and in good condition at the termination of this agreement, ordinary wear and tear excepted.

### **13. Utilities**

The City will provide water, sewer, and trash collection for the Lea Theater. Upon execution of this agreement, the City will provide electrical and gas utilities for six (6) months, after which time the Foundation will be responsible for providing continuous electrical and gas service to the facility at its own expense.

### **14. Access**

The Foundation hereby grants to the City the right of access, ingress, and egress from the Lea Theater by the City and its agents.

### **15. Assignment/Subletting**

The Foundation shall not assign or sublet any portion of the Lea Theater, whether it is for a set fee, amount, or free of charge.

### **16. Insurance Requirements and Hold Harmless Provision**

- A. The Foundation agrees to maintain appropriate insurance for the duration of this agreement. Liability insurance will be obtained that will provide a minimum of one million dollars (\$1,000,000) per occurrence. The Foundation will provide a Certificate of Insurance to be attached to this agreement, with the City of Lovington shown as an additional insured party.
- B. The Foundation shall indemnify, defend, and hold harmless the City, its employees, agents, officers and officials from any and all claims, demands, losses, causes of action, costs, expenses, and liability of any nature whatsoever, including court costs, attorney's fees, and any expenses incurred in enforcing this provision, which may result from, arise out of, be related to, or in any way be connected with the City of Lovington providing financial assistance to the Foundation; provided, however, that nothing shall be construed to require or obligate the Foundation to indemnify the City of Lovington against or hold the City harmless from the City's own negligent acts or omissions.

### **17. Governing Law and Provisions**

- A. This Agreement shall be governed by the laws of the State of New Mexico. Jurisdiction and venue relating to any litigation or dispute arising out of this Agreement shall be in the District Court of Lea County, New Mexico, only. If any part of this contract shall be deemed in violation of the laws or Constitution of New Mexico, only such part thereof shall be thereby invalidated, and all other parts hereof shall remain valid and enforceable.

B. If any party is found by a court to have breached this Agreement, the breaching party agrees to pay all reasonable costs, attorney's fees and expenses that shall be made or incurred by another party in enforcing any covenant or provision of this Agreement, including the expenses of in house counsel.

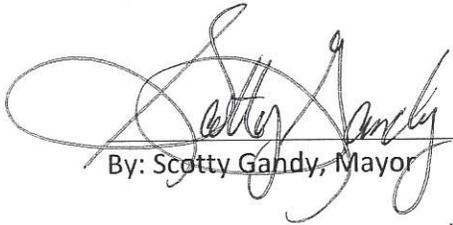
**18. Entire Agreement**

The foregoing constitutes the entire agreement between the parties hereto and may be modified only in writing by the parties hereto.

**IN WITNESS WHEREOF**, the parties hereto have executed this agreement the day and year first written above.

**City of Lovington**

**Lea Community Foundation  
for the Arts**

  
By: Scotty Gandy, Mayor

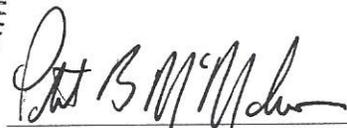
  
By: Connie Sevir

ATTEST:

APPROVED AS TO FORM:

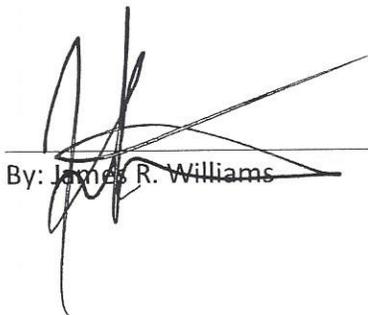
  
Carol Ann Hogue, City Clerk



  
Patrick McMahon, City Attorney

City Manager

Lovington Economic Development  
Corporation

  
By: James R. Williams

  
By: Randall Pettigrew, President



**Lea Community Foundation for the Arts**

P.O. Box 635

Lovington, NM 88260

[www.leacfa.org](http://www.leacfa.org)

[admin@leacfa.org](mailto:admin@leacfa.org)

September 14, 2015

Dear Mayor Gandy and City Commission,

After assessing and reviewing our agreement with the City of Lovington, we would like to request a 30-day extension to re-open the Lea Theatre. This extension will provide time to complete the improvements to receive a certificate of occupancy, health food permit, and to raise the necessary operating funds for the Lea Theatre to be successful.

While we are unable to meet our original goal of opening by October 1, the Foundation has had a very busy year. Staff and volunteers have contributed over 600 hours of service in the last six months! The following milestones were completed during this period:

- April – Digital projection equipment RFP developed and released
- May – "Lights! Camera! Action!" Annual Gala raised \$19,000
- June – Planning workshop with Elmo Baca, Quixote Productions
- June – Established Fundraising and Operations committees
- June – LCFA Board members attended the Historic Theaters Institute in Raton
- July – Completed installation of digital projection equipment
- August – Applied for and finalized licensing agreements with six major film studios
- September – Swamp coolers and plumbing repairs completed
- September – Wildcat Tailgate increased community awareness and raised \$1,500
- September – LCFA Board clean-up of the Lea Theatre
- September – 501 (c)(3) application completed
- September – Concession stand vendor contracts submitted

In addition, the Lea Community Foundation for the Arts will host "An Evening of Previews" on September 19. This is a community event intended to showcase the new digital projection equipment and to share our future plans for the Theatre.

Thank you again for your support. We will continue to work hard to re-open the Lea Theatre. Please do not hesitate to contact me if you have any questions regarding this request.

Sincerely,

A handwritten signature in cursive script that reads "Connie Sevier".

Connie Sevier

President, Lea Community Foundation for the Arts



**Lea Community Foundation for the Arts**

P.O. Box 635

Lovington, NM 88260

[www.leacfa.org](http://www.leacfa.org)

[admin@leacfa.org](mailto:admin@leacfa.org)

September 14, 2015

Dear Mayor Gandy and City Commission,

The Lea Community Foundation for the Arts has made substantial progress on the re-opening of the Lea Theatre. Our activities have grown to the point where some type of office space is necessary. If possible, the Board would like to request an office at the Troy Harris Center.

Currently, the Foundation has one part-time administrative assistant, with plans to hire a full-time position in the near term. The organization requires space to receive the public, movies, and host board meetings. This location would be ideal, as the Foundation works closely with Lovington MainStreet and the Lovington Economic Development Corporation.

Thank you again for your support. Please do not hesitate to contact me if you have any questions regarding this request.

Sincerely,

A handwritten signature in cursive script that reads "Connie Sevier".

Connie Sevier

President, Lea Community Foundation for the Arts

**RESOLUTION 2015-86**

**A RESOLUTION APPROVING AMENDMENTS TO THE PROJECT PARTICIPATION AGREEMENT BETWEEN THE CITY OF LOVINGTON AND LEA COMMUNITY FOUNDATION FOR THE ARTS**

**WHEREAS**, the City of Lovington and the Lea Community Foundation for the Arts entered into a Project Participation Agreement for the operation of a theater and performing arts center on October 1, 2014; and

**WHEREAS**, the Foundation has requested an extension of time in which to begin operation of the theater as defined in the Agreement; and

**WHEREAS**, the City has deemed an extension of time to be in the best interests of the community.

**NOW THEREFORE, BE IT RESOLVED** by the City Commission that the Amendments to the Project Participation Agreement, attached hereto for reference, are approved and adopted.

**PASSED, APPROVED, AND ADOPTED SEPTEMBER 28, 2015.**

---

Scotty Gandy, Mayor

ATTEST:

---

Carol Ann Hogue, City Clerk

CITY OF LOVINGTON  
COMMISSION STAFF SUMMARY FORM

MEETING DATE: September 28, 2015



TYPE:  RESOLUTION  ORDINANCE  PROCLAMATION  INFORMATION  OTHER ACTION

SUBJECT: Resolution 2015-87: Bridlewood Estates Agreement  
DEPARTMENT: Executive  
SUBMITTED BY: James R. Williams, City Manager  
DATE SUBMITTED: September 21, 2015

**STAFF SUMMARY:**

Resolution 2015-87 will approve a Housing Production Services Incentive Agreement between the City and Roberts Ranches for reimbursement of off-site infrastructure built for each completed home. This agreement is made possible through RFP 011513 and the LEDA Fund.

This project will create 46 additional single family homes in Lovington.

**FISCAL IMPACT:**

REVIEWED BY: Gary Lee Chapman  
(Finance Director)

\$6,000 in reimbursement for each completed home

Total: \$276,000

**ATTACHMENTS:**

Sample agreement  
Executive summary of project from EDC  
Resolution 2015-87

**RECOMMENDATION:**

Motion to approve resolution 2015-87.

\_\_\_\_\_  
Department Head

James R. Williams  
City Manager

**HOUSING DEVELOPMENT AGREEMENT  
BETWEEN THE CITY OF LOVINGTON  
AND FAMILY HOUSING DEVELOPER**

**THIS AGREEMENT** is entered into on this \_\_\_\_\_ day of \_\_\_\_\_, 2013  
by and between the City of Lovington, New Mexico, a municipal corporation (hereinafter  
“City”); and \_\_\_\_\_  
(hereinafter “Developer”) for the purpose of completing Housing Development services to be  
provided to the City.

## RECITALS:

- \*\* The City requires to contract with a Housing Development Company to provide services for providing Market Rate Housing to the City and Citizens of Lovington, New Mexico. The City has issued RFP # 011513 dated January 15, 2013 to solicit Developer proposals.
  
- \*\* Developer has submitted a written proposal to the City to complete the required Housing Developer Services work for \_\_\_\_\_, pursuant to the Developer proposal dated \_\_\_\_\_.

**NOW, THEREFORE**, the City of Lovington and Developer do hereby agree as follows:

### **A. Work To Be Performed**

1. The Developer shall furnish to the City its Professional Housing Developer Services for certain work regarding the Lovington Additional Family Housing Project, as requested by the City. All work completed under this agreement shall be pursuant to the City's RFP # 011513 which is attached hereto and made a part of this Agreement as Exhibit #1; and pursuant to Developers response proposal to that RFP, which is attached hereto and made a part of this Agreement as Exhibit #2, to the extent that its provisions are not inconsistent with the RFP and applicable laws. Both of these said documents are attached hereto and made a part of this agreement.
  
2. Developer shall furnish to City its professional Housing Developer Services as requested by City and as provided by this Agreement. The specific duties include all assistance as necessary to produce and operate Family Housing Development in Lovington. According to the RFP #011513 and Developer's Proposal, Developer is required to begin construction of additional family housing and associated infrastructure to serve the intended development property located on\_\_\_\_\_. The Developer shall build \_\_\_\_\_family homes on the property identified in the Developer's Proposal. Developer shall raise sufficient funds to acquire real property and develop family housing in Lovington per Developer's attached proposal response to \_\_\_\_\_.
  
3. Specific activities required are to provide privately owned real property in the City including designing, building and operating market rate housing projects. For proposals deemed to best meet the needs of the City, the City shall provide financial incentives to assist with financing those family housing development proposals. The City's participation may include any or all of the following funding assistance from the City:
  - a. The City shall provide funding to the developer for the actual cost, up to the maximum grant amount of public infrastructure of newly constructed streets, sidewalk, and utilities, with these infrastructure items to be designed and installed by the developer.

Type of Infrastructure Project:

- |     |                                |       |
|-----|--------------------------------|-------|
| 1.  | Water Utility Extensions       | _____ |
| 2.  | Sewer Utility                  | _____ |
| 3.  | Street Extensions              | _____ |
| 4.  | Street or Driveway work access | _____ |
| 5.  | Drainage Construction          | _____ |
| 6.  | Utility Taps                   | _____ |
| 7.  | Engineering & Survey           | _____ |
| 8.  | Other _____                    | _____ |
| 9.  | Other _____                    | _____ |
| 10. | Other _____                    | _____ |

Based on quantities of required publicly owned infrastructure installed with the project, the City shall determine if the value of the infrastructure is adequate as an equal exchange of value for the amount of City subsidy contributed to the housing project. The City shall resolve any issues concerning value or extent of infrastructure and amount of square footage of constructed housing units.

- b. Cash payments to the Developer shall be paid by the City on basis, up to the Maximum Grant Amount, and per Developer's proposal, based on the following maximum subsidy schedule:

- c. Payment For Services

City subsidy shall be paid when the project is complete and certificate of occupancy is issued. If project proposal is for the construction of more than four (4) units, payment will be paid after completion of every four units. Payment will be made within fifteen (15) days following a written request from the Developer and upon City inspection of project completion.

- d. Program features and requirements are detailed in the City RFP # \_\_\_\_\_ and the Developer's response proposal.

- 1. The Minimum Project Development Size is 4 housing units per project location. Each approved project must be fully served by infrastructure when complete. Subsidy of privately owned on-site infrastructure is not permitted.
- 2. The City encourages infill property development. Infill infrastructure improvements will be funded to provide new or replacement water or sewer facilities, curbing, sidewalk, street improvements and paving, if additional housing is proposed as the project.
- 3. Full Developer Financing for 100% of a project must be in place prior to award of proposals. The design of the project must be complete within 90 days of award of the contract with the City.
- 4. Construction/Installation must be 50% complete within six months of award, with total completion within 1 year following award of the contract. Completion date may be extended for projects exceeding 20 units.
- 5. Construction and installation of housing units and public infrastructure will meet currently adopted State of New Mexico regulations and requirements and APWA standards.

6. Construction/Installation shall be of energy-efficient design per New Mexico Energy Conservation Code 2009, utilizing either stucco, brick/stone or hardwood siding on all exterior surfaces.
  7. All vacant homes and lots within the project must be maintained to meet all City codes and ordinances. Failure to comply with City codes and ordinances shall void reimbursement for that completed home.
  8. Any variances or encroachments granted after September 28, 2015 for a particular lot or home shall void reimbursement for that completed home.
- e. Performance Schedule of Actions Required of the Developer. Following are general guidelines of milestones or target dates for significant work items to begin. Specific dates established below which are firm dates not to be missed are 1) the date for completion of "dried in" status at Day 180, and 2) the date for Project 100% completion at Day 365. Nothing prohibits the Developer from starting or finishing these activities earlier than the following dates following.

Day	1	Development Agreement approved by City and executed by all parties.
Day	5	Developer submits draft site plan to City
Day	90	Developer submits final design and building plans.
Day	110	Developer complies with State of New Mexico and Building Code and receives Building Permit.
Day	130	Site grading complete. Survey started on building locations. Plumbing & Utility work started. Foundations and footers started. (Site Grading on or before 120 days
Day	150	Framing crews start.
Day	180	Project is "dried-in" with finished roofing, and all doors and windows installed, and exterior finishes completed.
Day	360	Project 100% completed. The City Manager may grant a one-time sixty (60) day extension for projects containing more than twenty (20) units.

## **B. ASSIGNMENT OF AGREEMENT**

This Section refers to assignability of this Agreement, and not to assignability of the Project to be developed for housing. Developer shall not assign or transfer any interest in this Agreement. Except that Developer is permitted, upon City approval, to assign its interest to a Partnership or Corporation in which the Developer is the principal party or to an affiliated company, working with the Developer on the Project. Subject to the foregoing provision, this Agreement shall inure to the benefit of and be binding upon the parties to this Agreement and their respective successors and assigns; provided that upon any assignment of this Agreement by either party, the other party shall not be released from any obligation under, or liability accruing pursuant to this Agreement. Consent shall not unreasonably be withheld by either party.

## **C. INSURANCE REQUIREMENTS AND HOLD HARMLESS PROVISION**

1. Developer agrees to obtain and maintain appropriate insurance during the course of the work program with the City of Lovington, as follows, and shall indemnify, defend and hold harmless City, its employees, agents, officers and officials from any and all claims, losses, causes of action, and/or liabilities resulting from the conduct, negligence, errors or omissions of Developer or any employee or agent of Developer while engaged in performing the services called for herein. Developer will provide a current Certificate of Insurance to be attached to this agreement, with the City of Lovington as shown as an additional insured party.
2. The Developer shall maintain insurance coverage for General Liability, Automobile Liability, Errors and Omissions Insurance, and Workers' Compensation, subject to review and approval of the City Attorney.

#### **D. GOVERNING LAW AND PROVISIONS**

1. This Agreement shall be governed by the laws of the State of New Mexico. Jurisdiction and venue relating to any litigation or dispute arising out of this Agreement shall be in the District Court of Lea County, New Mexico, only. If any part of this contract shall be deemed in violation of the laws or Constitution of New Mexico, only such part thereof shall be thereby invalidated, and all other parts hereof shall remain valid and enforceable.
2. If any party is found by a court to have breached this Agreement, the breaching party agrees to pay all reasonable costs, attorney's fees and expenses that shall be made or incurred by another party in enforcing any covenant or provision of this Agreement, including the expenses of in house counsel.

#### **E. FINAL PAYMENT AND RELEASE OF CLAIMS**

1. Developer, upon final payment of all amounts due under this Agreement, releases the City and its officers and employees from all liabilities, claims and obligations whatsoever arising from or under this Agreement.
2. City, upon Developer's final completion of all work items and covenants required of the Developer under this Agreement, shall release the Developer from all liabilities, claims and obligations whatsoever arising from or under this Agreement, on the day that is one (1) year following the date of the issuance of a final certificate of occupancy on the Project.

#### **F. AMENDMENTS**

This Agreement shall not be altered, changed, or amended except by written instrument approved and executed by both parties hereto.

#### **G. BREACH**

1. The following events constitute a breach of this Agreement by Developer:
  - a. Developer's failure to perform or comply with any of the terms, conditions or provisions of this Agreement, including RFP # 011513.

- b. Developer's failure to complete design plans and obtain a Building Permit within the initial thirty (30) day period following the execution of this Agreement.
  - c. Developer's failure to complete the "dried-in" construction (finished roofing, and all doors and windows installed, and exterior finishes completed) within the initial one hundred eighty (180) day period following the execution of this Agreement.
  - d. Developer's failure to complete the construction of the entire project within the initial three hundred sixty five (365) day period following the execution of this Agreement.
2. The following events constitute a breach of this Agreement by City:
    - a. City's failure to perform or comply with any of the terms, conditions or provisions of this Agreement, including making timely and appropriate payments to the Developer.

#### **H. REMEDIES UPON BREACH**

1. Any party may sue to collect any and all damages that may accrue by virtue of the breach of this Agreement.
2. If any party is found by a court to have breached this Agreement, the breaching party agrees to pay all reasonable costs, attorney's fees and expenses that shall be made or incurred by another party in enforcing any covenant or provision of this Agreement.
3. If Developer fails to complete design plans and obtain a Building Permit within the initial ninety (90) day period following the execution of this Agreement, this Agreement shall be automatically terminated.
4. If Developer fails to complete the "dried-in" construction (finished roofing, and all doors and windows installed, and exterior finishes completed) within the initial one hundred eighty (180) day period following the execution of this Agreement, the City Manager may authorize one thirty (30) day extension period. If the project is still not completed to the dried-in stage at the end of the thirty day extension, this Agreement shall be automatically terminated.
5. If Developer fails to complete the construction of the entire project within the initial three hundred sixty five (365) day period following the execution of this Agreement, the Manager may grant a one-time sixty (60) day extension of the completion date.

#### **I. NOTICE**

All notices given pursuant to or in connection with this Agreement shall be made in writing and posted by regular mail, postage prepaid, to the City, ATTN: City Manager, 214 S. Love St., Lovington, NM 88260; to Developer ATTN: \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, and to such other address as requested by either party. Notice shall be deemed to be received on the fifth day following posting.

**J. ENTIRE AGREEMENT**

The foregoing constitutes the entire agreement between the parties hereto and may be modified only in writing by the parties hereto.

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement the day and year first written above.

**City of Lovington**

**Developer**

\_\_\_\_\_  
By: Dixie Drummond, Mayor

\_\_\_\_\_  
By:

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Carol Ann Hogue, City Clerk

\_\_\_\_\_  
Patrick McMahon, City Attorney

City Manager

\_\_\_\_\_  
By: James R. Williams

## Bridlewood Estates

### *Introduction*

Bridlewood Estates is a housing project developed by Roberts Ranches, the first of several forthcoming. It is designed to provide affordable housing ranging from 1200 to 1600 square feet in area and \$130,000 to \$170,000 in price. This size and price range is designed for recently established families or first-time homeowners.

### *Need*

Housing development in Lovington is a slow-growing industry, with much of the housing provided to new homeowners being constructed on an individual basis or purchased from other residents in average to below average condition. This results in an unsatisfied demand for moderately-priced housing as young professionals in the growing population must wait for extended periods for a satisfactory deal. Bridlewood Estates promises to meet (and has already met some of) the current demand with the large-scale construction of such homes. Further, the construction of these homes promises to re-invigorate neighborhoods currently marred by low property values by attracting families with promising futures.

### *Background*

The Roberts Family Trust, composed of Howard Roberts, Kevey Roberts, and Pamela Faith, partnered with Lemke Development Inc. (John and Kim Lemke) to establish this housing in an existing subdivision that was created in 1962, but did not contain the utilities needed to promote home-building in that area. The experience of Lemke Development, which boasts 50 years of experience with over 5,000 homes built, combined with the Roberts family's reputation in real estate and the satisfaction of such need, demonstrates the expertise needed to complete this project and, at least partially, satisfy the housing market of Lovington.

### *Request*

$46 \text{ homes} \times \frac{\$6,000}{\text{home}} = \$276,000$  is the requested amount in this document as provided by the LEDA funds, which we, as Bridlewood Estates, believe is reasonably requested given the provisions of the LEDA as reimbursement for the infrastructure improvements taken on by Bridlewood Estates as listed on the following page.

46 homes  
\$276,000

<u>QTY</u>	<u>Unit</u>	<u>Description:</u>	<u>Costs</u>
<b>Sewer</b>			
2	Each	SAS Cleanouts	\$ 4,500.00
46	Each	Sewer Line 6" taps and Extensions	\$ 40,480.00
1050	Ft.	SAS Extension	\$ 45,150.00
<b>Fire Hydrants</b>			
1	Each	Fire Hydrants	\$ 3,000.00
2	Each	Concrete Manholes	\$ 8,690.00
<b>Water</b>			
2330	Ft.	10" Connect to existing water line	\$ 81,150.00
3	Each	6" Water Valves	\$ 4,650.00
1	Each	4" water Valves	\$ 850.00
46	Each	water 1" taps	\$ 46,000.00
8	Each	22 degree mechanical joints and thrust Joints	\$ 5,200.00
2	Each	45 degree mechanical joints and thrust Joints	\$ 1,300.00
<b>Curb &amp; Gutter</b>			
46	Each	Curb cut & Apron extension	\$ 40,480.00
<b>Civil Engineering</b>			
1	Each	Civil engineering, surveying to re-plat Sewer line easement	\$ 4,500.00
			Subtotal: \$ 285,950.00
			Tax: \$ 20,731.37
			Total: \$ 306,681.37

Bridlewood Estates submitted for reimbursements on the following: Labor bedding, backfill and trenching up to the property Line, Survey Work, Curb & Gutters, Sewer and Water tap to property line, fire hydrants and asphalt. This does fall in the RFP guidelines.

The Lovington EDC makes the recommendation to reimburse Bridlewood Estates in the amount of \$ 276,000 for 46 homes to their project. PLEASE NOTE: Bridlewood Estates submitted the required information and information was verified. No reimbursement will be given until receipts of actual work are presented. Reimbursements will be given after every 4 homes are built and inspected.

**RESOLUTION 2015-87**

**A RESOLUTION APPROVING A HOUSING DEVELOPMENT INCENTIVE AGREEMENT BETWEEN THE CITY OF LOVINGTON AND ROBERTS RANCHES FOR THE BRIDLEWOOD ESTATES PROJECT**

**WHEREAS**, the purpose of the Local Economic Development Act, NMSA 1978 Section 5-10-1 through Section 5-10-13 (2007) is to provide “public support for economic development to foster, promote and enhance local economic development efforts...”; and

**WHEREAS**, the City has a housing shortage that hinders and delays economic development in the City; and

**WHEREAS**, the City has issued a Request for Proposals for Housing Production Services (RFP No. 011513) (RFP) in an effort to increase the supply of additional family housing units for the citizens of Lovington; and

**WHEREAS**, Roberts Ranches has submitted a response to the RFP for the development of Bridlewood Estates, which will create an additional forty-six (46) homes in the City of Lovington; and

**WHEREAS**, the Lovington Economic Development Corporation Board of Directors has recommended providing up to \$6,000 in reimbursement per completed home for off-site infrastructure development.

**NOW THEREFORE, BE IT RESOLVED** by the City Commission that a Housing Development Agreement between the City and Roberts Ranches is approved for:

1. The development of forty-six (46) single family dwellings located in the Bridlewood Estates Project; and
2. each completed home is eligible for up to six thousand dollars (\$6,000) of actual costs for off-site infrastructure improvements; and
3. the total maximum amount of reimbursement will not exceed two hundred and seventy-six thousand dollars (\$276,000); and
4. a copy of the Agreement will be attached to this Resolution for reference.

**PASSED, APPROVED, AND ADOPTED SEPTEMBER 28, 2015.**

\_\_\_\_\_  
Scotty Gandy, Mayor

ATTEST:

\_\_\_\_\_  
Carol Ann Hogue, City Clerk

CITY OF LOVINGTON  
COMMISSION STAFF SUMMARY FORM

MEETING DATE: September 28, 2015



TYPE:  RESOLUTION  ORDINANCE  PROCLAMATION  INFORMATION  OTHER ACTION

88

SUBJECT: Resolution 2015-87: Dimsha Estates Agreement  
DEPARTMENT: Executive  
SUBMITTED BY: James R. Williams, City Manager  
DATE SUBMITTED: September 21, 2015

**STAFF SUMMARY:**

Resolution 2015-87 will approve a Housing Production Services Incentive Agreement between the City and Stanley Dimsha/GL Green & Associates, LLC for reimbursement of off-site infrastructure built for each completed home. This agreement is made possible through RFP 011513 and the LEDA Fund.

This project will create 13 additional single family homes in Lovington.

**FISCAL IMPACT:**

REVIEWED BY: Gary Lee Chapman  
(Finance Director)

\$6,000 in reimbursement for each completed home

Total: \$78,000

**ATTACHMENTS:**

Executive summary of project from EDC  
Resolution 2015-88

**RECOMMENDATION:**

Motion to approve resolution 2015-88.

\_\_\_\_\_  
Department Head

James R. Williams  
City Manager

## PROPOSAL NO. RFP# 011513

### Introduction:

In accordance with the desires of the City of Lovington, and requirements outlined in Request for Proposal No. 011513, Stanley J. Dimsha and GL Green & Associates, LLC has improved an infill property with community infrastructure that includes water and utility extensions, sewer, street, and sidewalk, with a total investment in the amount of \$162,788.20. This infrastructure has created a total of thirteen (13) new single-family home sites in the Dimsha Estates Subdivision.<sup>1</sup> The following information outlines how this project has fulfilled the necessary requirements and qualifies for partial reimbursement as provided by the Lovington Economic Development Corporation and the City of Lovington.

### Program Requirements Satisfied:

The following requirements have been satisfied:

- The project meets the minimum of four (4) units per project location with the creation of thirteen (13) new single-family home sites, with nine (9) new homes already completed, and two (2) additional homes soon to break ground within the next 60 to 90 days
- 9 Homes are **100%** complete and eligible for reimbursement
- 2 home sites, with homes to start construction within the next 60 to 90 days
  - Sewer and water utilities infrastructure installed (**100%**)
  - Side walks to be completed upon completion
- 2 remaining home sites
  - Sewer and water utilities infrastructure installed (**100%**)
  - Side walks to be completed upon completion
- The project is an infill property
- The project was financed fully by the development team
- Construction\Installation of the street infrastructure is 100% complete
- All construction and installation of housing units and public infrastructure meets or exceeds currently adopted State of New Mexico regulations and requirements and APWA standards
- Construction design meets or exceeds New Mexico Energy Conservation code 2009, utilizing stucco exterior surfaces

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<sup>1</sup> Dimsha Estates Subdivision, a replat of lots 4-11C, Block 3 of the Replat of Lots 4-11, Block3 Dimsha Addition to the City of Lovington is comprised of 13 Lots on the south side of the subdivision.

**Nature and Scope:**

Stanley J. Dimsha has arranged with GL Green & Associates, LLC (GL Green) to furnish new market rate homes in Lovington, New Mexico. The proposed housing project involves the completion of the Dimsha Estates Subdivision located on Avenue L in Lovington, New Mexico. The project provides for thirteen (13) single-family residences, ranging from 1,500sf to 2,500sf and priced from \$180,000 to \$300,000. Nine (9) new homes in this subdivision are already 100% complete, with two additional homes soon to break ground within then next 60 to 90 days.

Each new single-family home designed and built by GL Green offers a variety of ideal indoor and outdoor living spaces including open-air courtyards, outdoor living and dining rooms, outdoor kitchens, home theaters, offices, as well as open and spacious great rooms and kitchens. Residents can choose from multiple floor plans with three and four bedrooms designs.

The homes include numerous custom home and award-winning signature style amenities including granite counters, Rustic Tuscan cabinets, oil-rubbed bronze lighting and plumbing fixtures, cedar ceiling treatments and accents, travertine stonework, special paint accents and energy efficient stainless steel appliances. Other energy efficient options include upgraded insulation packages, upgraded heating and cooling packages, double pane Lo-E Vinyl windows, tankless water heaters and more. Each home is designed and built with engineered truss and wall systems with 2x6 exterior walls and a standard insulation package that includes R-21 in the exterior walls and R-43 in the ceiling. Buyers can modify and customize each home further beyond the GL Green standards if so desired.

**Narrative Addressing Evaluative Criteria:**

For nearly a decade, GL Green has operated as a full-service, custom design-build construction firm, providing a diverse mix of real estate related products and services including site selection services, award-winning architectural and interior design services, and lifestyle amenity packages. With uncompromised integrity and an uncommon commitment to quality and master craftsmanship, GL Green creates custom design-build projects that are viewed as the best designed and built in the Southwest. GL Green is based in Las Cruces, New Mexico where the company has designed and built upwards of three hundred homes and seven subdivision developments since it's inception.

In addition, GL Green & Associates is a real estate planning, investment, development and management firm. The company pursues select market niches where complexity or innovation creates exceptional potential for its partners and clients. With highly specialized expertise in real estate, complex financial structures, and alternative construction methods, GL Green identifies opportunities that are not widely followed or understood, resulting in competitive quality and marketing advantages, as well as superior financial performance.

### Recent Construction in Lea County

GL Green & Associates, LLC. (GL Green) designed, built, and operates a cluster of market rate rental units positioned in the infill area of the Del North Heights Addition Subdivision which is centrally located in the City of Hobbs. The development provides a total of twenty-six (26) new units and is comprised of six (6) quad-plex structures as well as one (1) duplex structure. Each quad-plex contains four (4) two-bedroom and two-bath units. The duplex provides an additional two (2) two-bedroom units. Each unit has been designed with a master suite, junior suite, large walk-in closets, one full bathroom, one ¾ bathroom, a great room, fully equipped kitchen with appliances, and laundry room. The units are centered upon an open patio courtyard with a tranquil and aesthetically pleasing water fountain feature. The development has been designed to satisfy the city's housing demands, and can function to serve the citizen's of Hobbs as well as its variable work force and economy over the next 15+ years. The entirety of the project entailed research, planning and design, funding, and construction. This required the organization, scheduling, and management of various local trades, as well as others organized from many cities throughout New Mexico. The cluster of twenty-six units is now 100 percent complete and fully operational.

Additionally, GL Green has designed and built numerous new homes in Lea County, in both Lovington and Hobbs., and in multiple subdivisions. This recent construction serves as evidence to the fact that GL Green & Associates has the capacity and capability of performing to the standards set forth by all state and city codes and standards, as well as the ability to organize labor and complete construction projects in a timely fashion.

### **Business Certification**

The following information outlines the business entity GL Green & Associates, LLC.

Contractor: GL Green & Associates, LLC  
Managing Members  
Greg Green, Caleb Neskahi

Employees: 7

Headquarters:  
GL Green & Associates  
4322 Capistrano Ave  
Las Cruces, NM 88011

PO BOX 14000  
Las Cruces, NM 88013  
Office: (575) 532-9070  
Fax: (575) 532-1227  
Website: [www.glgreen.net](http://www.glgreen.net)

Dimsha Estates Subdivision  
 Lovington NM (Corner of Ave. L & 17th)  
 Stan Dimsha/ GL Green & Associates

Total Number of Housing Units Proposed  
 Total Proposed Heated/ Cooled SF Area Per Unit

13  
 2000 SF

Item	Payment #	Cost	Method	Date	Check #
<b>Water &amp; Sewer Extensions</b>					
Trey's Plumbing	1	\$ 10,370.35	Check	08/08/12	10009
<b>Streets, Curb &amp; Gutters</b>					
Blue Collar	2	\$ 30,017.00	Wire	07/18/12	
Blue Collar	3	\$ 50,000.00	Wire	08/08/12	
Blue Collar	4	\$ 51,000.00	Wire	08/29/12	
<b>Surveying</b>					
Basin Survey	5	\$ 2,600.00	Check	07/18/12	93
Basin Survey	6	\$ 2,600.00	Check	08/22/12	1008
Pettigrew Re-Plat	7	\$ 3,075.00	Check		
<b>Water Meters</b>					
1613 Ave. L	8	\$ 1,000.00	Check	02/17/14	2647
1609 Ave. L	9	\$ 520.00	Check	08/12/13	2264
1605 Ave. L	10	\$ 520.00	Check	02/17/14	91
1601 Ave. L	11	\$ 1,000.00	Check	02/17/14	2647
1513 Ave. L	12	\$ 1,000.00	Check	02/17/14	2647
1509 Ave. L	13	\$ 520.00	Check	08/12/13	2264
1501 Ave. L	14	\$ 1,000.00	Check	10/09/14	2647
1405 Ave. L	15	\$ 1,000.00	Check	10/09/14	2647
1401 Ave. L	16	\$ 520.00	Check	02/17/14	91
<b>Sidewalk</b>					
1613 Ave. L	17	\$ 995.20	Check	12/18/13	
1609 Ave. L	18	\$ 62.25	Check	12/19/13	
1605 Ave. L	19	\$ 896.00	Check	01/24/14	2595
1601 Ave. L	20				
1513 Ave. L	21	\$ 672.00	Check	06/24/15	2762
1509 Ave. L	22	\$ 896.00	Check	03/05/14	2673
1501 Ave. L	23	\$ 772.80	Check	04/13/15	14970
1405 Ave. L	24	\$ 855.60	Check	04/10/15	14970
1401 Ave. L	25	\$ 896.00	Check	02/10/15	2673

Total Incentive Cost \$162,788.20

TOTAL SUM OF INFRASTRUCTURE COST REQUIRED FOR DEVELOPMENT \$162,788.20

INFRASTRUCTURE COST PER UNIT \$ 12,522.17

TOTAL LUMP SUM OF INFRASTRUCTURE COST REQUESTED (\$6K/ UNIT) \$ 78,000.00

Printed Name of Applicant

Signature of Applicant

Printed Name of Applicant

Signature of Applicant

**RESOLUTION 2015-88**

**A RESOLUTION APPROVING A HOUSING DEVELOPMENT INCENTIVE AGREEMENT BETWEEN THE CITY OF LOVINGTON AND STANLEY DIMSHA/GL GREEN & ASSOCIATES, LLC FOR THE DIMSHA ESTATES PROJECT**

**WHEREAS**, the purpose of the Local Economic Development Act, NMSA 1978 Section 5-10-1 through Section 5-10-13 (2007) is to provide “public support for economic development to foster, promote and enhance local economic development efforts...”; and

**WHEREAS**, the City has a housing shortage that hinders and delays economic development in the City; and

**WHEREAS**, the City has issued a Request for Proposals for Housing Production Services (RFP No. 011513) (RFP) in an effort to increase the supply of additional family housing units for the citizens of Lovington; and

**WHEREAS**, Stanley Dimsha and GL Green & Associates, LLC have submitted a response to the RFP for the development of Dimsha Estates, which will create an additional thirteen (13) homes in the City of Lovington; and

**WHEREAS**, the Lovington Economic Development Corporation Board of Directors has recommended providing up to \$6,000 in reimbursement per completed home for off-site infrastructure development.

**NOW THEREFORE, BE IT RESOLVED** by the City Commission that a Housing Development Agreement between the City and Stanley Dimsha & GL Green & Associates is approved for:

1. The development of thirteen (13) single family dwellings located in the Dimsha Estates Project; and
2. each completed home is eligible for up to six thousand dollars (\$6,000) of actual costs for off-site infrastructure improvements; and
3. the total maximum amount of reimbursement will not exceed seventy-eight thousand dollars (\$78,000); and
4. a copy of the Agreement will be attached to this Resolution for reference.

**PASSED, APPROVED, AND ADOPTED SEPTEMBER 28, 2015.**

ATTEST:

\_\_\_\_\_  
Scotty Gandy, Mayor

\_\_\_\_\_  
Carol Ann Hogue, City Clerk

CITY OF LOVINGTON  
COMMISSION STAFF SUMMARY FORM

MEETING DATE: September 28, 2015



TYPE:  RESOLUTION  ORDINANCE  PROCLAMATION  INFORMATION  OTHER ACTION

89: Surinse Addition Agreement

SUBJECT: Resolution 2015-87: ~~Bridlewood Estates Agreement~~  
DEPARTMENT: Executive  
SUBMITTED BY: James R. Williams, City Manager  
DATE SUBMITTED: September 21, 2015

**STAFF SUMMARY:**

Resolution 2015-87 will approve a Housing Production Services Incentive Agreement between the City and M&L Development, LLC for reimbursement of off-site infrastructure built for each completed home. This agreement is made possible through RFP 011513 and the LEDA Fund.

This project will create 7 additional single family homes in Lovington.

**FISCAL IMPACT:**

REVIEWED BY: Gary Lee Chapman  
(Finance Director)

\$6,000 in reimbursement for each completed home

Total: \$42,000

**ATTACHMENTS:**

Executive summary of project from EDC  
Resolution 2015-89

**RECOMMENDATION:**

Motion to approve resolution 2015-89.

\_\_\_\_\_  
Department Head

James R. Williams  
City Manager

## Sunrise Addition (Mike Jameson & Lonnie Ramirez) Polk & 7<sup>th</sup> Street

### PROJECT DESCRIPTION

M&L Development was formed to support the increased demand for affordable residential housing in Lovington. M&L mission is to develop land, infrastructure and housing for 42 lot residential subdivision on the corner of Polk Avenue and 7<sup>th</sup> Street known as Sunrise Addition. The 10 acre parcel of real estate has been purchased. The infrastructure for Phase 1 has begun.

### M & L development LLC Owners/Principals

- Robert Michael Jameson- President: and current owner of Bob's Thriftway since 1979. Brings 33 years of retail management experience. Responsible for daily operations, including purchasing, scheduling, and budgeting; has successfully overseen completion of several single home dwellings.
- Alonzo "Lonnie" Ramirez- Vice President: and current owner of Ramirez and Sons, Inc. an earthwork and paving Construction Company since 1996 to present with 30 years of expertise in all facets of general earthwork and paving. Responsible for bidding, blueprints, subcontractor selection, banking and bonding, fleet management of over 200 pieces of equipment, and employ up to 60 workers. Successful completion of multi-million dollar projects through coordinating trades, building positive rapport with architects, engineers, local officials, and clients. Key projects: Eunice Main Street Improvements Phase 1 & 2; City of Hobbs Annual Maintenance Contract: Mack Chase, Roswell International Airport, and Lovington Public Schools.

7-homes  
\$42,000

**Sunrise Addition  
Ramirez & Sons  
Single Family Housing Cost Proposal**

<b>Sewer</b>				
<u>QTY</u>	<u>Unit</u>	<u>Description:</u>	<u>Costs</u>	
1	Each	Connection to Manhole	\$2,145.00	
700	LF	10' Radius 4" sewer to property line	\$25,410.00	
12	Each	line	\$ 19,140.00	
<b>Fire Hydrants</b>				
2	Each	Fire Hydrant	\$ 8,459.00	
2	Each	Concrete Manholes	\$ 8,690.00	
<b>Water</b>				
1	Each	Connection to existing water line	\$1,320.00	
740	LF	8" C900	\$21,164.00	
220	LF	6" C900	\$5,203.00	
6	Each	8" T's, fittings	\$6,336.00	
2	Each	8" gate valve	\$3,212.00	
12	Each	1" water services, tapping, saddle, corp, ball valve	\$ 34,518.00	
<b>Other</b>				
1	LS	Mobilization Fee	<u>\$ 3,960.00</u>	
			Subtotal:	\$139,557.00
			Tax:	<u>\$10,117.88</u>
			Total:	\$ 149,674.88

Sunrise Addition submitted for reimbursements on the following: Labor bedding, backfill and trenching up to the property Line, Survey Work, Curb & Gutters, Sewer and Water tap to property line, fire hydrants and asphalt. This does fall in the RFP guidelines.

The Lovington EDC makes the recommendation to reimburse Sunrise Addition in the amount of \$ 42,000 for 7 homes to their project. PLEASE NOTE: Sunrise Addition submitted the required information and information was verified. No reimbursement will be given until receipts of actual work are presented. Reimbursements will be given after every 4 homes are built and inspected.

**RESOLUTION 2015-89**

**A RESOLUTION APPROVING A HOUSING DEVELOPMENT INCENTIVE AGREEMENT BETWEEN THE CITY OF LOVINGTON AND M&L DEVELOPMENT, LLC FOR PHASE II OF THE SUNRISE ADDITION**

**WHEREAS**, the purpose of the Local Economic Development Act, NMSA 1978 Section 5-10-1 through Section 5-10-13 (2007) is to provide “public support for economic development to foster, promote and enhance local economic development efforts...”; and

**WHEREAS**, the City has a housing shortage that hinders and delays economic development in the City; and

**WHEREAS**, the City has issued a Request for Proposals for Housing Production Services (RFP No. 011513) (RFP) in an effort to increase the supply of additional family housing units for the citizens of Lovington; and

**WHEREAS**, M&L Development, LLC has submitted a response to the RFP for the development of the Sunrise Addition, which will create an additional seven (7) homes in the City of Lovington; and

**WHEREAS**, the Lovington Economic Development Corporation Board of Directors has recommended providing up to \$6,000 in reimbursement per completed home for off-site infrastructure development.

**NOW THEREFORE, BE IT RESOLVED** by the City Commission that a Housing Development Agreement between the City and M&L Development is approved for:

1. The development of seven (7) single family dwellings located in the Sunrise Addition; and
2. each completed home is eligible for up to six thousand dollars (\$6,000) of actual costs for off-site infrastructure improvements; and
3. the total maximum amount of reimbursement will not exceed forty-two thousand dollars (\$42,000); and
4. a copy of the Agreement will be attached to this Resolution for reference.

**PASSED, APPROVED, AND ADOPTED SEPTEMBER 28, 2015.**

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Scotty Gandy, Mayor

ATTEST:

---

Carol Ann Hogue, City Clerk

CITY OF LOVINGTON  
COMMISSION STAFF SUMMARY FORM

MEETING DATE: September 28, 2015



TYPE:  RESOLUTION  ORDINANCE  PROCLAMATION  INFORMATION  OTHER ACTION

SUBJECT: Resolution Approving Variance - 705 S. Love Street  
DEPARTMENT: Planning and Zoning Commission  
SUBMITTED BY:  
DATE SUBMITTED: September 18, 2015

**STAFF SUMMARY:**

The owners of the property located at 705 S. Love Street have requested a variance to the 5 foot side yard setback on their existing single family dwelling home. The South wall was built in 1945 approximately 3' 6" from the property instead of the required 5 foot. This issue was identified during a building permit application for a back porch.

This item was given a recommendation for approval at the September 15, 2015 Planning and Zoning Commission. As with any Planning and Zoning request, the City Commission provides the final approval or denial. In the event of approval, a Resolution stating such has been provided.

**FISCAL IMPACT:**

REVIEWED BY: \_\_\_\_\_

(Finance Director)

**ATTACHMENTS:**

Aerial of Site  
Resolution for Approval

**RECOMMENDATION:**

Motion to approve.

If approval is being granted, please request a resolution number from the City Clerk when making the motion

\_\_\_\_\_  
Department Head

*James R. Williams*  
\_\_\_\_\_  
City Manager



**RESOLUTION NO. 2015-\_\_\_\_\_**

**WHEREAS**, the owner of the tract of land at 705 South Love Street, legally described as Lot 5, Block 73, Llano Addition to the City of Lovington has submitted a permit request to build a back porch for the residence; and

**WHEREAS**, the south wall of the home constructed in 1945 was built three feet six inches from the property line; and

**WHEREAS**, the home does not conform with Lovington Municipal Code 17.28.050, which requires a five foot side yard; and

**WHEREAS**, this item was presented to the Lovington Planning and Zoning Commission at the September 15, 2015 regular meeting and did receive a recommendation for approval; and

**WHEREAS**, this item has been presented to the City Commission for their final consideration.

**NOW, THEREFORE, BE IT RESOLVED**, by the Lovington City Commission that a variance for the required five foot side yard is approved for Lot 5, Block 73, Llano Addition to the City of Lovington, Lea County, New Mexico.

DONE THIS 28<sup>TH</sup> DAY OF SEPTEMBER, 2015 at

City of Lovington  
New Mexico

\_\_\_\_\_  
Scotty Gandy, Mayor

ATTEST:

\_\_\_\_\_  
Carol Ann Hogue, City Clerk

CITY OF LOVINGTON  
COMMISSION STAFF SUMMARY FORM

MEETING DATE: September 28, 2015



TYPE:  RESOLUTION     ORDINANCE     PROCLAMATION     INFORMATION     OTHER ACTION

SUBJECT: Variance Approval - 1205 W. Avenue O  
DEPARTMENT: Planning and Zoning Commission  
SUBMITTED BY:  
DATE SUBMITTED: September 18, 2015

**STAFF SUMMARY:**

Due to the consolidation of two lots at 1205 W. Avenue O, the front yard has been redefined as Avenue P instead of Avenue O. With the new configuration, the owner has requested that a variance be granted to allow for a 20 foot front yard setback instead of the required 25 feet.

The Planning and Zoning Commission recommended approval of this variance request at the September 15, 2015 meeting. As with any planning and zoning request, the final approval or denial is given by the City Commission. Should approval be granted, a resolution has been prepared stating such.

**FISCAL IMPACT:**

REVIEWED BY: \_\_\_\_\_

(Finance Director)

**ATTACHMENTS:**

Aerial of Site  
Resolution for approval

**RECOMMENDATION:**

Motion to approve.

If approval is being granted, please request a resolution number from the City Clerk when making the motion.

\_\_\_\_\_  
Department Head

*James R. Williams*  
\_\_\_\_\_  
City Manager



**RESOLUTION NO. 2015-\_\_\_\_\_**

**WHEREAS**, the owner of the tract of land at 1205 West Avenue O, legally described as Lots 7 & 8, Block 2, Faye Heights Addition to the City of Lovington has submitted a permit request for a variance to the front yard setback requirements; and

**WHEREAS**, consolidation of Lots 7 & 8 have redefined the front yard as facing Avenue P instead of Avenue O; and

**WHEREAS**, this item was presented to the Lovington Planning and Zoning Commission at the September 15, 2015 regular meeting and did receive a recommendation for approval; and

**WHEREAS**, this item has been presented to the City Commission for their final consideration.

**NOW, THEREFORE, BE IT RESOLVED**, by the Lovington City Commission that a variance allowing for a front yard setback of no less than twenty foot facing Avenue P at 1205 West Avenue O, legally described as Lots 7 & 8, Block 2, Faye Heights Addition to the City of Lovington, Lea County, New Mexico.

DONE THIS 28<sup>TH</sup> DAY OF SEPTEMBER, 2015 at

City of Lovington  
New Mexico

\_\_\_\_\_  
Scotty Gandy, Mayor

ATTEST:

\_\_\_\_\_  
Carol Ann Hogue, City Clerk

CITY OF LOVINGTON  
COMMISSION STAFF SUMMARY FORM

MEETING DATE: September 28, 2015



TYPE:  RESOLUTION  ORDINANCE  PROCLAMATION  INFORMATION  OTHER ACTION

SUBJECT: Resolution approving Faye Heights Street Lights  
DEPARTMENT: Planning and Zoning Commission  
SUBMITTED BY:  
DATE SUBMITTED: September 18, 2015

**STAFF SUMMARY:**

New housing development in the Faye Heights Subdivision requires the installation of additional street lights for safety and security. The attached aerial provides locations of existing street lights as well as proposed locations of new lights. New light placements are based upon the distance between the existing lights and are intended to keep with neighborhood uniformity.

The Planning and Zoning Commission recommended approval of this staff request at the September 15, 2015 meeting. As with any planning and zoning request, the final approval or denial is given by the City Commission. Should approval be granted, a resolution has been prepared stating such.

**FISCAL IMPACT:**

REVIEWED BY: Gary Lee Chapman  
(Finance Director)

Each 150W residential light will increase electrical costs to the City by \$8.83 per month or \$105.96 annually. As presented, this will increase annual electrical costs by \$741.72.

**ATTACHMENTS:**

Aerial of Site  
Resolution for approval

**RECOMMENDATION:**

Motion to approve.

If approval is being granted, please request a resolution number from the City Clerk when making the motion.

\_\_\_\_\_  
Department Head

James R. Williams  
City Manager



★ Existing Street Light

★ Proposed Street Light

**RESOLUTION NO. 2015-\_\_\_\_\_**

**WHEREAS**, the residents and developers in the Faye Heights Addition to the City of Lovington have requested the installation of additional street lights; and

**WHEREAS**, City staff have evaluated the area and recognize that new development of single family homes lack adequate residential street lighting; and

**WHEREAS**, City staff have proposed installation of additional residential street lighting in the newly developed areas that will be uniform with existing street lighting; and

**WHEREAS**, this item was presented to the Lovington Planning and Zoning Commission at the September 15, 2015 regular meeting and did receive a recommendation for approval; and

**WHEREAS**, this item has been presented to the City Commission for their final consideration.

**NOW, THEREFORE, BE IT RESOLVED**, by the Lovington City Commission approves the installation of additional street lights in the Faye Heights Addition to the City of Lovington, Lea County, New Mexico.

DONE THIS 28<sup>TH</sup> DAY OF SEPTEMBER, 2015 at

City of Lovington  
New Mexico

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Scotty Gandy, Mayor

ATTEST:

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Carol Ann Hogue, City Clerk

CITY OF LOVINGTON  
COMMISSION STAFF SUMMARY FORM

MEETING DATE: September 28, 2015



TYPE:  RESOLUTION  ORDINANCE  PROCLAMATION  INFORMATION  OTHER ACTION

SUBJECT: Publication of Ordinance 538: Zoning Change  
DEPARTMENT: Planning and Zoning  
SUBMITTED BY:  
DATE SUBMITTED: September 18, 2015

**STAFF SUMMARY:**

In 1996, the City of Lovington adopted Ordinance 405 to change the zoning of the Fairview and Morningside Additions from Zone A to Zone B. During this process, the zoning of four lots to the north of the Morningside Addition was not changed. Staff are requesting that the lots be rezoned to Zone B in order to ensure continuity with the subdivisions.

This item was recommended for approval by the Planning and Zoning Commission at their September 15, 2015 meeting. As with any planning and zoning request, the City Commission provides the final approval or denial. As this is a zoning change, an ordinance has been prepared. Should approval be given, the attached ordinance will be advertised as required, with final approval being presented to Commission on October 26, 2015.

**FISCAL IMPACT:**

REVIEWED BY: \_\_\_\_\_

(Finance Director)

**ATTACHMENTS:**

Aerial of area  
Ordinance 538

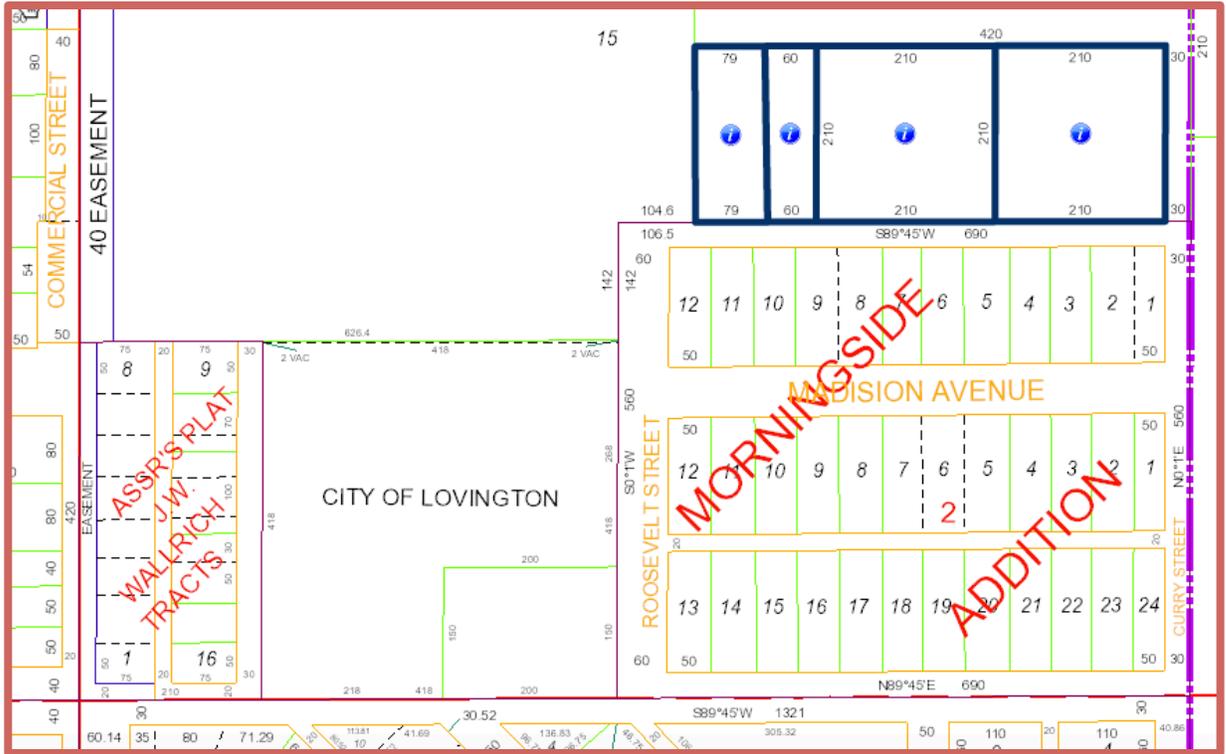
**RECOMMENDATION:**

Motion to approve Ordinance 538.

\_\_\_\_\_  
Department Head

*James R. Williams*  
\_\_\_\_\_  
City Manager

# Maps of East Monroe Area



**ORDINANCE NO. 538**

**AN ORDINANCE AMENDING AND MODIFYING CLASSIFICATION OF FOUR LOTS  
ADJACENT TO AND NORTH OF THE MORNINGSIDE ADDITION TO THE CITY OF  
LOVINGTON, LEA COUNTY, NEW MEXICO**

**BE IT ORDAINED** by the Governing Body of the City of Lovington, New Mexico that the public interest, health and safety, and general welfare is better served by changing the the classification of the property from Zone A – Single Family Dwelling District to Zone B – Multiple Family District of the following described property to-wit:

A tract of land in Lot 15, Section 3, Township 16 South, Range 36 east of the Morningside Addition to the City of Lovington, described as beginning 106 ½ feet East of the Northwest corner of Morningside Addition, thence North 210 feet, thence East 559 feet, then South 210 feet, thence west 559 feet to the point of beginning.

**PASSED, ADOPTED AND APPROVED THIS 28<sup>TH</sup> DAY OF SEPTEMBER, 2015**

CITY OF LOVINGTON

---

Scotty Gandy, Mayor

ATTEST:

---

Carol Ann Hogue, City Clerk

CITY OF LOVINGTON  
COMMISSION STAFF SUMMARY FORM

MEETING DATE: September 28, 2015



TYPE:  RESOLUTION  ORDINANCE  PROCLAMATION  INFORMATION  OTHER ACTION

**SUBJECT:** Award of RFP 091415: Pipeline Inspection System  
**DEPARTMENT:** Wastewater  
**SUBMITTED BY:** Mike De La Cruz, Wastewater Superintendent  
**DATE SUBMITTED:** September 17, 2015

**STAFF SUMMARY:**

RFP 091415 was issued to solicit proposals for a portable pipeline television inspection system. This system will be utilized by the Wastewater Department to inspect sewer lines during trouble calls as well as perform an infrastructure assessment. The RFP did request interested parties to submit an optional response for a lateral line inspection system. However, due to the cost of the primary unit, staff are recommending not purchasing the optional equipment at this time as it would exceed the project budget.

Three vendors provided responses to the RFP. A detailed list of their evaluation scores are provided within the detailed staff recommendation.

**FISCAL IMPACT:**

REVIEWED BY: Gary Lee Chapman  
(Finance Director)

\$65,443.00 to Utilities Fund

FY 15-16 Budgeted Amount: \$66,000.00

**ATTACHMENTS:**

RFP Award Staff Evaluation and Recommendation

**RECOMMENDATION:**

Motion to award RFP 091415 to Dawson Infrastructure Solutions in the amount of \$65,433.00

\_\_\_\_\_  
Department Head

James R. Williams  
City Manager

**RFP NO. 091415**

**STAFF EVALUATION AND RECOMMENDATION**

Bids for the sewer inspection camera were opened at 3:00 p.m. on September 14, 2015. Three proposals, each including a response to the quote for an optional push camera system, were received. City staff utilized the following criteria and weighting to evaluate each proposal:

Criteria	Maximum Percentage Available
Quality, clarity and responsiveness of proposal in conformance with instructions, conditions, and format contained herein	3%
Functional/Technical requirements (RFP Section V).	25%
Training costs and ongoing technical support.	15%
Vendor financial stability.	7%
Cost and quality of product.	30%
Availability of on-site and timely support by representative whenever problems arise.	20%

The following information provides a summary of the responses received:

Aries Industries, Inc. (Aries Model 3410 System)	Base Bid	\$69,950.00
	Option Bid	\$13,450.00
	<b>Total</b>	<b>\$83,400.00</b>
Criteria	Maximum Percentage Available	
Quality, clarity and responsiveness of proposal in conformance with instructions, conditions, and format contained herein	3%	
Functional/Technical requirements (RFP Section V).	25%	
Training costs and ongoing technical support.	15%	
Vendor financial stability.	7%	
Cost and quality of product.	20%	
Availability of on-site and timely support by representative whenever problems arise.	10%	
<b>TOTAL SCORE</b>	<b>80%</b>	

Arizona Wastewater Industries (K2 System) Providing \$3,000 discount for laptop	Base Bid	\$68,000.00
	Option Bid	\$12,325.60
	<b>Total with Discount</b>	<b>\$77,325.60</b>
Criteria		Maximum Percentage Available
Quality, clarity and responsiveness of proposal in conformance with instructions, conditions, and format contained herein		3%
Functional/Technical requirements (RFP Section V).		25%
Training costs and ongoing technical support.		15%
Vendor financial stability.		7%
Cost and quality of product.		25%
Availability of on-site and timely support by representative whenever problems arise.		5%
<b>TOTAL SCORE</b>		<b>70%</b>

Dawson Infrastructure Solutions (Aries Model 3510 system)	Base Bid	\$65,443.00
	Option Bid	\$13,750.00
	<b>Total</b>	<b>\$79,193.00</b>
Criteria		Maximum Percentage Available
Quality, clarity and responsiveness of proposal in conformance with instructions, conditions, and format contained herein		3%
Functional/Technical requirements (RFP Section V).		25%
Training costs and ongoing technical support.		15%
Vendor financial stability.		7%
Cost and quality of product.		20%
Availability of on-site and timely support by representative whenever problems arise.		10%
<b>TOTAL SCORE</b>		<b>100%</b>

Utilizing the criteria identified in the RFP, City staff are recommending **RFP 091415 be awarded to Dawson Infrastructure Solutions for the base bid only**. At the present time, the optional push camera system should not be awarded, as it will cause the project to exceed its budgeted amount. Staff can incorporate this equipment into a future budget.

Miguel De La Cruz  
Wastewater Superintendent

Gary Chapman  
Finance Director

**CITY OF LOVINGTON**  
COMMISSION STAFF SUMMARY FORM

MEETING DATE: September 28, 2015



TYPE:  RESOLUTION  ORDINANCE  PROCLAMATION  INFORMATION  OTHER ACTION

**SUBJECT:** Lodgers Tax Board Appointment  
**DEPARTMENT:** Executive  
**SUBMITTED BY:** James R. Williams, City Manager  
**DATE SUBMITTED:** September 18, 2015

**STAFF SUMMARY:**

The following individuals have expressed an interest to fill the Lodgers Tax Board vacancy:

Khalid Farooq  
Rebecca Gandy  
Roxy Borunda

**FISCAL IMPACT:**

REVIEWED BY: \_\_\_\_\_

(Finance Director)

**ATTACHMENTS:**

**RECOMMENDATION:**

Motion to appoint an individual to the Lodgers Tax Board.

\_\_\_\_\_  
Department Head

*James R. Williams*  
\_\_\_\_\_  
City Manager

**CITY OF LOVINGTON**  
COMMISSION STAFF SUMMARY FORM

MEETING DATE: September 28, 2015



TYPE:  RESOLUTION  ORDINANCE  PROCLAMATION  INFORMATION  OTHER ACTION

**SUBJECT:** Accounts Payable  
**DEPARTMENT:** Finance  
**SUBMITTED BY:** Gary Chapman, Finance Director  
**DATE SUBMITTED:** September 23, 2015

**STAFF SUMMARY:**

The Finance Department has prepared the Accounts Payable for your review and approval.

**FISCAL IMPACT:**

REVIEWED BY: Gary Lee Chapman  
(Finance Director)

See Accounts Payable Detail

**ATTACHMENTS:**

Accounts Payable - General Fund  
Accounts Payable - Utilities Fund

**RECOMMENDATION:**

Motion to approve accounts payable.

Gary Lee Chapman  
Department Head

James R. Williams  
City Manager

City of Lovington (New)  
Summary A/P Ledger - A/P Summary CCMeeting - General  
From 9/1/2015 Through 9/30/2015

101 - General Fund

Vendor Name	Dept Code	Current Balance
A-Tech Air Cond. & Heating		8,503.44
A.G. Custom Sheet Metal, Inc.		427.25
AlSCO		841.67
America Supply, LLC		201.22
American Medical Group, Inc		972.00
ASCO		5,896.13
Atco International		618.00
B- Line Filter & Supply, Inc		118.84
Big Sky Communications		886.00
Blaine Industrial Supply		994.26
Bob's Thriftway		617.03
Bound Tree Medical, LLC		1,286.39
Breen Glass Service		79.13
Bruce's Pest Control		210.62
C & S Motor Parts Co.		204.04
California Cont. Supplies, Inc		112.75
Copies, Inc.		500.00
Crop Production Service		1,114.88
Dept. of Public Safety		60.00
Entenmann-Rovin Co.		118.00
Farmer Brothers Company		83.69
Forrest Tire Co.		370.10
Galls/Quartermaster		677.95
Gebo Credit Corporation		351.82
Gempler's, Inc		115.65
General Welding Supply		445.00
Global Equipment Company		127.07
Goserco, Inc.		9,365.75
Great Western Dining Service		429.39
Higginbotham-Bartlett Co.		2,074.61

City of Lovington (New)  
Summary A/P Ledger - A/P Summary CMeeting - General  
From 9/1/2015 Through 9/30/2015

High Plains Refrigeration, Inc	128.18
Hobbs News-Sun	34.28
Hospital Services Corporation	187.59
Kaufman's West LLC	2,850.00
Lea County Treasurer	3,602.50
Life-Assist, Inc.	305.45
Lovington Auto Supply	666.37
Lovington Economic Development	12,500.00
Lovington Leader	79.00
Lovington Main Street	12,500.00
Lovington Tire Service	1,505.52
M & R Tire Service, LLC	251.03
MAS Modern Marketing	399.64
Master Printers	69.95
Michael's Prescription Corner	2,001.95
Monarch Diesel Performance	289.58
Mr. Key's Locksmith	281.88
New Mexico Municipal League	3,770.00
Permian GMC	582.00
Pro-Treat Power Equipment	37.24
Professional Communications	248.34
Roberts Oil & Lube	47.00
Southeastern NM Economic Devel	1,000.00
Staples Advantage	1,055.65
Stericycle, Inc.	1,137.49
Strong Electric	1,217.84
SWAT, LLC	90.79
TargetSolutions	3,147.00
The Lovington Toastmasters	45.00
Tim's Mobile Glass	574.98
Tom's Sharp Shop	84.97
U S Food Service	1,197.59

City of Lovington (New)  
Summary A/P Ledger - A/P Summary CCMeeting - General  
From 9/1/2015 Through 9/30/2015

Unifirst Corp.	244.82
Valentine Auto Service	1,580.52
WWRC, Inc	107.25
Xerox Government Systems. LLC	2,099.00
Report Balance	<u>93,723.08</u>

City of Lovington (New)  
Summary A/P Ledger - A/P Summary CCMeeting - General  
From 9/1/2015 Through 9/30/2015

505 - Water & WasteWater

Vendor Name	Dept Code	Current Balance
4River Equipment		356.72
American Medical Group, Inc		138.86
BlueTrap Financial, Inc.		1,249.98
C & S Motor Parts Co.		174.03
Cisco Equipment		1,356.75
Dana Kepner Co.		1,792.68
Ditch Witch Sales & Service		10.17
DPC Industries Inc.		60.00
ESSCO Environmental, Inc.		4,600.00
Farmer Brothers Company		4.43
Federal Licensing, Inc.		119.00
Gebo Credit Corporation		35.88
Grainger Parts		366.98
Hach Co.		278.95
Higginbotham-Bartlett Co.		624.10
Hospital Services Corporation		37.51
Industrial Muncipal Products		2,642.22
Ingram Professional Services		2,830.75
IPM		653.57
Lovington Auto Supply		139.58
Master Printers		1,377.65
New Mexico 811		551.14
New Mexico Municipal League		280.00
NMWWA-SE Section		108.00
NXKEM Products		2,941.47
Patriot Pipe & Supply LTD		7.25
Premier Electric		2,681.25
Salsbury Industries		3,498.45
Staples Advantage		992.38
The City Of Hobbs		45.63
Unifirst Corp.		329.57
Report Balance		<u>30,284.95</u>