



NORTHWEST NEW MEXICO COUNCIL OF GOVERNMENTS

MINUTES

BOARD OF DIRECTORS ANNUAL SUMMER MEETING

August 3, 2022

McKinley County Conference Room,
201 W. Hill Avenue, Gallup, NM
Held In-Person Only

I. PRELIMINARY BUSINESS

A. CALL TO ORDER/INTRODUCTIONS/QUORUM.

Chairman *Billy Moore* (McKinley County) convened the meeting of the Board of Directors at 10:05AM. Roll call proceeded and in attendance were 13 Board Representatives/Alternatives, representing a quorum 5 of the 9 voting entities of the Board (55%), along with COG staff, guests, and their CPA.

BOARD MEMBERS IN ATTENDANCE:

CIBOLA COUNTY: Judy Horacek; Dr. Christine Lowery
MCKINLEY COUNTY: Billy Moore; Anthony Dimas, Jr.;
SAN JUAN COUNTY: GloJean Todacheene; Jim Cox (RLF Chair)
CITY OF AZTEC: *Excused*
CITY OF BLOOMFIELD: *Excused*
CITY OF FARMINGTON: *Excused*
CITY OF GALLUP: Michael Schaaf; Fran Palochak; Louie Bonaguidi; Maryann Ustick
CITY OF GRANTS: Erik Garcia; Fred Rodarte; Donald Jaramillo
VILLAGE OF MILAN: *Excused*
BOARD EMERITUS: Jeffrey G. Kiely

PRESENTERS/GUESTS IN ATTENDANCE:

Armando Sanchez, CPA
Eileen Yarbrough (CCEDF); Warren Unsicker (Farmington)
George Garcia, Councilor, City of Grants

STAFF IN ATTENDANCE:

EXECUTIVE DIRECTOR: Evan Williams
ADMINISTRATIVE ASSISTANT: Martina Whitmore
PLANNING TEAM: Michael Sage; Brandon Howe

B. AGENDA & MINUTES ADOPTION.

Chairman *Moore* provided an overview of the day's agenda topics and the minutes of April 13, 2022 for review and approval.

ACTION: *Fran Palochak* (Gallup) moved and *Michael Schaaf* (Gallup) seconded adoption of the agenda and minutes. Motion carried by acclamation.

C. ELECTION OF OFFICERS.

Chairman *Moore* provided the following information regarding the annual Election Officers.

BACKGROUND

According to our Articles of Agreement, the COG holds election of officers at the Annual Meeting of even-numbered years, so we are prepared to do an election of officers. Current seats are as follows:

Chairperson: Billy Moore, McKinley County
1 st Vice- Chair: Martha Garcia, Cibola County
2 nd Vice-Chair: Michael Padilla, Sr., City of Aztec
Treasurer: Louie Bonaguidi, City of Gallup
Past Chairperson: Vacant

VACANT SEATS

Chairman Moore has requested to be replaced as his term as McKinley County Commissioner is ending. He would thus move into Past Chairperson for a period that meets his abilities and desires.

COG Executive Director has talked with Martha Garcia about her willingness to serve as she has been excellent in this leadership role. She has agreed that she would be willing and able to serve with the support of the Board of Directors.

If both Martha Garcia and Michael Padilla, Sr. are moved up in the ranks, then a vacancy opens for the 2nd Vice-Chair.

ACTION TO DATE

Executive Director Williams has talked with Martha Garcia and informed the Gallup-McKinley Area Delegation of the potential opening and thus the need for a nomination that could fill this vacancy. The main reasons for a member out of this area are: (1) Billy Moore was representing this area and (2) with both Martha Garcia and Michael Padilla, Sr. residing outside of the area, we would prefer someone local and available to sign checks.

RECOMMENDATION

Staff recommends approval of moving Officers up and vote on nomination for 2nd Vice-Chair.

Chairperson: Martha Garcia, Cibola County
1 st Vice- Chair: Michael Padilla, Sr., City of Aztec
2 nd Vice-Chair: <i>To be nominated and voted on at Summer or next meeting.</i>
Treasurer: Louie Bonaguidi, City of Gallup
Past Chairperson: Billy Moore, McKinley County

ACTIONS

After discussion and nomination process, which included nominations acceptance to serve, the Board took the following actions:

ACTION: *Eric Garcia* (Grants) moved and *Fran Palochak* (Gallup) seconded the motion to approve Martha Garcia the new Chairperson. Motion carried by acclamation.

ACTION: *Maryann Ustick* (Gallup) moved and *Fred Rodarte* (Grants) seconded the nomination and approval of Fran Palochak as the new 2nd Vice-Chair. Motion carried by acclamation.

COG Board members thanked Billy Moore for his support of the COG and welcomed Martha Garcia and offered her support in her new role.

II. KEY ITEMS

A special request from Jason Sandel, former City Councilor, City of Farmington that the COG assist the region as a process facilitator for hydrogen.

BACKGROUND: The COG staff has actively been tracking and involved very tertiary around the issue and opportunities surrounding hydrogen development including the Biden Administration's [clean hydrogen hub competition](#) as well as participating in several sites with Department of Energy Cabinet Secretary Jennifer Granholm. On June 3, Executive Director Williams participated in a [Roundtable on Hydrogen](#) facilitated and led by the Greater Gallup Economic Development. [Jason Sandel](#), former Farmington City Councilor and Executive Vice President of Aztec Well Servicing, provided some wrap-up comments in which he mentioned that no entity is actively working to facilitate the conversations needed around hydrogen to unify northwest New Mexico as a whole and its communities of interest about what it sees, understands, and wants rather outside groups on both sides are dictating the narrative. He stated there is only one group that helps to represent us all and works regionally as indicated by its name Northwest New Mexico Council of Governments as empowered by State and Federal agencies, especially for the purpose of developing and implementing a Comprehensive Economic Development Strategy (CEDs).

ACTIONS TO DATE: Executive Director Williams actively followed up with Mr. Sandel to understand his thinking and to offer him a place on the agenda to present this concept to the Board. Unfortunately, Mr. Sandel was not available on August 3, 2022. So, on June 26th, we met to flesh out this concept that is very similar to work the COG did under the EPA Community Action for a Renewed Environment (CARES) and our focus as a process facilitator to look at triple "E" actions around Energy, Environment, and Economy. We would add Equity as the fourth "E" that is needed in these conversations. Again, the local economic development organizations are doing a ton of work individually in this space already from Four Corners Economic Development (4CED) Education and Information Forums on Hydrogen to asset inventories being completed and target industry analysis being focused on hydrogen supply/demand and value chains. Again, work is being done at the local level and definitely at the State and [multi-State level](#) and the research and university collaboration level, via [Northern Rio Grande Corridor Collaborative](#), but no one is pulling the region of impact together to see what it wants, where, and how.

PROPOSAL: The proposal is two-fold:

- (1) COG, with support of its members, act as a process facilitator for the region including education, asset mapping, project identification, meeting support and documentation including weekly calls.
- (2) Provide a similar level of leadership and support that provided with EDA's Build Back Better Regional Challenge to identify shovel-ready hydrogen projects and business and value chain alignment as a Quad-E clearinghouse for the purposes of the Hydrogen Hub competition and alignment with other opportunities like Energy Transaction Act.

WORK ANTICIPATED: If directed, staff is recommending the following steps by end of August:

1. Flesh out duties, responsibilities, and partnership model;
2. Setup weekly calls;
3. Develop a focused work programs;
4. Develop an online resource and document library; and
5. Provide reports to COG members to keep them actively engaged and updated.

RECOMMENDATION: Staff understands this is a controversial issue but fundamentally this is the best use and a worthwhile initiative for a regional and "knowledge" organization to work on. Again, we will be focused as a process facilitator rather than promoting or advocating for a position or project. We will continue to provide context on the four lenses of Equity, Energy, Environment, and Economy to find projects that Northwest New Mexico itself can support instead of it coming outside in. We would recommend direction to move forward with oversight from our Executive Board.

DISCUSSION

There was a lot of discussion and deliberation around this request, including defining that this action in no way provides endorsement of the COG or its members. There was also intention that COG would work to provide good information to support elected officials and community leaders. It was also underlined that COG has very limited capacity to balance in taking on an initiative of this type.

DIRECTION

Direction was provided to enable the COG to flesh out the responsibilities and duties of this request with Mr. Sandel and report back to the Executive Committee and full Board.

III. EXECUTIVE/STAFF REPORT

- A. **Staff Summary Report:** Executive Director *Williams* provided a summary of the past quarter's key activities and issues.
- B. **Annual Report:** Executive Director *Williams* circulated the annual report and showcased highlights of the COG's work.
- C. **Regional Development Corporation:** Based on the outcomes of the October 20th Strategic Planning Session, where the Board received two presentations as follows:
 1. An Organization Review of the NWNMCOG by Sheldon Bartel, National Development Council (2021)
 2. A Regional Development Sustainability Plan for Northwest New Mexico by Patty Lundstrom, LAMGA (2010)

This information was reviewed again including recommendations at the January 20, 2022 Board meeting. With broad support and direction to proceed at the April 19, 2022 meeting, the Board members wanted to understand organization structure, sustainability and funding plan, pro's and con's, staffing, and the details. COG staff was directed to bring this back at the next meeting.

Staff presented the Bylaws and General Plan of Formation that led to discussion.

ACTION: *Maryann Ustick* (Gallup) moved and *Michael Schaaf* (Gallup) approved the formation of this organization under the guidance of the Executive Committee.
Motion carried by acclamation.

D. Investment in Prewitt Industrial Park:

Evan Williams presented a request for \$40,000 from the Tri-State funding for the design of this Industrial Park.

BACKGROUND: Executive Director Williams prepared, submitted, and presented a request to the McKinley County Electric Generating Facility Economic District for \$800,000 to finalize design of the Prewitt Industrial Park. This request was based on the commitment of Tri-State and availability of \$2.23M in community support funding that needed specific articulated investments and plans.

For many years, the COG and its partners, including Cibola County, McKinley County, Cibola Communities Economic Development Foundation, and Greater Gallup Economic Development Corporation have been working to re-purpose and transition this area for economic development to create jobs and retain tax base.

A detailed Authority Board briefing is available that explains all planning and steps taken by these partners up to the announcement by Tri-State Generation & Transmission Authority of the commitment of \$5M in a community assistance fund on January 7, 2022.

Video Presentation: Background Briefing: (starts about 14mins) -

<http://www.nwnmcog.org/mcegfed-document-library.html>

Inaugural Meeting: December 28, 2020

NOTE: Our website is secure but you will receive a warning as we are in SSL certificate approval process.

ACTIONS TO DATE: The COG working with its consultant Wilson & Company completed a 30% site design and infrastructure plan for the Prewitt Industrial Site (Site #1). Since which, the COG has tried several avenues to fund and take this work to 90% design or construction-ready including:

- a. A joint proposal to NM Economic Development Department (October 30, 2022) for \$750,000 that was denied for Special Bi-County Local Economic Development Act (LEDA) or the approximately \$9M set aside in House Bill 2 for the Prewitt Industrial Park due to the fact that it was for design-only and the State statute and their interpretation would only fund construction costs.
- b. A presentation to Electric Generating Facility Economic District for \$150,000 to match an Economic Development Administration (EDA) Regional Build Back Better Application for \$600,000 in Federal funding. This was denied by the Authority in October 2021.
- c. COG pursued a \$100M grant application to EDA Build Back Better anyway that included this proposal and the needed funding at a 100% grant rate and COG was denied in December 2021.

Strategically, we believe that getting designed by December 2022 is critical as it provides a shovel-ready site with horizontal infrastructure projects fully designed with updated cost estimates to market to:

- Several firms have visited this site but due to lack of availability infrastructure located elsewhere.
- Advocate with the Legislature to provide funding for investment or to re-capitalize the special LEDA fund for the Prewitt Industrial Cluster area.
- Add to our application for a regional Hydrogen Hub showing readiness for associated business development areas and sites.

PROPOSAL: The proposal is: Requesting that the Electric Generating Facility Economic District ask Tri-State for up to \$800,000 for horizontal design work needed to make the Prewitt Industrial Park a shovel-ready site. COG portion would be \$40,000 based on percentage received by Tri-State.

RECOMMENDATION: Staff recommends approval of COG's role and fiscal commitment of \$40,000 to this joint effort.

ACTION: *Anthony Dimas, Jr.* (McKinley County) moved and *Fred Rodarte* (Grants) seconded approval of \$40,000 to be pooled and used for Prewitt Industrial Park. Motion carried by acclamation.

E. ICIP Resolution Ratification: COG staff presented the COG's Infrastructure Capital Improvement Plan (ICIP) that submitted on time to the State of New Mexico and asked the Board to ratify the resolution authorizing that submission.

ACTION: *Fran Palochak* (Gallup) moved and *Michael Schaaf* (Gallup) seconded ratifying the ICIP and its Resolution. Motion carried by acclamation.

IV. FINANCIAL REPORT

A. FY2022 Financial Reports: Armando Sanchez, CPA provided a brief overview of the fourth quarter financial reports.

ACTION: *Fran Palochak* (Gallup) moved and *Maryann Ustick* (Gallup) seconded to accept the fourth quarter financial reports as presented. Motion carried by acclamation.

B. FY2023 Budget: Mr. Williams presented the final FY2023 budget.

ACTION: *Michael Schaaf* (Gallup) moved and *Eric Garcia* (Grants) seconded, to adopt the FY23 final Budget as presented. Motion carried by acclamation.

V. ANNOUNCEMENTS; OTHER BUSINESS

A. 2023 Board Meeting Calendar. Mr. Williams reviewed the approved COG Board Calendar. Next meeting will be October 19th, which will be held as a hybrid in San Juan County.

ACTION: *Michael Schaaf* (Gallup) moved and *Martha Garcia* (Cibola County) seconded, to adopt the FY23 final Budget as presented. Motion carried by acclamation.

B. Announcements & General Comments: Chairman Moore announced that Board Elections will

be held at the next meeting and any nominations should be sent to Director Williams, and that he is coming to the end of his Commission term and will be stepping back from the COG Board.

VI. ADJOURNMENT

ACTION: *Michael Schaaf* (Gallup) moved and *Farn Palochak* (Gallup) seconded, to adjourn. Motion carried. Chairman Moore again thanked the McKinley County for hosting and adjourned the meeting of the Board of Directors at 11:52PM. Motion carried by acclamation.

Adjournment was followed by our Annual Luncheon.

Respectfully submitted,

Evan J. Williams
Board Secretary and Executive Director

ATTEST: _____
Martha Garcia
Board Chair