

2015 >

ANNUAL REPORT

Northwest New Mexico
Council of Governments
"moving our region forward"



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"With the understanding that what is good for the community builds value in another, and collectively that is what makes our region great"

board chair



Dear Friends.

In 2015, the work of the Northwest New Mexico Council of Governments resonated as never before in our communities and on the ground with those who work every day to ensure our region's viability, competitiveness, and overall success.

I believe that our Board, representing a diverse array of public servants and private leaders, is the foundation for regional leadership. This leadership reflecting our partnership as a COG allows our organization to be the forum where we set aside our differences and work together to achieve big things. We begin with the understanding that what is good for one community builds value in another, and collectively that is what makes our region the greatest place to live, work, play, and stay.

I want to welcome Glojean Todacheene and Lloyd Felipe to the Northwest New Mexico Council of Governments Executive Committee. Their leadership and vision are a welcome addition in steering the COG ship. The Board of Directors has utmost confidence that our Executive Director Jeff Kiely and his staff are the professional team that can be accountable for positive change. The flexibility and resiliency of our staff is a testament to our organization and its empowering mission.

Lastly, I wanted to personally thank McKinley County and the City of Gallup for helping our organization find its new home. When the news

came that the Council of Governments office would be displaced, you did not hesitate to step up and see this challenge as a strategic opportunity.

In closing, I offer this challenge to you, the reader: the work reflected in this report was primarily completed by 6 staff people. Imagine the possibilities of having a staff of 13 as we did in 2008! Our Board and staff offer you the opportunity to join our circle and invest in building your organization and "moving the region".

Billy Moore
BOARD CHAIR

Handwritten signature of Billy Moore in red ink.

FROM THE EXECUTIVE DIRECTOR

"I stand on the shoulders of a great Board of Directors and an outstanding staff - Second to none!"

executive director

To the COG Family – Members, Friends, Partners & Supporters,

The outgoing year really stretched us – involving the relocation of the COG offices from the building at 409 South 2nd Street to our new digs at 106 West Aztec Avenue in downtown Gallup. By the good graces of McKinley County, we're safe and dry and ready for the next phase in the work of the COG.

Our new headquarters, formerly the Masonic Lodge and more recently the Stronghold Church, is an historic building over 100 years old – solidly built, lots of space, and filled with a rich history. Our challenge is now to carry out renovations that will transform this beautiful historic space into its new life as a 21st century office and conferencing venue.

Your remarkable staff, meanwhile, have kept cranking, as you'll see from the stories we have to tell in this year's Annual Report. In many ways, it was the year of Big Plans, in which our regional planning work was woven together with plans at the local and State levels – in transportation, in economic development, in broadband, in water, in infrastructure capital improvements and in

downtown revitalization.

There is still a lot of work got done on these plans, with further refinement still underway as we begin the new fiscal year.

Your COG has been active, not only in its many projects and services at the local and regional level, but also at the statewide and national levels, as well. Our leadership on the regional and statewide comprehensive economic development strategies (CEDs), coupled with our design of a web-based project management tool, helped earn the New Mexico COGs a national innovation award to be showcased at this year's annual training conference of the National Association of Development Organizations, October 24-27 in New Orleans.

It's there in New Orleans, too, when I'll be on tap for election as the NADO President for 2015-16. In assuming this honor, I stand on the shoulders of a great Board of Directors and an outstanding staff – second to none!

I commend to you the work of the COG staff and our partners, as reflected in this report. Enjoy the journey, and keep in touch,



Jeffrey G. Kiely
EXECUTIVE DIRECTOR

2014-2015 BOARD OF DIRECTORS

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Billy Moore
McKinley County

1ST VICE-CHAIR

GloJean Todacheene
San Juan County

TREASURER

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Dr. William A. Hall
City of Farmington

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Lloyd Felipe
Cibola County

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City Councilor
City of Grants

Maryanne Usitck
City Manager
City of Gallup

Doug Decker
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Kim Carpenter
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San Juan County

Ruben Sandoval
City Councilor
City of Grants

Teresa Brevik
Special Projects Director
City of Bloomfield

Carol Bowman-Muskett
County Commissioner
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Joshua Ray
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City of Aztec

George Knotts
Mayor
Village of Milan

Joshua W. Ray
City Manager
City of Aztec

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City Manager
City of Bloomfield

Yogash Kumar
City Councilor
City of Gallup

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County Commissioner
Cibola County

T. Walter Jaramillo
County Commissioner
Cibola County

Jackie McKinney
Mayor
City of Gallup

Allan Landavazo
City Councilor
City of Gallup

Genevieve Jackson
County Commissioner
McKinley County

Bill Lee
County Manager
McKinley County

Helen Dayan
Trustee
Village of Milan

MEMBER GOVERNMENTS

COUNTIES

Cibola County

McKinley County

San Juan County

MUNICIPALITIES

City of Gallup

City of Grants

Village of Milan

City of Farmington

City of Aztec

City of Bloomfield

AFFILIATE MEMBERS

Northwest New Mexico

Solid Waste Authority

REGIONAL TRANSPORTATION ORGANIZATION (RTPO) JOINT POLICY & TECHNICAL COMMITTEE

COUNTIES

Cibola County

McKinley County

San Juan County

MUNICIPALITIES

City of Gallup

City of Grants

Village of Milan

TRIBAL ENTITIES

Pueblo of Zuni

Pueblo of Acoma

Pueblo of Laguna

Navajo Nation

CHAIRMAN

Raymond Concho Jr.

Pueblo of Acoma

VICE-CHAIRMAN

Jeff Irving

McKinley County

REGIONAL CHAMPIONS



BILLY MOORE is native to the Northwest New Mexico region and has been in service to its needs in various capacities. Billy's family moved to Thoreau in 1963 and owned trading posts in both Mariano Lake and Borrego Pass. In his adult year, he served the region in his work in the private sector, working for 23 years at Giant Refinery, driving a truck for Anderson Development, and serving as maintenance supervisor at Gulf Minerals in San Mateo. He has also worked as a hunting outfitter and as a stock contractor for rodeos.

In 2001, Billy decided that positive change was needed in our communities and ran for the District 1 McKinley

"Chairman Billy Moore understood at a young age how a regional hub can improve lives and families, and he has seen the COG change and evolve along with the region."

County Commissioner seat, which serves a number of rural communities, including the Thoreau community and 22 Navajo Chapters. Elected in 2002, Commissioner Moore served for eight years and grew in his understanding of local, regional, state and federal government and how to get things accomplished for his District.

In December 2009, Commissioner Moore answered another call to public service by signing on as Executive Director of the Northwest New Mexico Regional Solid Waste Authority. He continues to serve in this role today, serving the residents of Cibola and McKinley County, including communities of Gallup, Grants, Milan, Navajo Nation, Zuni Pueblo, Acoma Pueblo and Laguna Pueblo.

During his 8-year tenure on the McKinley County Commission, Billy served as a representative to the Board of Directors of Northwest New Mexico Council of Governments, and since that time has been appointed by the Commission to continue serving in that capacity. At the 2010 COG Annual Luncheon, Billy was elected Chairman

of the COG Board. This was the year that long-time Executive Director Patty Lundstrom exited the organization. Throughout the last five years, Chairman Moore has led the COG through the Great Recession and now out the other side by building our member relationships. In the last year, the COG staff has appreciated his leadership and "can-do" attitude in helping us gain new financial management tools, including management of our insurance benefits, and in working with us on the relocation of the COG offices and rehabilitation of the COG's new building in downtown Gallup. Chairman Billy Moore understood at a young age how a regional hub can improve lives and families, and he has seen the COG change and evolve along with the region. His leadership will continue to be crucial in leading our organization and region into the future.

REGIONAL CHAMPIONS



TOM TAYLOR has long been in the forefront of visionary leadership and public service in the Four Corners region – and more recently statewide, as he served for 16 years in the New Mexico House of Representatives, including 6 of those years as Minority Leader. Prior to that, Tom served for 4 years on the Farmington City Council and 12 years as Farmington Mayor. He was so popular as Mayor of his hometown that he actually had to “retire” from running for the position!

When not slaying dragons as a public servant, Tom is self-employed in investments including real estate, stocks

and bonds, and he previously owned and operated Farmington Lumber & Hardware Company for 25 years. In the 1990s, Mayor Tom Taylor led the charge to bring fiber optics to the Four Corners and also spearheaded the creation of the Enterprise Center, the business incubator housed at San Juan College. In recent years, he helped found – and also serves on the Board of – 4 Corners Economic Development.

A modern-day renaissance man, Tom’s public involvement has included numerous worthy appointments and organizations, from his days as a youth leader to his seat on the boards of community banks, economic development groups, trade associations and other civic organizations. He was a founding member of two regional collaboratives, the San Juan Forum and the Colorado Forum, bringing together diverse constituencies across the unique landscapes of the Four Corners to solve common problems, negotiate differences and achieve shared goals and values. In these Forums, he invited and supported the participation and assistance of the Northwest COG.

Tom has always been a regional thinker, recognizing that our communities and economies reach far beyond the governmental boundaries we have drawn in the sand. He has been a strong supporter and partner of the Council of Governments and a true mentor to the region and the state on how to lead, serve and work with people across the many diversities we encounter in public life.



PAUL MILAN biographical sketch reads like a man who never said no to service. His story reflects a lifetime of accepting responsible, helping community, and embracing continuous challenges. His family watched the Village of Milan evolve from America’s carrot capitol to the center of the uranium boom.

Paul Milan started his career working his way up at Grants State Bank, while managing the Milan Motel and raising a family. He also served as a Director in the early days of Continental Divide Electric Cooperative.

For a period, Paul Milan and his family moved to Dallas, Texas, where he worked in various governmental positions. After his governmental career, Paul rejoined his community and took back the reins of Grants State Bank, where he still serves today as Chairman Emeritus.

In 1995, the COG launched a non-profit organization called the NWNM Community Development Corporation (CDC). The COG sounded the call for leaders, and Paul Milan answered becoming CDC Chairman. During the CDC’s heyday and under Paul Milan’s leadership, the CDC provided individual development accounts to a series of low-income folks in our region, who in turn used them to purchase a home, invest in a business, or enroll in college. Based on this model program, Paul Milan was appointed onto the Governor’s Advisory Committee for Individual Development Accounts.

Paul Milan reminds us all that there is always more to do and always more to give. His legacy of service to our region makes Paul Milan an institution of Northwestern New Mexico.



INTERGOVERNMENTAL WORK

NADO NATIONAL ASSOCIATION OF DEVELOPMENT ORGANIZATIONS

The Northwest COG continued its Sustaining Membership in this national trade organization representing 400 regional councils across the country, with a primary focus on rural and small-town America. COG Executive Director Jeff Kiely continued service on NADO's Executive Committee as 1st Vice-President of the Association, with expectations of being elected President at the Annual Training Conference in New Orleans in late October. Activities of the Executive Committee include specially organized "fly-in" sessions each Fall involving up to 20 appointments at Executive and Congressional offices. Mr. Kiely also served on NADO's national CEDS Task Force as an advisory group to the US Economic Development Administration, as well as making presentations and chairing panels at regional and national conferences.

FUND-IT

Along with its 6 sister COGs throughout the State working together as the New Mexico Association of Regional Councils (NewMARC), the Northwest COG participated in meetings convened by the New Mexico Economic Development Department of the "Fund It" Task Force, designed to identify coordinated funding for community and economic development projects by bringing the COGs/regional councils together with State, Federal, and other funding agencies to create a process of strategic investment.

INTERIM JOBS COUNCIL 2.0

The Northwest COG led the NewMARC presence as a partner in the 2013 (IJC 1.0) and 2014 (IJC 2.0) year-round/statewide processes of the State Legislature's Interim Jobs Council. This year, we adapted the Council's analytical models to develop regional projections on numbers of jobs that can be created in priority sectors over the next 10 years.

LEGISLATIVE TECHNICAL SUPPORT

As a value-added service, the COG assisted the region, local governments, and area legislators in the 2015 Legislative and Special Sessions, including maintaining a full-time presence in Santa Fé.

Legislative TA work included:

- Assistance to local governments in the preparation and submission of local Infrastructure Capital Improvement Plans (ICIP).
- Assistance to local governments, as well as area legislators, in developing local needs and priorities into legislative proposals, including direct work with legislative staff in research and language development.
- Liaison communication and problem-solving services between agencies and authorities to help educate decision-makers on legislative initiatives.
- On-call technical assistance to all stakeholders throughout the Legislative Session.
- Facilitation of the planning and coordination process for specific events in Santa Fe, including for example "Gallup-McKinley County Day at the Legislature."

NewMARC NEW MEXICO ASSOCIATION OF REGIONAL COUNCILS

The Northwest COG continued its role as a peer leader and active participant in this statewide association of planning/development districts, including chairmanship of the Statewide Comprehensive Economic Development Strategy (SCEDS) Committee, co-chairmanship of the Panoramic[®] technology/Project Data Integration Committee, participation as an active partner with the Legislature's consultants Lautman Economic Architecture in support of the Interim Jobs Council and active participation in the Southwest Region Executive Economic Development Directors Association (SWREDA).



THE COG FINDS A NEW HOME IN DOWNTOWN GALLUP

Not everybody knows ... that a “river runs through” downtown Gallup. Well, not really a river but a stream-bed running under the city streets on its way to the Rio Puerco. In order to build city streets and buildings over the stream-bed, a system of underground bridges and box culverts was established as an under-girding. The stream-bed comes into the city center from the south, curving directly under the COG’s prior office building at Mesa Avenue and 2nd Street, and diagonally across and under other downtown structures until it dumps into Rio Puerco. Given that 2nd Street is actually a continuation of a State facility (Highway 602), it’s up to the State to manage and maintain that roadway. Last year, the State made the determination that the subsurface bridges and culverts would need to be rehabilitated and/or replaced. To do so, the Council of Governments building and the adjacent building next door would both need to be condemned and demolished.

Long story short ... the owners of the building, McKinley County, agreed to a condemnation settlement with the New Mexico Department of Transportation. Using the proceeds from that settlement, the County joined the COG to identify options for another downtown asset to invest in on behalf of the Council of Governments. After

extensive research and negotiation, McKinley County agreed to purchase the “Stronghold Church” property next to City Hall at 106 West Aztec Avenue (*formerly the long-standing Masonic Lodge*). With a deadline set for late January, the Council of Governments proceeded to accept the County’s plan to relocate the COG into this unique and historic building.

The overarching issue that drew interest from both entities was the fact that the old Masonic Lodge had never been outfitted for a professional office environment. With concurrence by the State to reimburse certain relocation costs, the McKinley County staff worked around the clock to create office cubicles to accommodate immediate occupation by the COG staff, and by the end of January, the COG staff were in their new home!

Additional renovations are being planned for permanent housing of COG’s operations. These renovations include ADA compliance, including the front ramp, bathrooms, and 2nd Floor access, electrical and energy upgrades, and permanent office composition.

Special Thanks to McKinley County and the City of Gallup for their due diligence, commitment and generosity in relocating the Northwest New Mexico Council of Governments.



ECONOMIC DEVELOPMENT INITIATIVES

NAVAJO INLAND PORT PROJECT

In August 2014, leaders from Manuelito, Rock Springs, and Tsayatoh chapters met with New Mexico Economic Development Department staff in Gallup to launch a planning project to assess the feasibility of establishing an Inland Port in McKinley County. A steering committee was formed, which included the Presidents of the three Chapters, Navajo Nation Economic Development, the COG, State staff, the Greater Gallup Economic Development Corporation and Gallup Land Partners. The State hired JBA & Associates to conduct the study, and the steering committee met regularly with the consultants throughout the course of the year. The COG provided technical assistance as part of its role on the committee. By July 2015, the steering committee unanimously voted to accept the findings of the study that was published the month prior.

The study proposed two potential sites that capitalized on existing logistical infrastructure. An Inland Port would coordinate efforts with the Gallup Energy Logistics Park on Gallup's west end to trigger investment and job creation on behalf of the citizens of the three Chapters and their neighbors. The proposed Port project would align with the regional strategy of developing a skilled workforce and keeping residents in the region. It would also generate revenues to fund community services and improve existing built infrastructure.



GALLUP ENERGY & LOGISTICS PARK

The Greater Gallup Economic Development Corporation, staffed by former COGsters Patty Lundstrom and Michael Sage, partnered with Gallup Land Partners to move forward on development of the major economic initiative, the *Gallup Energy Logistics Park*. The COG participated in and contributed to many facets of this complex development project, including assisting with funding strategies.

COG activities on this initiative included (but weren't limited to):

- * Participating in the site visit to Santa Teresa Inland Port Industrial Complex.
- * Assistance in planning and drafting an application for federal assistance (EDA), including introductory meetings with Economic Development Administration staff on potential funding for access road development
- * Procuring special funding from New Mexico DOT for a major transportation study in interface with these industrial developments: the "*Four Corners Intermodal Transloading Equinox*" (4CITE) initiative. Now in final stages of hiring the consultant for this study.

6CEO 6 NAVAJO CHAPTERS ECONOMIC OPPORTUNITY

On the strength of philanthropic funding from the Arizona Public Service Foundation, the Four Corners Power Plant launched an outreach effort with the six Navajo Chapters in the immediate vicinity of the plant. Participating Chapters included: Nenahnezad Chapter; San Juan Chapter; Upper Fruitland Chapter; T'iis Tsoh Sikaad (Burnham) Chapter, Tse Daa Kaan (Hogback) Chapter, and Shiprock Chapter. The COG was invited by APS Governmental Relations executive Arvin Trujillo to participate as a resource partner, along with the USDA-Rural Development office in Aztec and Capacity Builders, Inc. of Farmington.

Under Mr. Trujillo's skilled guidance, and with strong staffing and technical assistance by Capacity Builders, leadership from the six Chapters put together a plan to develop comprehensive land use plans – both individually and collectively – as a precursor to much-needed economic development. To leverage the APS funding, grant funding was researched, and an application was submitted to USDA for a Rural Business Development Grant (RBDG). While this grant is still being negotiated, other funding opportunities are being pursued to build momentum for this local empowerment initiative.

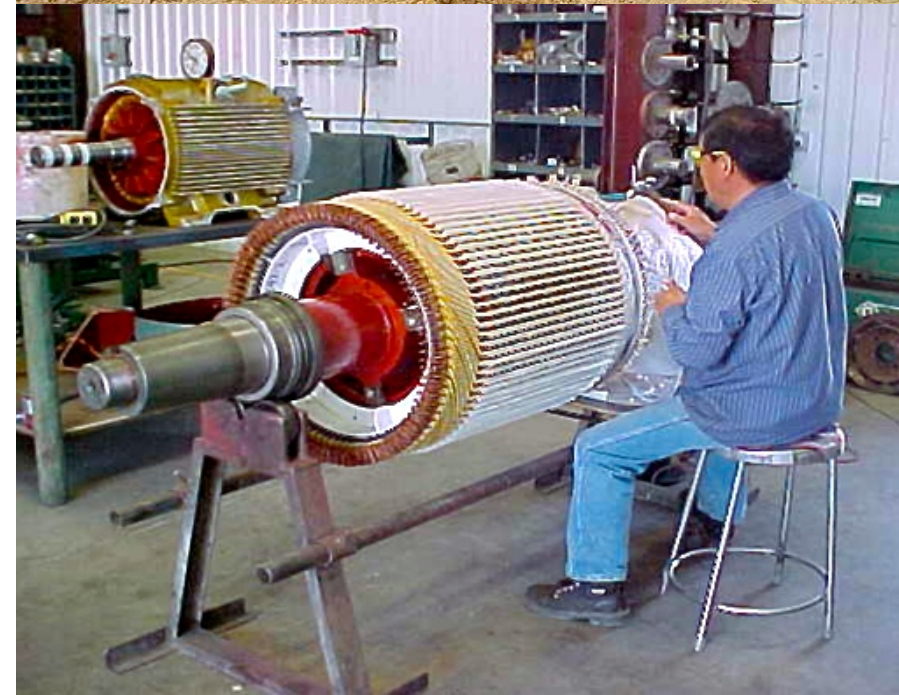
SET Stronger Economies Together - The Trail of the Ancients Regional Network

“Stronger Economies Together” (SET) is a national program sponsored by USDA-Rural Development and implemented in New Mexico via a grant to New Mexico State University-Cooperative Extension. Extension economist Dr. Michael Patrick provided the curriculum and high levels of instructional support in facilitating a region-wide study-&-planning process. With the COG’s help and support, and with Zuni Tourism as applicant, the initiative was named the “Trail of the Ancients Regional Network” – capitalizing on the name of the region’s scenic byway of that name.

The goal was to strengthen the capacity of rural communities in America to plan their future and then to start bringing in resources to implement those plans. At the end of the two-year SET process, the outcome is a “High Quality Plan” – still being drafted for the northwest New Mexico partnership. SET results will be used to target future USDA and other funding and will also fold into the COG’s Regional CEDS.

SET participants, organized into three cohorts representing rural corridors in each of Cibola, McKinley and San Juan Counties, met for nearly two years in sub-regional and region-wide study sessions. These stakeholders completed the 8 training modules from the national SET curriculum and began to draft goals and strategies for the regional plan. Emerging from these study sessions was the identification of three top-priority target sectors for the plan, with each of them being further developed by sector teams in:

- Agriculture and Food Systems
- Tourism and Artisan Enterprise
- Manufacturing
- Capacity Building (focusing on workforce, small business development & support, built infrastructure, public services, and funding).



"Close work with the idea group is leading to a new and dynamic CEDS"

CEDS REGIONAL COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY

Creative work continued on the Northwest region's "Comprehensive Economic Development Strategy" (CEDS), in collaboration with consultant Jim Glover of The Idea Group of Santa Fe. Incorporating input from across the region, the COG team worked to organize demographic data, challenges, goals, strategies and projects into the core action categories emerging from the statewide CEDS framework known as "Ristra." The "Ristra" framework identifies a cluster of seven "chiles" - or strategic and tactical factors - needing to be worked on to achieve economic development goals for the region. These "chiles" include:

- Participation in Prosperity
- Education & Talent Supply
- Leadership
- Quality of Life & Place
- Economic Infrastructure
- Business Promotion & Support
- Direct Job Creation

The CEDS "document" will actually be developed as a web-based resource, and will contribute to the "Statewide CEDS" in which the Northwest COG is a leading organizer.

The COG's work on the CEDS was funded in part by a multi-year planning and technical assistance grant from the US Economic Development Administration. Plan content is derived from year-round conversations with leaders, stakeholders and citizens - including a

series of county-level Forums held in December 2013.

Northwest COG was a leader at the State and national levels in developing revised, dynamic formatting of both content and presentation of the CEDS. Regional content continued to be processed in Summer 2015, with stakeholder review and publication due this Fall.



Ristra Project STATEWIDE COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY

Led by Northwest COG and North Central New Mexico EDD, the New Mexico Association of Regional Councils (NewMARC) continued the work of creating a "Statewide CEDS" under a special EDA grant. The team adapted best practices from a number of States around the country featuring statewide coordinated planning.

Inspired by the "6 Pillars" model developed in Florida, NewMARC adopted the "Ristra" symbol to reflect the spirit and culture of New Mexico and to demonstrate the "tying together" of the main elements ("chiles") needed to help New Mexico to grow economically.

The New Mexico process tapped consultant Jim Glover of The Idea Group of Santa Fe to help manage and coordinate the CEDS project, and contracted with New Mexico State University for assistance with customized data and consultation on economic development priorities and strategies.

NewMARC's commitment was to "reinvent" the CEDS by making the document more of a dynamic, visually compelling, and usable "working tool." Effort was focused on document design, as well as on building partnerships with public and private sector leadership across the State. The process included adaptation of the *Panoramic*® web-based "program organizing" tool, developed by Paladin Data Systems, who served as consultants on the project. The team also designed an "Investability Score" process to assist decision-makers at all levels to prioritize projects in light of economic development goals.

INTERIM JOBS COUNCIL 2.0

The Northwest COG led the NewMARC presence as a partner with the State Legislature's Interim Jobs Council, starting in 2013 ("IJC 1.0") and continuing in 2014-2015 ("IJC 2.0"). In the past year, the COG hosted a series of county-level workshops to utilize the IJC jobs forecasting model to estimate potential jobs growth in region-specific industrial sectors over the next 10 years, and to identify strategic areas ("factors of production gaps") in which particular investments would need to be made in order to attract and develop new business and industry in the region.



"One of the better things the county has done was buying into energy efficiency; look at all the money the county is saving."

The Northwest New Mexico Council of Governments has been assisting Energy Control Inc. on implementing an Energy Performance Services Contract for McKinley County. The contract is framed around constructing a series of facility improvement projects based on proactive energy management. The improvements consisted of Condensing Boilers, LED Streetlights, Chiller Efficiency, Exterior Lighting Upgrades, Occupancy Sensors, Advanced Automation & Control, Energy Recovery Ventilator, and others. The project, including several other installations will be finalized in the coming months.

McKinley County strives to reduce energy use and save money on utilities of all county facilities through proactive management and improvements.

Looking at the data from the first three months (June - August 2015), the McKinley County Courthouse and Adult Detention Center have experienced major energy savings with additional improvements to be made in the future.



SAVINGS FROM JUNE TO AUGUST 2015

	COURTHOUSE	ADULT DETENTION CENTER
ELECTRICITY SAVINGS	180,000 kwh (60%)	137,000 kwh (23%)
PEAK DEMAND REDUCTION	324 kwh (45%)	Not Applicable
NATURAL GAS SAVINGS	7,000 therms (62%)	2,600 therms (30%)
TOTAL SAVINGS	\$25,000 (40%)	\$6,500 (25%)

STATE AND REGIONAL WATER PLANS

"Ensuring long-term water supply to meet the needs of rural communities in Northwest New Mexico"

STATE WATER PLAN

This year, the Council of Governments joined the New Mexico Office Interstate Stream Commission to update the regional water plans for Northwest New Mexico. Our region includes both the San Juan Regional Water Plan (Region 2) and the Northwest New Mexico Regional Water Plan (Region 6). Both water plans are being developed and will be incorporated in the New Mexico State Water Plan, which will be used to guide water infrastructure priorities for the State and provide solutions for long-term water supply issues that have plagued residents of our region for decades.

The Interstate State Stream Commission has held multiple meetings in both regions. These meetings have generated important input from stakeholders within the region, and the remainder of this year will be used to finalize recommendations and updates to the Regional Water Plans.

SMALL WATER SYSTEM REGIONALIZATION

The Council of Governments also worked diligently with McKinley County, the Bureau of Reclamation (BOR) and consultants from D.B. Stephens & Associates on a Small Water System Regionalization Plan. This project aims at regionalizing the small water systems around Gallup.

The proposed recommended alternative is to connect all small water systems to either Gallup Joint Utilities or Navajo Tribal Utility Authority. This recommendation will provide the small systems a long-term water supply source.

The overall project will rely on the completion of the Navajo-Gallup Water Supply Project, which is currently under construction. Connecting the region's rural communities to water supply being brought by the Navajo-Gallup Water Supply Project (NGWSP) will bring great opportunities to the county and region. One-third of rural residents do not have public water supply and are often limited to water they must haul from miles away.



ZUNI MOUNTAIN TRAILS MASTER PLAN

TRAIL & CONSERVATION MASTER PLAN

This year the Council of Governments continued to assist the regional partners with the development and implementation of the Zuni Mountains Trail Project. The COG has been associated with the project for several years as they have staffed the partnership and recently drafted the Trails and Conservation Master Plan. The Trails and Conservation Plan will guide the sustainable development of trails, conservation, and recreation in the Zuni Mountains for the social and economic benefit of local communities and the visiting public. The plan will act as a double-edged tool by providing clear guidance of action that facilitates trail, conservation, recreational development and management within the Zuni Mountains Division of the Mount Taylor Ranger District and by showcasing to the US Forest Service our local ability as a partnership and the capacity to support the work on the ground financially, physically, logistically, and socially.

ENVIRONMENTAL ASSESSMENT

On June 30th, the US Forest Service released the long awaited environment assessment for public comment. The environmental assessment has been prepared to determine whether effects of the proposed activities may be significant enough to prepare and environmental impact statement. This environmental assessment is a major milestone for this project, which was initially discussed during public meetings in 2012. If approved, this project aims at:

- Adding 62 miles of unauthorized route to the system as mountain bike trails in the Zuni Mountains.
- Constructing 119 miles of new mountain bike trails.
- Developing six trail-heads to serve the designated trails.
- Improving watershed conditions by eliminating access to 132 miles of unauthorized routes.

The popularity of mountain biking in the Zuni Mountains has quickly outpaced the capacity of the existing trail network. Increased demand for mountain bike trails in the Zuni Mountains has led to the development of unauthorized trails. The proposed plan will proactively improve and redirect traffic to ensure proper management of the trail network and the Zuni Mountains.



COMMUNITY INITIATIVES



"This project has brought together community members - from the very young to the very old - in a cooperative process of learning, building, planting and... soon, harvesting"

SHEEPSPRINGS COMMUNITY GARDEN

Throughout the region there is an upsurge of interest in community-based agriculture – from restoring traditional practices to generating more family income to preventing disease and illness to creating local and regional food systems that are less dependent on globalized food production and distribution.

This broad-based interest has resulted in the identification of Community Agriculture & Food Systems as a priority sector for rural development as part of the plan being drafted under the USDA “Stronger Economies Together” (SET) initiative.

The conversations and conferences and planning meetings have increased, and little by little, new actions are starting to emerge. One example of this new action is a small community project with big dreams: the Sheepsprings Community Gardening project. Facilitated by local resident Sharon Sandman, this project has brought together community members – from the very young to the very old – in a cooperative process of learning, building, planting and ... soon, harvesting from small garden plots cultivated by their own hands.

In support of this promising community initiative, the COG partnered with NMSU Extension economist Dr. Michael Patrick in utilizing grant funds from New Mexico Community Capital to fund the building of a small greenhouse, which will enable the project to continue gardening activity throughout the winter.



ALLISON CORRIDOR

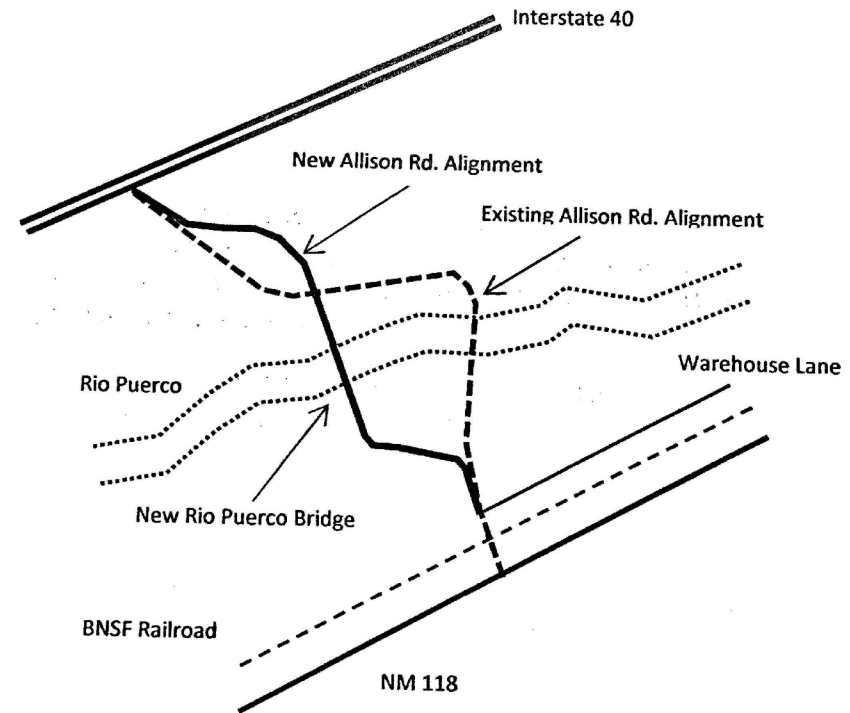
"Not just the completion of a bridge, but the creation of an economic corridor with vast potential"

Tuesday June 23, 2015 was a long-awaited but very exciting day for the City of Gallup. The Gallup City Council accepted the proposal from Albuquerque engineering firm Bohannon Huston Inc. (BHI), which will update already existing 2013 engineering plans, specifications and estimates, for an estimated cost of at \$185,719. The proposal from BHI includes necessities like: advancement of 2013 plans from 90% to 100% "final final" design, bridge rating calculations and coordination with NMDOT, and right-of-way maps. In the 2013 plans BHI included existing conditions needing to be fixed, such as the structurally and functionally obsolete status of the Allison Bridge over Rio Puerco, sight distance issues and congestion within the Munoz Interchange. Funding for the updates will come from a 2013 legislative grant that the project received for \$150,000 and from the Public Works Department's professional services account.

In early June, the Allison Bridge Project was allocated \$4.5 million in capital outlay during the special session, of the Legislature to be invested in replacing and realigning Allison Bridge. The new alignment will straighten the road and provide continued access to the City/County Warehouse. Once the bridge is complete, the Allison Road Corridor project will move up in priority up in the RTIPR and thus the STIP—making it the only project in our region receiving Federal funding.

There are several phases to the Corridor improvement project:

- Straightening out Allison Road and making it safer and accessible to commercial traffic.



- Tying Allison Road into the road system around Walmart to US 491, not as a byway but to provide relief on Munoz Overpass and US491 for shoppers and local users.
- A new I-40 exit and frontage road will then be created on both sides of the highway to make land open for business. - that has been locked from development.

The purpose of proposed Allison Road Corridor improvements is to mitigate existing geometric, physical, and operational deficiencies; improve safety; and provide system connectivity to the existing NMDOT and City of Gallup transportation network in a manner compatible with long range local and regional planning goals to facilitate economic growth.

Thanks to many advocates, including Representative Patty Lundstrom who has been behind the Allison Bridge Project since 2007, Governor Susana Martinez, and Mayor Jackie McKinney, this project has kept moving forward.

4 CORNERS INTERMODAL TRANSLOADING EQUINOX

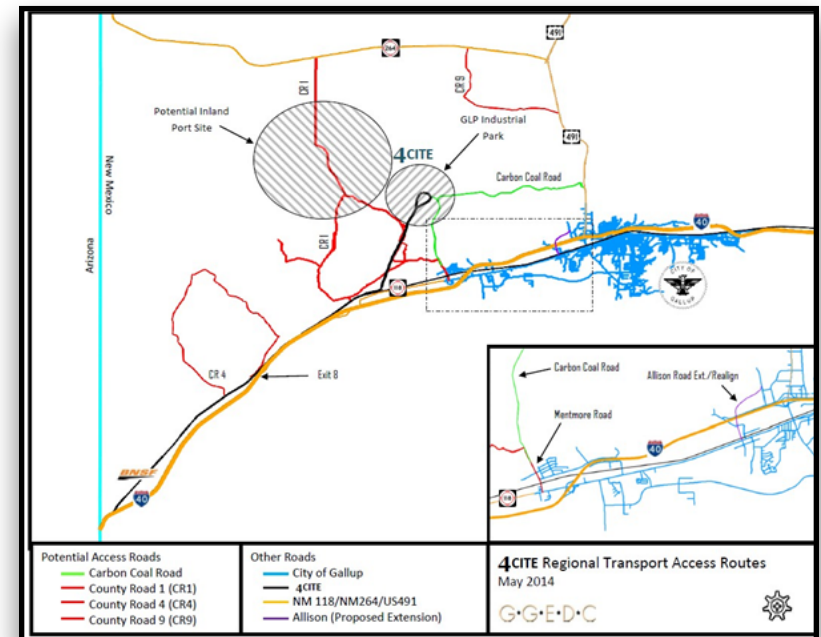
"Preparing vital infrastructure to support a first-class multi-modal network serving an emerging economic boom in Northwest New Mexico"

With construction underway on completing the four-laning of US 491 and the recent funding of \$4.5 million for the Allison Bridge & Road Corridor project, the plans invested in developing efficient networks of multi-modal transportation infrastructure that would support heavy, local, transporting economic opportunities are coming to fruition. Earlier this year, the Northwest New Mexico Regional Transportation Planning Organization (NWRTPO) received funding from the New Mexico Department of Transportation to plan for a "Four Corners Intermodal Transloading Equinox" (4CITE).

The region's strategic location, transportation infrastructure, and energy resources have led to plans for rural transloading outposts along BNSF's transcontinental rail ("transcon") corridor. The Northwest New Mexico region communities is geographically located in equal proximity to the ports in Long Beach and the Global Logistics Hub in Alliance, TX and in Chicago. The 4CITE Initiative is a combination of planned freight-related and rail-related infrastructure, along with industrial developments that interconnect with the Four Corners energy and agricultural clusters and the BNSF TransCon Line.

With the promising potential of viable economic opportunities that 4CITE will bring to our region, there is also a need for a balanced approach to development that will help expand business activities in balance with smart-growth principles. The need to conduct a comprehensive assessment will provide high-quality planning for the purposes of preparing vital infrastructure that will support a first-class multi-modal network serving an emerging economic boom in Northwest New Mexico.

In May, the NWRTPO issued a Request for Proposals from qualified firms regarding the development of a master plan, and consultant selection proceeded. The 4CITE Master Plan will be a multi-site comprehensive approach to coordinate the planning and delivery of projects that would improve access to the Gallup Industrial Park with rail service, the Navajo Inland Port, and transportation infrastructure serving sites throughout our region. The plan will commence in September 2015 and will be completed within 18 months.



REGIONAL LONG RANGE TRANSPORTATION PLAN

The development of a long-range transportation plan provides an opportunity for elected officials, organizations, and individual citizens to determine how the transportation system in their area should be structured to better serve future needs effectively and efficiently. The Regional Transportation Plan (RTP) for Northwest New Mexico is an integral part of the New Mexico Transportation Plan, a federal requirement for the New Mexico Department of Transportation (NMDOT). The purpose of the RTP is to apply the State's vision, goals, objectives and strategies at the regional level. Under federal law, long-range transportation plans must look ahead at least 20 years, although the State of New Mexico chose to look ahead 25 years for its transportation planning. The Northwest New Mexico RTP provides a framework for thinking about the region's transportation system over the period of 2016 to 2040.

The Northwest RTP was developed in coordination with the New Mexico Transportation Plan project team, the Northwest Regional Transportation Planning Organization (RTPO), and NMDOT liaisons. Throughout the planning process, RTPO planners worked to engage the public through a variety of methods including public hearings, public meetings, conferences, and comment periods. The Northwest RTPO participated in a total of 10 events, which included upwards of 250 people.

The plan was developed at the regional level with the establishment of Regional Working Groups (RWG), which helped guide the development of the plan. Our region was composed of 67 RWG members representing a very diverse group of stakeholders. The plan was developed in four major planning phases: Phase 1, Existing Conditions; Phase 2, Strategic Direction; Phase 3, Resource Allocation; and Phase 4, Implementation. The RWG's met consistently at each phase to provide key input into the plan. They identified regional challenges, opportunities, and developed regional actions. The plan primarily serves to provide a visionary, transparent, predictable, performance-based, and strategic framework to guide decision-making at all levels within the New Mexico Department of Transportation and by New Mexico's RTPO's.

The State of New Mexico provided a template with an articulated vision statement, along with five established goal statements. The Northwest RTP is directly consistent

with these five goals and the plan fits within the parameters outlined by the State of New Mexico. Our strategy for each goal was also consistent with the State, but we also included local strategies to address local issues along with actions items assigned to NMDOT, Northwest RTPO, Local and Tribal communities. The State also provided performance measures, which were based on federal guidelines, to help ensure compliance. Our performance measures remained consistent with those provided by the State.

The first draft of the Northwest RTP was posted in early July for a 30-day public review and comment period. All public comments submitted during this period were collected, organized, and presented to the Northwest RTPO Committee on August 12 for review. Subsequently, the RTP draft will be updated accordingly and the final draft of the RTP will be posted on September 9. You may visit our website to download and read this plan.





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CDBG CONSTRUCTION GRANTS

"Northwest New Mexico receives a total of \$993,000 in community development block grant funding!"

The Northwest New Mexico Council of Governments staff worked hand-in-hand with the City of Gallup and San Juan County staff to develop Community Development Block Grant (CDBG) applications. Early in 2015, the Council of Governments attended the CDBG presentation hearing in Albuquerque, NM. At the hearing COG staff assisted the City of Gallup and San Juan County with the presentation of their selected CDBG projects. Two weeks later, COG staff attended the CDBG allocation hearing with hopes that the two projects within Northwest New Mexico were awarded funding. The Council of Governments received the following good news:

CITY OF GALLUP'S SKY CITY PHASE IV – VISTA AVENUE PROJECT was awarded \$500,000 to reconstruct the Vista Avenue roadway along with the replacement of subsurface utilities. The project also includes the replacement of sidewalks, which provide pedestrian safety and accessibility therefore allowing the pedestrian



walkways to come into compliance with the Americans with Disabilities Acts (ADA). Curbs, gutters and retaining walls will be replaced to address drainage issues within the corridor. The project will improve the quality of life for the residents in the neighborhood, especially those who reside on Vista Avenue.

SAN JUAN COUNTY - LOWER VALLEY SENIOR CENTER was awarded \$493,000. The project will expand the kitchen to allow for safer and more effective food preparation and the Center will be expanded for the creation of a game room. The main dining hall will be renovated to include installation of new LED lighting, acoustic ceiling tile, and a new HVAC system which addresses the current issues around accommodation. The now current gravel parking lot will be paved and curb and gutter will be installed. This activity will address accessibility and drainage issues that have plagued the center for years. A sustainability feature will also be incorporated into the project as the exterior of building will be xeriscaped to increase the attractiveness of the center and more importantly decrease water consumption.







After Downtown Gallup was designated an Arts & Cultural District (ACD) in November 2013, the City of Gallup introduced a concept new to the State, in which was to develop the ACD Plan in parallel with the Metropolitan Redevelopment Area Plan (MRA). The idea was designed because the two districts are both located in Downtown Gallup. The parallel development of the plans will allow the City of Gallup to capitalize on potential funding and assistance/incentive programs from the State of New Mexico such as:

- Eliminating "Anti-Donation Clause" restrictions.
- Allowing "Fair Value" (below appraisal) when there are tangible public benefits.
- Qualifying for Tax Increment Financing (TIF) Districts.
- Using Tax Deferrals or Credits.
- Tapping State/Federal Brownfield funding opportunities.
- Accessing CDBG Funding (without meeting LMI criteria).

"Developing a scenario that responds to the unique conditions and needs of the place and its inhabitants and creates places where we want to be, with people we care about"

The Council of Governments has helped in several ways during this process, including:

- Working with the community on the original ACD application.
- Supporting the State ACD/Mainstreet experts in a three-day process culminating in the Gallup Arts & Cultural District Assessment Report.
- Applying to NMFA's Local Government Planning Fund, to become the first community to be awarded \$50,000 for an MRA Plan.
- Supporting the development of a joint Gallup Mainstreet and Arts & Cultural District (GMACD) steering committee.
- Serving on several GMAC committees including Design and Economic Positioning.

The City of Gallup selected and hired consulting firm "Community By Design" led by Charlie Deans, to complete both plans within a 12 month timeframe.

On August 22-23, the consultant team held a community charrette that was well attended. Nearly 50 community members representing the business, arts & cultural, and governmental sectors participated in the two-day charrette. The process allowed members of the community the chance to express their concerns and present ideas for the MRA & ACD plans.

The plans are scheduled to be adopted by the City Council the first week of December.



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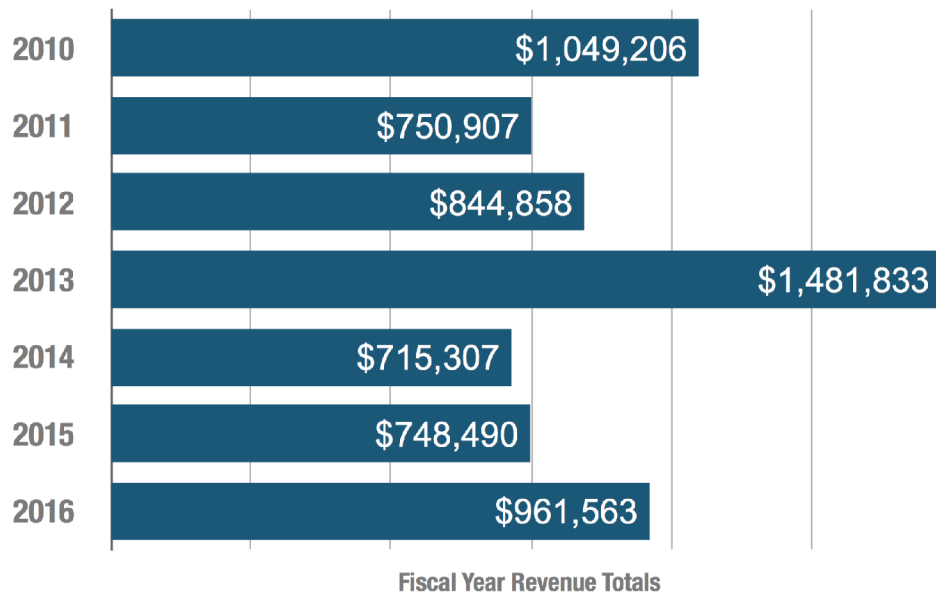
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Northwest New Mexico Council of Governments Budget History, FY 2010 - FY 2016



THE COG BUDGET: RECENT HISTORY

The Council of Governments is funded from a variety of sources, including Membership Dues for units of local government, local government subcontracts on special projects, State grants and contracts, Federal grants and contracts, and grants from non-governmental funders such as foundations. Funding over the past 7 years has averaged around \$936,000/year, reflecting substantial multi-year Federal grants that showed “spikes” in spending in FY 2010 and FY 2013. Over that time period, about one-third of spending, averaging about \$334,000 per year, was for specialized consulting services. Absent those special consulting services, the COG’s base operational budget since FY 2011 has been fairly stable at about \$500,000 per year, after a 30% drop-off at the close of FY 2010.

This past year, with a total budget of about \$800,000, the COG entered into several “fiscal agency” agreements with local government members, as a result of the restrictions placed on those members by the Governor’s Executive Order 2013-006. The Executive Order served as the basis for requiring “alternative fiscal agents” for those governmental agencies with problematic audits or financial reporting. The COG will receive a standard administrative fee to provide oversight services in connection with legislative grants to these local governments, resulting in new revenues into the COG budget. However, the COG Executive Committee has determined that these “one-time” revenues – estimated to total upwards of \$140,000 – should not be programmed for base operational expenses at this time.

FY-2015 Financial Report

In FY 2015, we incurred \$560,000 in annual expenses against a budget of \$777,000. The balance is reflected in carry-over funds from multi-year contracts, for which expenditures were not programmed during FY 2015.

It was a turbulent, but eventually successful, year for the COG finances. It began when the State told us that our COG offices would need to be sacrificed for bridge repairs under the streets of Gallup. By January, with McKinley County’s help, we were moving into the former Stronghold Church building on Aztec. What a load of work that was! In mid-year, we wrestled with a tough FY 2014 audit; but we worked through and cleared it up by year-end. With the help of the Solid Waste Authority, we also tossed out our former accounting software in favor of a more workable QuickBooks program.

The year saw turnover in our professional ranks, as we bid farewell to Regional Planner Prestene Garnenez as she headed off to lead a new charter school project in her hometown of Navajo, NM. It took awhile to staff up, as we closely monitored a tight budget, but we brought in some great young talent. Our new staff team is awesome, with the addition of UNM grads Brandon Howe and Jeremy Seaton – helping our Deputy Director Evan Williams put new shoulders to the COG wheel!

Your COG team was conservative in managing the budget, and we finished the year on a positive note. We’re ready for the exciting year to come! So here’s our snapshot:

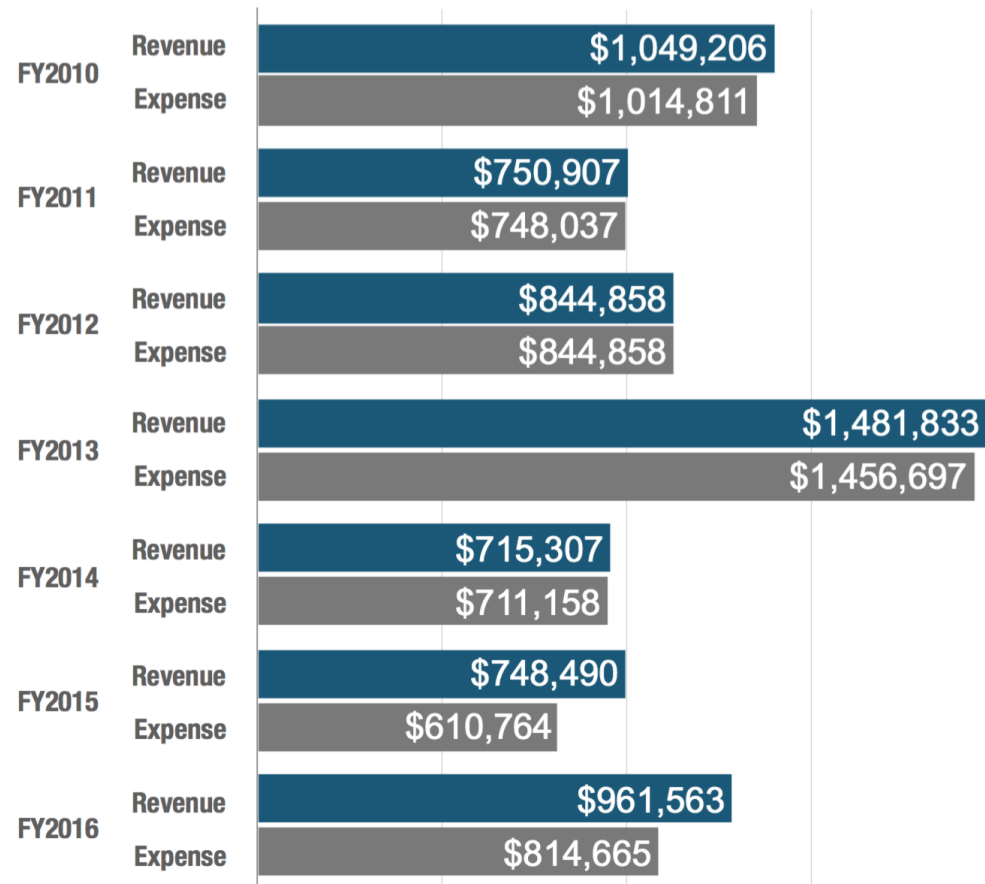
REVENUES

Membership dues were stable in FY 15, and under the duress of Executive Order 2013-006, several Members entered into “alternative fiscal agent” agreements with us. Our “base budget” contracts also remained strong, including our federal EDA planning grant, our State-Grant-in-Aid, and our RTP0 contract from State DOT. DOT also awarded a supplemental grant for a special study in the Gallup transportation corridor, known as “4CITE,” for which expenditures will start posting in FY 2016.

EXPENSES

Our cash flow was stretched by the cost of the “big move,” but thankfully the State DOT reimbursed us for most of the relocation costs. We did conserve costs by delaying the hiring process for our Regional Planner position (finally bringing Jeremy on board in June). What that meant, in reality, was that 6 full-time staff accomplished the work of 8! – assisted by high-quality consultants as needed to extend our human resources.

Northwest New Mexico Council of Governments Revenue & Expense, FY 2010 - FY 2016



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