

AGENDA

**GALLUP CITY COUNCIL
REGULAR MEETING
TUESDAY, APRIL 28, 2026; 6:00 P.M.
CITY COUNCIL CHAMBERS
GALLUP CITY HALL, 110 WEST AZTEC AVENUE**



Marc DePauli, Mayor

Linda Garcia, Councilor, Dist. 1
Sarah Piano, Councilor, Dist. 3

Sierra Yazzie Asamoah-Tutu, Councilor, Dist. 2
Ron Molina, Councilor, Dist. 4

Frank Chiapetti, City Manager
Erika Pirotte, Deputy City Attorney

This meeting will be accessible through YouTube:
<https://youtube.com/@cityofgallup>

Members of the public may submit comment either in person or by telephone. To submit comment by telephone, please call 505-863-1254 to leave your name and a return phone number.

A. Roll Call

B. Pledge Of Allegiance

The members of the body and the public are invited to recite the Pledge of Allegiance.

C. Comments By Public On Non-Agenda Items

Members of the public are invited to comment on matters not appearing on the meeting agenda.

D. Presentation/Information Items

- 1. Proclamation Recognizing May 4-8, 2026 As Economic Development Week In The City Of Gallup, NM**

Economic Development Week is an event created by the International Economic Development Council (IEDC) to celebrate the achievements of economic developers. The tenth anniversary of Economic Development Week takes place May 4-8, 2026. Together with the City of Gallup and McKinley County, Greater Gallup EDC has observed Economic Development Week annually since its inception in 2016 with special activities and events that recognize the efforts of local economic developers to grow a more vibrant local economy and improve the quality of life in Gallup and McKinley County and the northwest region of New Mexico.

The finalized proclamation will be presented at the meeting.

Fiscal Impact:	None.
Recommendation:	Approve and Execute Proclamation.
Speaker's Name	Bruce Armstrong, Greater Economic Development Corporation

2. Proclamation For Motorcycle Awareness Month

The National Highway Transportation Safety Association has declared the month of May to be Motorcycle Awareness Month. This proclamation asks City to recognize Motorcycle Safety by adopting this proclamation.

Fiscal Impact:	None
Recommendation:	Recognize Motorcycle Awareness Month by passing the resolution
Speaker's Name	Jude Flores

Documents:

[MOTORCYCLE AWARENESS MONTH.PDF](#)

3. Teraplex Presentation

Teraplex and Gutami would like to introduce themselves to the Gallup Council and Community and present on their potential project which will be located in the Gallup Tradeport.

Fiscal Impact:	Presentation Only
Recommendation:	Presentation Item Only
Speaker's Name	Greg Thompson

4. Presentation - Gallup Film & Media Expo Update

The Gallup Film Committee is planning its fourth annual Gallup Film & Media Expo for May 7 & 8 at Red Rock Park. This free public event is intended to build the community's capacity for film and media projects through access to training, resources, networking, demonstrations, and information about the industries. This is a presentation item intended to update the Mayor and City Council about the upcoming event.

Fiscal Impact:	None
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Recommendation: Presentation Item Only
Speaker's Name Gallup Film Committee members

Documents:

[NPAC-GALLUP-FILM-MEDIA-EXPO-2026-1.JPEG](#)

E. Consent Agenda

These items are placed on the Consent Agenda so City Council can designate by unanimous consent those routine items they wish to be approved or acknowledged by one motion. If any item does not meet the approval of all Council members or if a citizen so requests, it will be heard as a separate item.

Action Needed:

Motion to approve or acknowledge Items 1-8 on the Consent Agenda by unanimous vote:

1. Approval Of Minutes

Regular Meeting of February 24, 2026

Fiscal Impact: None.
Recommendation: Approve the minutes.
Speaker's Name None.

Documents:

[DRAFT MINUTES FEB 24 2026 REG MTG.PDF](#)

2. Budget Adjustment From Fund Balance

The Fleet department is requesting an additional \$105,000.00 from the 603 Fund Balance.

This request is due to a \$23,000.00 shortage in our benefits and overtime accounts. Additionally, following the unanticipated \$63,000.00 expenditure to replace the engine in Fire Engine 2, we recently received a estimate of \$15,000 to repair Tower 2. We are now currently facing a \$82,000.00 deficit in our vehicle maintenance account.

Fiscal Impact: \$105,000.00 From the 603 Fund Balance.
Recommendation: To approve budget Adjustment
Speaker's Name Amanda Carey

Documents:

[BUDGET ADJUSTMENTS NEEDED FROM FINANCE APRIL2026.PDF](#)
[APRIL 2026 BUDGET SHORTAGES.PDF](#)

3. Budget Adjustment For Brush Hog Attachment

Staff is requesting approval to purchase a brush hog attachment for the Electric Department's skid steer. This equipment will be used to clear easements, access roads, and right-of-ways in areas with unmanaged vegetation, improving site accessibility.

The use of this attachment will also reduce wear and damage to department vehicles and equipment, particularly by minimizing tire damage in overgrown and rough terrain.

The attachment is available through the Sourcewell cooperative purchasing contract at a government rate of \$9,025.76. Staff is requesting a budget adjustment of \$9,030 to facilitate the purchase.

Fiscal Impact: Budget adjustment in the amount of \$9,030 from Operating Cash Fund 507 to Capital Equipment Account 507-6061-442.48-20.

Recommendation: Approval of the budget adjustment and authorization to purchase the brush hog attachment.

Speaker's Name Edward Romero

Documents:

[CITY OF GALLUP - BRUSHCAT - BM1750666.PDF](#)

[BH ATTACHMENT ATTACHED TO UNIT.PDF](#)

[BH ATTACHMENT IMAGE 1.PDF](#)

[BH ATTACHMENT IMAGE 2.PDF](#)

[BRUSH HOG ATTACHMENT.PDF](#)

4. Budget Adjustment For A Sub-Grant Agreement For The McKinley County DWI Task Force Naming The Gallup Police Department As The Sub-Grantee In The Amount Of \$24,000.

As part of the McKinley County DWI Task Force, the Gallup Police Department, as the sub-grantee, was awarded a sub-grant in the amount of \$24,000. As the sub-grantee, the Gallup Police Department is to implement Driving While Impaired (DWI) sobriety checkpoints and saturation patrols aimed at reducing alcohol related crashes, injuries, and death in McKinley County and in partnership with the following agencies: NM Department of Public Safety, McKinley County Sheriff's Office, Navajo Nation Police Department, Zuni Police Department, and the Ramah Police Department. All required signatures have been fully executed and the Gallup Police Department therefore requests approval of the sub-grant agreement for the total amount awarded.

Fiscal Impact: Budget adjustment in revenue - DWI Task Force Sub-Grant Agreement revenue in the amount of \$24,000.

Recommendation: Acceptance & Approval of the DWI Task Force Sub-Grant Agreement in the amount of \$24,000.

Speaker's Name Erin Toadlena-Pablo, Chief of Police

Documents:

5. Memorial Day And Veterans Day Permit

The City of Gallup, with its partners, will host the annual Memorial Day and Veterans Day events to honor and recognize the service and sacrifice of United States military veterans. Memorial Day is planned for May 25 at Courthouse Square. Veterans Day is planned for November 11, also at Courthouse Square. Each event is planned to include a street closure for the Standard Parade Route. Please see the attached permit and scope of events for detailed event information.

Fiscal Impact: No direct impact
Recommendation: Respectfully request approval
Speaker's Name Matt Robinson - Tourism & Marketing Manager

Documents:

[MEMORIAL AND VETERANS DAY PERMIT 2026.PDF](#)

6. Approval Of Budget Adjustment For Use Of Opioid Settlement Funding And Authorization For City Manager To Execute Contracts.

The FY26 Preventing Alcohol Related Deaths (PARD) grant will expire on April 30, 2026. The renewal application is currently being reviewed. Due to additional approvals, the award has been delayed until mid-May. This will require funding to fill in the gap until the FY27 PARD Grant application is awarded. I'm requesting \$140,000 to cover the funding gap. The funding covers 3 staff and contractual services: NCI detox, Evaluation, Outreach Services, the Grow Our Own Program, Public Safety Officers, and general operating costs.

Fiscal Impact: \$140,000 in Opioid Settlement funding
Recommendation: Approval of budget adjustment for Opioid Settlement funding & CM authority to execute of contracts
Speaker's Name Debra L Martinez, Behavioral Health Manager

7. Approval Of Intergovernmental Services Agreement And Budget Adjustment For Youth Shelter And Family Services.

The Youth Shelter and Family Service was awarded \$220,000 in SB3 Early Access funding from the Northwest New Mexico Council of Governments. The funding will go to expand the YSFS Rapid Rehousing Program. The funding will cover a Case manager, permanent rental, training, database fees, and general operating costs. The funding will expire on June 30, 2027.

Fiscal Impact: Budget adjustment in Revenue and Expenditures in the amount of \$220,000.
Recommendation: Approval of Intergovernmental Services Agreement and Budget Adjustment in the amount of \$220,000.
Speaker's Name Frank Chiapetti, City Manager

Documents:

[ISA, NWNMCOG-CITY OF GALLUP, EARLY ACCESS - YSFS 220,000.PDF](#)

8. Approve Intergovernmental Services Agreement And Budget Adjustment For Municipal Court

The Municipal Court applied for the Senate Bill 3 Early Access Funding. They were awarded \$120,000 to operate an Intensive Outpatient Treatment Program. The funding will be utilized for one Full-Time Counselor, Contractual services for San Juan County Alternative Sentencing Divisions Jail based treatment program, training, and equipment. The funding must be utilized by June 30, 2027.

Fiscal Impact: Budget adjustment in Revenue and Expenditures in the amount of \$120,000.

Recommendation: Approval of Agreement and Budget Adjustment in the amount of \$120,000.

Speaker's Name Frank Chiapetti, City Manager

Documents:

[NWNMCOG. CITY OF GALLUP. EARLY ACCESS . GMC 120K.PDF](#)

F. Discussion/Action Topics

1. Resolution No. R2026 14; Accepting The FY 2025 Audit

The Audit for Fiscal Year 2025 was conducted by Pattillo, Brown & Hill, L.L.P.. The report was filed timely and has been approved for release by the Office of the State Auditor. We are proud to inform you that an unmodified opinion was issued for both the financial statements and the federal awards. There is one finding for the City of Gallup in this report.

Finance and City Management will continue to work hard at ensuring we continue to maintain proper reporting with good controls, policies and adherence to those controls and policies.

Fiscal Impact: Having an unmodified opinion and only one finding is crucial to ensure no difficulties in state or federal funding as we have seen in prior years.

Recommendation: Staff recommends approval of Resolution No. R2025-3

Speaker's Name Patty Holland

Documents:

[2025 CITY OF GALLUP COUNCIL MEETING.PDF](#)
[AUDIT 2025.PDF](#)

2. Resolution No. R2026-13; 3rd Quarter FY 2026 Budget Adjustments And Report Of Actuals

Each quarter, the Finance department reviews any changes to the budget and

submits these changes to the Council for approval. The following areas are examined: personnel, operations, capital outlay, and transfers in and out of each fund. The Department of Finance and Administration (DFA) requires the Council to pass a resolution for all budget increases, decreases, and transfers between funds. DFA further requires approval of the report of actuals showing cumulative activity for the fiscal year. The report to DFA regarding budget revisions is due April 30, 2026.

We had funds that ended the quarter with a negative cash balance. We are required to provide a temporary cash transfer from general fund cash to fund this fully:

Intergovernmental Grants (218) \$200,000

Senior Citizens (219) \$3,500,000

Airport Improvement (308) \$125,000

Airport (515) \$2,575,000

Fiscal Impact:	None
Recommendation:	Approve Resolution R2026-13, the budget adjustments, report of actuals and temporary cash loans
Speaker's Name	Patty Holland

Documents:

[QUARTERLY REPORT RECAP FY 2026 Q3 TO CERTIFY.PDF](#)
[QUARTERLY REPORT SUMMARY FY 2026 Q3 TO CERTIFY.PDF](#)
[RESOLUTION_FOR_BUDGET_ADJUSTMENT TO APPROVE.PDF](#)
[BAR FY 2026 Q3 TO CERTIFY.PDF](#)
[BAR RECAP FY 2026 Q3 TO CERTIFY.PDF](#)
[LODGERS TAX REPORT FY 2026 Q3.PDF](#)

3. Budget Adjustment In The Amount Of \$2,200,600 For The Navajo Gallup Water Supply Project

The City of Gallup is requesting a budget adjustment for the Navajo Gallup Water Supply Project.

This budget adjustment is for the Professional Engineering design and procurement services for Pumping Plant #8. A complete set of bid documents including 100% plans and specifications will be provided based on the completed 30% design package. Work includes all NMDOT permitting and coordination with the Bureau of Reclamation.

Funds for this adjustment will be coming from the Bureau of Reclamation Grant No. R11AC40002 and will be placed in Project No. GU1102.

This grant is 100% reimbursable.

Fiscal Impact:	A budget adjustment in revenue and expenditures in the amount of \$2,200,600.
Recommendation:	Approval of Budget Adjustment in the amount of \$2,200,600

Speaker's Name Jacqueline Leyba, Deputy CFO

Documents:

[FEE PROPOSAL.PDF](#)

4. Adoption Of The Gallup Comprehensive Safety Action Plan (CSAP) 2026

City Staff are requesting that the Gallup City Council review and adopt the Gallup Comprehensive Safety Action Plan (CSAP) 2026. Within the U.S. Department of Transportation, Safe Streets and Roads for All (SS4A) grant program, comprehensive safety action plans (referred to as “**Action Plans**”) are the basic building block to significantly improve roadway safety.

Action Plans are comprehensive safety plans aimed at reducing and eliminating serious-injury and fatal crashes affecting all roadway users.

Action Plans use data analysis to characterize roadway safety problems and strengthen a community's approach through projects and strategies that address the most significant safety risks.

The SS4A grant program is guided by the Safe System Approach which involves a paradigm shift to improve safety culture, increase collaboration across all safety stakeholders, and refocus transportation system design and operation on anticipating human mistakes and lessening impact forces to reduce crash severity and save lives, and improve crash response to reduce secondary crashes, enhance survivability, and/or improve fatal and serious injury crash outcomes.

Eligible Action Plans

To satisfy the SS4A NOFO requirements to apply for an **Implementation Grant** or a **Planning and Demonstration Grant** that includes only supplemental planning and/or demonstration activities, applicants must have an existing Action Plan that meets the following conditions:

- Is focused on preventing roadway fatalities and serious injuries in a locality, Tribal area, or region, and includes projects and strategies to address the safety problems it identifies.
- Meets the requirements in the Self-Certification Eligibility Worksheet.
 - For Implementation Grants, the existing plan must have been finalized and/or last updated between 2021 and May 26, 2026. It must be complete and adopted by the time of application submission.
 - For Planning and Demonstration Grants, an Action Plan can still be in progress at the time of application if funded through a previous SS4A grant.
- The qualifying elements may come from up to three local plans, as long as they meet the requirements of the Self-Certification Eligibility Worksheet. For existing plans that include many but not enough of the elements in the Self-Certification Eligibility Worksheet, applicants may apply for Planning and Demonstration funds to complete or update the existing plan and conduct supplemental planning and/or demonstration activities. Examples of existing plans that **may meet** the criteria include the following:

- Vision Zero Action Plans
- Local Road Safety Plans
- Tribal Transportation Safety Plans

The New Mexico Department of Transportation (NMDOT) secured funding and contracted with Bohanan Huston to develop the Gallup Comprehensive Safety Action Plan (CSAP) 2026. Bohanan Huston will be presenting a Power Point presentation explaining the plans function and compiled data.

Fiscal Impact:	None. Funded by the NMDOT Multimodal Planning and Programs Bureau.
Recommendation:	Staff recommends adoption of the Gallup Comprehensive Safety Action Plan 2026
Speaker's Name	C.B. Strain

Documents:

[GALLUP COMPREHENSIVE SAFETY ACTION PLAN 2026.PDF](#)
[GALLUP COMPREHENSIVE SAFETY ACTION PLAN APPENDICES.PDF](#)
[GALLUP CSAP_VZ CITY COUNCIL PRESENTATION 4_28_26.PDF](#)

5. Effluent Option Agreement With Teraplex Data Centers, LLC

The City and Teraplex Data Centers, LLC ("Teraplex") have negotiated an Effluent Option Agreement ("Agreement"), a copy of which is attached. The Agreement's effectiveness is contingent on Council's approval and Teraplex paying the City the sum of five thousand dollars (\$5,000.00) by a date to be set by Council.

The Agreement is the third amendment to the Effluent Option Agreement first entered into with Coles Gray, LLC ("Option Agreement") and twice amended. Coles Gray assigned all of its rights under the Effluent Option Agreement, as amended, to Teraplex. These agreements are attached to and incorporated into the Agreement as Exhibits.

The Agreement amends and restates Recitals A and C and Paragraphs 1.A., 1.B., 1.C., 2 and 3 of the Option Agreement, summarized as follows:

- Teraplex intends to acquire approximately three hundred thirty (330) acres of land located in the City and additional adjacent properties (collectively, the "Property"). Assuming Teraplex acquires the Property, Teraplex desires to purchase effluent from the City for industrial and commercial uses, including at a data center (the "Complex").
- Teraplex has an option to purchase up to 109,500,000 gallons (approximately 336 acre-feet) during each of the City's fiscal years (the "Guaranteed Amount") while the Agreement is in effect. Teraplex must exercise the option within three (3) years following the Agreement's Effective Date.
- Teraplex must complete the purchase of the Property within four (4) years of the Effective Date. If the purchase is not completed within the four-year period, the City may terminate the Agreement.
- The City may also terminate the Agreement if Teraplex does not

commence construction of the Complex within five (5) years of the Effective Date.

- Teraplex will pay for the effluent at the City's 2026 published rate (\$5.66/1,000 gallons) for fifteen (15) years following the Effective Date, at which point the price will be adjusted to that specified by the City's 2041 published rate. The 2041 price will remain in place for the balance of the Agreement's term, including any extension (a maximum of 30 years).
- Beginning in the seventh (7th) year following the Effective Date, Teraplex must either take or pay for one-third (33%) of the Agreement's Guaranteed Amount. If it fails to do so, the City may terminate the Agreement. In addition, at the start of the seventh (7th) fiscal year following the Effective Date, Teraplex must provide the City a "Yearly Call Amount" (a statement of the amount of effluent it will purchase in the coming fiscal year). If the Yearly Call Amount is less than the Guaranteed Amount, the City will be entitled to sell or use the surplus. If Teraplex wishes to purchase more than the yearly Guaranteed Amount, it will be afforded that opportunity, subject to the City's other commitments.

All other terms of the Option Agreement remain in full force and effect.

Fiscal Impact: If the Agreement is approved, Teraplex will pay the City \$5,000. If the option is exercised, the Agreement will yield income to the City in exchange for effluent.

Recommendation: Approval or disapproval is at Council's sole discretion.

Speaker's Name Erika Pirotte, Deputy City Attorney

Documents:

[THIRD AMENDMENT TO EFFLUENT OPTION AGREEMENT.PDF](#)
[EXHIBIT A - CITY AND COLES GRAY EFFLUENT OPTION AGMT.PDF](#)
[EXHIBIT B - AMENDMENT TO EFFLUENT OPTION AGMT.PDF](#)
[EXHIBIT C - SECOND AMENDMENT TO EFFLUENT OPTION AGMT.PDF](#)
[EXHIBIT D - COLES GRAY AND TERAPLEX ASSIGNMENT AND ASSUMPTION AGMT.PDF](#)
[EXHIBIT E - FY26 CITY UTILITY RATE SCHEDULE.PDF](#)

G. Comments By Mayor And City Councilors

H. Comments By City Manager And City Attorney

I. Motion To Adjourn

Pursuant to the "Open Meetings Act", NMSA 1978, Section 10-15-1 through 10-15-4 of the State of New Mexico, this Agenda was posted at a place freely accessible to the public 72 hours in advance of the scheduled meeting.

Auxiliary aides for the disabled are available upon request. Please contact Alfred Abeita, City Clerk, at (505) 863-1254 at least one (1) week prior to the meeting or as soon as possible in advance of the meeting to make any necessary arrangements.

