

**CITY OF AZTEC**  
**COMMISSION WORKSHOP MEETING MINUTES**  
**Tuesday March 28, 2023**

**CALL TO ORDER**

Mayor Michael A. Padilla Sr. called the workshop to order at 5:00 pm at Aztec City Hall, 201 W. Chaco, Aztec NM 87410

Members Present: Mayor Michael A. Padilla, Sr.; Mayor Pro-Tem Ken George; Commissioner Colby King; and Commissioner Jim Crowley; Commissioner Austin Randall

Members Absent: NONE

Others Present: City Manager Jeff Blackburn; City Clerk Karla Saylor

**A. Farmington Electric Utility System-Discussion on Ancient Trails Joint Venture Project Memorandum of Understanding**

City Manager Jeff Blackburn introduced Hank Adair of the Farmington Electric Utility System who would be updating Commission on the joint Ancient Trails Project and the effects it would have on the City.

Electric Director Denver DeWees informed Commission that over the last couple of years there have been engineer estimates done, but due to inflation he reached out to Mr. Adair to discuss the latest engineers estimate on the joint venture.

Mr. Adair handed out copies of the walk across to Commission and informed them that previous City of Aztec Electric Director approached the City of Farmington Electric in 2018 for this joint venture. He walked them through the packet that was given to them and briefly described what the MOU consisted of. They updated the numbers about a year ago and the numbers were increasing from the original \$6.5 Million to \$16.6 million dollars. Mr. Adair stated that since the last update inflation has gone even higher, and he had his engineers and projects managers go through the project and THAT THE project it to be a \$51.4 million dollar project. If the project was scaled down, it would still be around the mid \$20 million dollar price range.

Denver DeWees explained that those numbers do not reflect the City of Aztec substation that still needs to be built out.

Mayor Padilla questioned where the City is at with the budget for this project.

Mayor Pro-Tem answered that at last budget cycle it was at about \$7 million dollars, then asked Mr. Adair about Farmington's plan to possibly move this project out of their 5-year plan.

Mr. Adair said they did move the project out of Farmington's 5-year capital plan, since they can harden the transmission line for much less cost.

Mayor Padilla is concerned that with Farmington taking this out of their five-year plan the costs are going to possibly double or triple.

Mr. Adair gave the Commission a recommendation of doing standalone metal poles in the streets which would be a lot less cost.

Mayor Pro-Tem would like to keep the project on the 5-year plan for the City and watch the prices throughout that time to see if prices go down or level out while continuing to save money for the project.

Denver said that the wait time for a new transformer is currently at 3 years and all other materials are years out as well.

Mr. Adair stated he has pulled it from their 5-year plan, it would be reconsidered if he saw something drastically different or they reached another agreement. He stated that Farmington Electric does not see the value for the price tag, and they have stopped engineering the project until they decide on the next steps. Commissioner King asked if the wheeling rates are going to increase again. Mr. Adair stated that he did not have the answer at the time.

Mayor Pro-Tem informed Commission that they previously looked at building the substation off the 115 that Farmington owns on Navajo Dam Road which is still an option.

City Manager Jeff Blackburn does not believe with inflation the City will be able to save as much towards the project as in previous years.

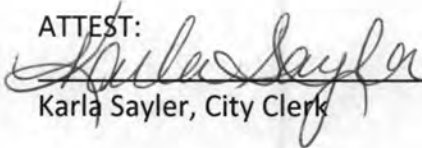
Denver asked Mr. Adair if Farmington would be interested in looking at other means of taps, distribution connections or other methods of redundancy. Mr. Adair answered they would consider looking at it.

Denver suggested getting some emergency agreements established for mobile substations until the project can be revisited. He believes that the City can investigate making the line a harder line from the Farmington system as well. Denver shared that they are actively doing an analysis that will be available soon and it will be brought before Commission for evaluation when complete.

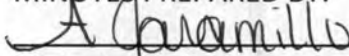
## ADJOURNMENT

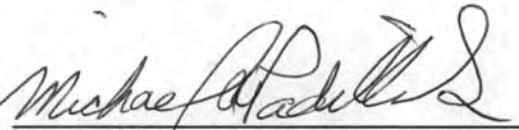
Moved by Mayor Padilla to adjourn the meeting at 5:48 p.m.

ATTEST:

  
Karla Saylor, City Clerk

MINUTES PREPARED BY:

  
Alisha Jaramillo

  
Mayor Michael A. Padilla Sr.

