



County of Los Alamos

Los Alamos, NM 87544
www.losalamosnm.us

Agenda - Final County Council - Regular Session

*David Izraelevitz, Council Chair; Christine Chandler, Council
Vice Chair; James Chrobocinski, Antonio Maggiore, Susan
O'Leary, Rick Reiss, and Pete Sheehey, Councilors*

Tuesday, April 3, 2018

6:00 PM

Council Chambers - 1000 Central Avenue
TELEvised

1. **OPENING/ROLL CALL**
2. **PLEDGE OF ALLEGIANCE**
3. **PUBLIC COMMENT**
4. **APPROVAL OF AGENDA**
5. **PRESENTATIONS, PROCLAMATIONS AND RECOGNITIONS**
 - A. [10474-18](#) Proclamation declaring the Month of April as "Donate Life Month" in Los Alamos County (accepted by Cathy Walters and representatives of the local Donate Life Committee)

Presenters: County Council - Regular Session
 - B. [10515-18](#) Proclamation Declaring Saturday, April 28, 2018, as "Clean Up Los Alamos Day" (accepted by Angelica Gurule, Environmental Services Manager).

Presenters: Philo Shelton and Angelica Gurule, Environmental Services Manager
 - C. [10559-18](#) Proclamation designating the Week of April 8-14, 2018 as "Crime Victims' Rights Week" in Los Alamos County (accepted by Adele McKenzie, LAPD)

Presenters: County Council - Regular Session
 - D. [10657-18](#) Recognition - Los Alamos Police Department Official Earns National Accreditation

Presenters: Harry Burgess, County Manager
 - E. [10554-18](#) Scope of Action for Regional Coalition of LANL Communities (RCLC) Investigation

Presenters: County Council - Regular Session

- F. [10635-18](#) Public Health Office Presentation

Presenters: Brian Brogan

Attachments: [A - PHO Presentation 4.3.18](#)

6. **PUBLIC COMMENT FOR ITEMS ON CONSENT AGENDA**

7. **CONSENT AGENDA**

April 3, 2018 Consent Motion:

Consent Motion -

- A. [AGR0562-18](#) Approval of Amendment No. 4 to Services Agreement No. AGR 12-3838 with John & Hengerer for a Revised Total Agreement Amount of \$395,000.00, plus Applicable Gross Receipts Tax for the Purpose of Providing Legal Services to the Incorporated County of Los Alamos Relating to Matters Pending Before the Federal Energy Regulatory Commission and/or Other Federal Agencies Involved in Energy Regulation

Presenters: Steve Cummins, Deputy Utilities Manager - Power Supply

Attachments: [A - AGR12-3838-A4](#)

- B. [AGR0563-18](#) Approval of Amendment No. 1 to Services Agreement No. AGR 16-4270 with Virtue & Najjar, P.C. in an Amount of \$200,000.00 for the period commencing July 1, 2018 through June 30, 2021, resulting in a Revised Total Agreement Amount of \$400,000.00, plus Applicable Gross Receipts Tax, for the Purpose of Providing Legal Services in Connection with the Incorporated County of Los Alamos' Utilities Operations

Presenters: Steve Cummins, Deputy Utilities Manager - Power Supply

Attachments: [A - AGR16-4270-A1](#)

- C. [RE0366-18](#) Incorporated County of Los Alamos Resolution No.18-07. A Resolution Supporting Continued Service by the New Mexico Rail Runner Express

Presenters: County Council - Regular Session

Attachments: [A - Resolution No. 18-07 Support Rail Runner Express](#)
[B - Publication Notice for Resolution No. 18-07.pdf](#)

- D. [10300-18](#) Approval of AGR18-41, San Juan Generating Station Decommissioning

Trust Agreement.

Presenters: Bob Westervelt, Deputy Utilities Manager - Finance/Admin

Attachments: [A - AGR18-41 Bank of Albuquerque Trust Agreement Final.pdf](#)
[B - AGR18-41 Exhibit 1 - San Juan Decommissioning and Trust Funds Agreement among the San Juan Project Participants dated July 31 2015.pdf](#)
[C - AGR18-41 Exhibit 2 - Price Schedule.pdf](#)

- E. [10569-18](#) County Council Minutes for March 5, 2018, March 6, 2018, and March 20, 2018

Presenters: Naomi Maestas

Attachments: [A -County Council Minutes for March 5, 2018](#)
[B - County Council Minutes for March 6, 2018](#)
[C - County Council Minutes for March 20, 2018](#)

- F. [10591-18](#) Approval of the Tourism Implementation Task Force Charter

Presenters: Linda Matteson, Assistant to the County Manager

Attachments: [A - Tourism Implementation Task Force charter](#)

- G. [10647-18](#) Approval of the North Central Regional Transit District Intergovernmental Contract.

Presenters: Philo Shelton, Public Works Director

Attachments: [A - NCRTD 2017 IGC - Red Line Version](#)
[B - NCRTD Voting Strength Analysis](#)

8. INTRODUCTION OF ORDINANCE(S)

- A. [CO0530-18](#) Incorporated County of Los Alamos Code Ordinance No. 02-285, A Code Ordinance amending Chapter 8 To Add An Article XV to Create A Community Development Advisory Board.

Presenters: Antonio Maggiore, Councilor and James T. Chrobocinski, Councilor

Attachments: [A - Code Ordinance No. 02-285.pdf](#)

- B. [CO0531-18](#) Incorporated County of Los Alamos Code Ordinance No. 02-286, A Code Ordinance amending Chapter 18, Section 36, To Increase The Minimum Number of Day a Notice Provided to a Landowner to Correct a Violation Prior to Issuance of a Citation.

Presenters: Antonio Maggiore, Councilor and James T. Chrobocinski, Councilor

Attachments: [A - Code Ordinance No. 02-286.pdf](#)

- C. [OR0809-18](#) Incorporated County Of Los Alamos Ordinance No. 02-281; An Ordinance Repealing Ordinances 571 and 664 in their Entirety and Enacting and Amending Certain Affordable Housing Provisions Into the Los Alamos County Code of Ordinances

Presenters: Paul Andrus

Attachments: [A - Incorporated County of Los Alamos Code Ordinance 02-281](#)
[B - MFA Letter confirming Ordinance 02-281 compliance with AHA & Rules](#)

9. PUBLIC HEARING(S)

- A. [OR0805-18b](#) Incorporated County of Los Alamos Ordinance No. 681, An Ordinance Amending Section 6 of Incorporated County of Los Alamos Ordinance No. 534 to Extend to January 1, 2024, The Time in Which an Election May be held to Reauthorize the Regional Gross Receipts Tax.

Presenters: Philo Shelton

Attachments: [A - Incorporated County of Los Alamos Ordinance No. 681](#)
[B - Notice of Publication.pdf](#)

- B. [10577-18](#) Public Hearing for the County Council to consider the Planning and Zoning Commission's recommendation to approve amending the Comprehensive Plan Future Land Use Map changing Two Parcels Totaling +/- 1.44 acres located at 555 and 557 Oppenheimer Drive, Owned by 555 Oppenheimer Condominium Association, Inc. and Los Alamos Professional Investment Partnership, Sub: Timber Ridge 2, Unit 2, Lot 1 and Lot 2, from "COMMERCIAL / OFFICE" To "MIXED-USE."

Presenters: Paul Andrus, Community Development Director

Attachments: [A - Publication Notice Mar 15, 2018 for Apr 3, 2018 Public Hearing](#)
[B - Planning and Zoning Commission Staff Report for January 10, 2018](#)
[C - Minutes from P&Z Commission Meeting January 10, 2018](#)
[D - P&Z Commission Findings and Approval for CPA-2017-0005](#)
[E - Minutes from County Council Meeting Feb 27, 2018](#)

10. BUSINESS

- A. [RE0368-18](#) Resolution No. 18-01 Amending the Comprehensive Plan Future Land Use Map changing Two Parcels Totaling +/- 1.44 acres located at 555 and 557 Oppenheimer Drive, Owned by 555 Oppenheimer Condominium Association, Inc. and Los Alamos Professional Investment Partnership, Sub: Timber Ridge 2, Unit 2, Lot 1 and Lot 2, from "COMMERCIAL / OFFICE" To "MIXED-USE."

Presenters: Paul Andrus, Community Development Director

Attachments: [A - Publication Notice for Resolution No. 18-01 PH.pdf](#)
[B - Resolution No. 18-01.pdf](#)

- B. [RE0369-18](#) Incorporated County of Los Alamos Resolution No. 18-08: A resolution declaring a Moratorium of sixty (60) days on the Enforcement of or Issuance of Various Notices and Citations of Article II of Chapter 18 and Chapter 16 of the Los Alamos County Code of Ordinances, Except for Violations Immediately Affecting Health, Safety, and Welfare.

Presenters: Antonio Maggiore, Councilor and James T. Chrobocinski, Councilor

Attachments: [A - Publication Notice for Resolution No. 18-08.pdf](#)
[B - Incorporated County of Los Alamos Resolution No. 18-08.pdf](#)

- C. [10388-18](#) Los Alamos County Assessor Valuation and Maintenance Plan.

Presenters: Ken H. Milder, County Assessor and Joaquin Valdez, Chief Deputy Assessor

Attachments: [A. Los Alamos County Assessor Valuation and Maintenance Plan](#)
[B. 2018 Property Valuation Plan Presentation](#)

11. COUNCIL BUSINESS

- A. *Appointments***
- B. *Board, Commission and Committee Liaison Reports***
- C. *County Manager's Report***
- D. *Council Chair Report***
- E. *General Council Business***
- F. *Approval of Councilor Expenses***
- G. *Preview of Upcoming Agenda Items***
- 12. **COUNCILOR COMMENTS****
- 13. **PUBLIC COMMENT****
- 14. **ADJOURNMENT****

If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing or meeting, please contact the County Human Resources Division at 662-8040 at least one week prior to the meeting or as soon as possible. Public documents, including the agenda and minutes can be provided in various accessible formats. Please contact the personnel in the Office of the County Manager at 663-1750 if a summary or other type of accessible format is needed.



County of Los Alamos

Staff Report

April 03, 2018

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.: A.

Index (Council Goals):

Presenters: County Council - Regular Session

Legislative File: 10474-18

Title

Proclamation declaring the Month of April as "Donate Life Month" in Los Alamos County
(accepted by Cathy Walters and representatives of the local Donate Life Committee)

Body

WHEREAS: During Donate Life Month, we honor the compassion and generosity of registered donors, donor families and living donors, and recognize the commitment of medical professionals who work tirelessly to save and heal lives through transplantation; and

WHEREAS: By becoming an organ, eye and tissue donor, one individual can save and heal the lives of up to 75 people; and

WHEREAS: More than 116,000 patients continue to wait for life-saving organ transplants on the national list, including 750 New Mexicans; and

WHEREAS: Another person is added to the waiting list every ten minutes, and on average, 20 people who are on the waiting list die because the organs they need are not donated in time; and

WHEREAS: The most effective way to address this health crisis is to educate and encourage individuals to register to be an organ, eye and tissue donor; and

WHEREAS: It is easy for citizens in Los Alamos County to register as an organ and tissue donor at the Motor Vehicle Division when obtaining a license or ID card;

NOW, THEREFORE, on behalf of the Council of the Incorporated County of Los Alamos, I do hereby proclaim the Month of April 2018 as

"DONATE LIFE MONTH"

in Los Alamos County, and ask our citizens to consider signing up this month to be an organ donor in order to save lives.



County of Los Alamos

Staff Report

April 03, 2018

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.: B.

Index (Council Goals): * 2018 Council Goal – Quality of Life – Environmental Stewardship – Enhance Environmental Quality and Sustainability Balancing Costs and Benefits Including County Services and Utilities

Presenters: Philo Shelton and Angelica Gurule, Environmental Services Manager

Legislative File: 10515-18

Title

Proclamation Declaring Saturday, April 28, 2018, as "Clean Up Los Alamos Day" (accepted by Angelica Gurule, Environmental Services Manager).

Body

WHEREAS: Communities nationwide will celebrate April 21st as Earth Day, with activities and educational opportunities to encourage residents to renew their commitment to preserving our valuable resources here on Earth; and

WHEREAS: At home and in school, parents and teachers can educate children about the benefits of protecting our resources and the importance of caring for our environment; and

WHEREAS: The County, Coca-Cola, LANL/LANS and Los Alamos National Bank will sponsor the 15th annual "Clean Up Los Alamos Day" on Saturday, April 28th for volunteers to clean up neighborhoods, parks and businesses; and

WHEREAS: "Clean Up Los Alamos Day" will improve the appearance of our community by engaging residents and asking them to take personal responsibility for their community and environment; and

WHEREAS: The County will provide a scheduled, free bulk-item collection to assist residents with proper disposal of bulk items, and will provide residents with a free tipping disposal day at the Eco-Station on April 28th; and

WHEREAS: When we participate in activities such as "Clean Up Los Alamos Day," we set a good example for our children, showing them we care about protecting our land and open spaces, which in turn strengthens our economy and improves our environment;

NOW, THEREFORE, on behalf of the Council of the Incorporated County of Los Alamos, I do hereby designate Saturday, April 28th as

“CLEAN UP LOS ALAMOS DAY”

and urge our community, organizations and businesses to participate; and

FURTHERMORE, I ask our residents to re-dedicate themselves to finding ways to protect and preserve our environment, such as reusing and recycling materials.



County of Los Alamos

Staff Report

April 03, 2018

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.: C.

Index (Council Goals):

Presenters: County Council - Regular Session

Legislative File: 10559-18

Title

Proclamation designating the Week of April 8-14, 2018 as "Crime Victims' Rights Week" in Los Alamos County (accepted by Adele McKenzie, LAPD)

Body

WHEREAS: Comparing the first half of 2016 with the same period in 2017, violent crimes in the United States of America decreased by 0.8 percent and property crimes decreased by 2.9 percent; And 2017 Los Alamos County statistics indicate a 47.1 percent increase and a 27.9 percent decrease in violent and property crimes, respectively; and

WHEREAS: Only 51.3 percent of serious violent crimes and 35.7 percent of property crimes were reported to police nation-wide in 2016; and

WHEREAS: Victims and survivors of crime across America need and deserve consistent access to support and assistance to help them cope with the short and long-term consequences of crime; and

WHEREAS: National Crime Victims' Rights Week from April 8 - 14, 2018 is an important time to join together across our community, state and nation to celebrate the theme of "Expand the Circle: Reach All Victims"; and

WHEREAS: We support this theme in Los Alamos: we emphasize the importance of inclusion in victim services through improving how crime victim response agencies can better ensure that every crime victim has access to services and support; and how professionals, organizations and communities can work together to reach all victims;

NOW, THEREFORE, on behalf of the Council of the Incorporated County of Los Alamos, I do hereby proclaim the Week of April 8 - 14, 2018 as

"CRIME VICTIMS' RIGHTS WEEK"

in Los Alamos County, with honor for those who are crime victims or survivors, and with respect for those who serve them.



County of Los Alamos

Staff Report

April 03, 2018

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.: D.

Index (Council Goals):

Presenters: Harry Burgess, County Manager

Legislative File: 10657-18

Title

Recognition - Los Alamos Police Department Official Earns National Accreditation

Body

The Los Alamos Police Department was presented with a certificate Saturday morning, March 24, 2018 after officially earning National Accreditation from the Commission on Accreditation for Law Enforcement Agencies (CALEA). Known as the “Gold Standard” in Law Enforcement accreditation, less than 5% of all Law Enforcement agencies in North America are nationally accredited. The program is designed to strengthen crime prevention and control, formalize management procedures, establish fair and nondiscriminatory personnel practices, and increase community and staff confidence in the department. The CALEA association is endorsed by the International Chiefs of Police, the National Organization of Black Law Enforcement Executives, the National Sheriffs’ Association and the Police Executive Research Forum.

In July of 2015, the Department started the process to become accredited by reviewing policies and procedures to ensure compliance with 484 CALEA standards. Last November, the Department was evaluated on-site by two CALEA assessors who read policy, inspected work areas, confirmed practices, reviewed proofs, and received input from community members. The assessors then prepared a report for the CALEA Board who presented the Department with the award by unanimous consent after recognizing 100% compliance of applicable standards.

Los Alamos is now the third agency in New Mexico to hold this certification behind the State Police and Farmington Police Department.



County of Los Alamos

Staff Report

April 03, 2018

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.: E.

Index (Council Goals):

Presenters: County Council - Regular Session

Legislative File: 10554-18

Title

Scope of Action for Regional Coalition of LANL Communities (RCLC) Investigation

Body

At its March 5, 2018 meeting, the County Council requested that the County Attorney retain a qualified third party to conduct an independent investigation into the actions of County officials/employees as related to recently questioned acts of the Regional Coalition of LANL Communities. The Council also requested that once an investigator is so engaged, that the individual/firm return to Council to outline its intended scope of action. This agenda item is intended to address this request, and representatives of the Adams & Crow law firm will be present to discuss their intended focus for the planned investigation.

Alternatives

Given that the scope of the contract includes reviewing the actions of Councilors, it is not recommended that Council attempt to direct the actions of the contractor, as this presentation is for informational purposes only. However, if there is an focus area of the proffered scope that is considered to be omitted/out of line with Council's original intent, it would be appropriate to identify such items in a general context.

Fiscal and Staff Impact/Planned Item

Compensation for the contract for this investigation is in the amount of \$30,000. Discussion of this item does not intend to impact/alter the underlying contractual duties nor the amount of compensation.



County of Los Alamos

Staff Report

April 03, 2018

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.: F.

Index (Council Goals): * 2018 Council Goal – Quality Governance – Operational Excellence – Maintain Quality Essential Services and Supporting Infrastructure Including Updated Enterprise Software and Permitting

Presenters: Brian Brogan

Legislative File: 10635-18

Title

Public Health Office Presentation

Body

The Community Services Department Director, Brian Brogan, will discuss the state requirements of a Public Health Office (PHO) and the brief background of the PHO in Los Alamos County. He will also present the options going forward with our PHO. There are two options. Option one is to remain with the State of New Mexico Department of Health (DOH) operating the PHO. Option two is to contract with our Federally Qualified Health Care provider in conjunction with DOH providing supplemental services. Each option will be described in terms of hours of operation, costs, and services provided.

Attachments

A - PHO Presentation

Public Health Office (PHO) Presentation

APRIL 3, 2018



Background

- NM Public Health Act
- State PHO Requirements
- Current PHO Floorplan

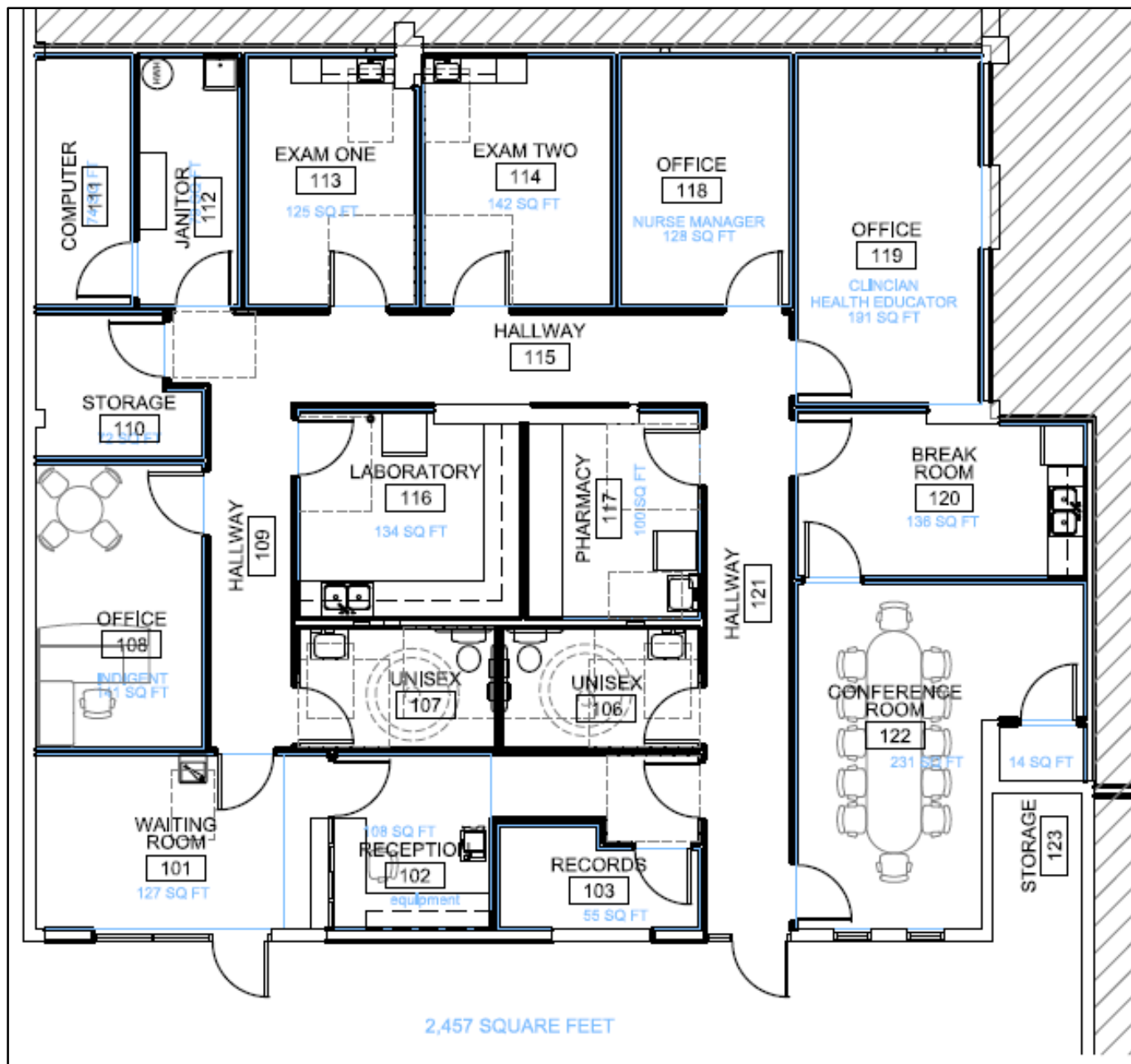
NM Public Health Act

“The board of county commissioners of each county in such health districts shall provide suitable quarters for the county health department and the district health officer, including office space for the district health officer and administrative staff, office space for physician personnel, clinic space for patients and waiting space for patients, their friends and families. The boards of county commissioners shall make proper provision for all office and other expense, including utilities and maintenance, incurred in enforcing the health laws and regulations within the counties wherein such expense is incurred...”

State PHO Requirements

Letter from Department of Health (DOH) Secretary Gallagher dated Feb. 27, 2017 with her interpretation of the Act “In order to provide the services we’ve outlined above; [sic] however, we need the following type and amount of space in which to operate:

- 1 - 10 x 10 (min) pharmacy with its own heating/cooling system and controls
- 1 - 10 x 12 exam room
- 1 - 10 x 10 office
- 1 - 10 x 10 lab with shelving
- 1 - waiting room area for 8 – 10 people
- 1 - reception area
- 1 - client restroom with pass through to lab
- 1 - staff restroom



Current PHO Floorplan

1183 Diamond Drive, Suite D
(across from LAHS)

Options Forward

1. Stay with PHO through State (DOH)
2. Contract with FQHC in conjunction with DOH services providing supplemental services

Option 1

DOH to continue operating the Los Alamos PHO

- Open hours: 1 staff on first and third Tuesday of month, 8am - 5pm
- Some of the services below are provided at the Los Alamos Public Health Office, but most services are referred to Rio Arriba Public Health Office. Services include:
 - Tuberculosis treatment
 - Sexually Transmitted Disease testing and treatment
 - Immunizations for children under 18 years of age
 - Human Immunodeficiency Virus counseling and testing

Option 1 (cont'd)

- Breast and cervical cancer screenings
- Family Planning – limited services provided in Los Alamos
- Women Infant and Children (WIC) Program – 1 staff every second Thursday of the month
- Children's Medical Service Program (CMS) – by appointment only

Option 2

Contract with FQHC to operate the Los Alamos PHO with DOH providing supplemental services

- Our FQHC currently operates health centers in Rio Arriba, San Miguel, and Taos
- Proposed Hours:
 - 2 days per week
 - 7:30am – 4:00pm for students
 - 4:00 – 6:30pm for the general public
- Timeline: 6 months to a year following approval

Option 2 (cont'd)

- Proposed FQHC services include:
 - Family Planning
 - Primary Medical Care
 - All Standard Medical Procedures
 - Annual or Sports Physicals
 - Well Child
 - Behavioral Health Services
 - Immunizations
 - Diabetes Prevention & Control
 - Nutrition Counseling
 - Weight Management
 - Asthma Services
- DOH supplemental services include:
 - Women Infant and Children
 - Child Medical Service Program
 - Others as appropriate

Option 2 (cont'd)

Estimated Annual Expenses	
Personnel	\$ 130,000
Operating and Administration	\$ 60,000
Total Annual Expenses	\$ 190,000

Estimated Start-up Expenses	
Licenses & Equipment	\$ 20,000
Initial Renovation	\$ 20,000
Total Start-up Expenses	\$ 40,000

Estimated Annual Revenue	
Projected FQHC Income through billing	\$ 50,000
Projected LAC operating budget *	\$ 130,000
Proposed LAPS Subsidy	\$ 20,000
Total Annual Revenue	\$ 200,000

Shortage	\$ (30,000)
-----------------	--------------------

* \$80,000 is in base budget, \$50,000 is an FY19 Add Option



County of Los Alamos

Staff Report

April 03, 2018

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.:

Index (Council Goals):

Presenters:

Title

April 3, 2018 Consent Motion:

Recommended Action

I move that Council approve the items on the Consent Agenda as presented and that the motions in the staff reports be included for the record; or,

I move that Council approve the items on the Consent Agenda and that the motions contained in the staff reports, as amended be included for the record.



County of Los Alamos

Staff Report

April 03, 2018

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.: A.

Index (Council Goals): * 2018 Council Goal – Quality Governance – Operational Excellence – Maintain Quality Essential Services and Supporting Infrastructure Including Updated Enterprise Software and Permitting

Presenters: Steve Cummins, Deputy Utilities Manager - Power Supply

Legislative File: AGR0562-18

Title

Approval of Amendment No. 4 to Services Agreement No. AGR 12-3838 with John & Hengerer for a Revised Total Agreement Amount of \$395,000.00, plus Applicable Gross Receipts Tax for the Purpose of Providing Legal Services to the Incorporated County of Los Alamos Relating to Matters Pending Before the Federal Energy Regulatory Commission and/or Other Federal Agencies Involved in Energy Regulation

Recommended Action

I move that Council approve, Amendment No. 4 to Services Agreement No. AGR 12-3838 with John & Hengerer for a Revised Total Agreement Amount of \$395,000.00, plus Applicable Gross Receipts Tax for the Purpose of Providing Legal Services to the Incorporated County of Los Alamos Relating to Matters Pending Before the Federal Energy Regulatory Commission and/or Other Federal Agencies Involved in Energy Regulation.

..Utilities Manager's Recommendation

The Utilities Manager recommends that Council approve the amendment as requested.

Board, Commission or Committee Recommendation

The Board of Public Utilities recommends that Council approve the amendment as requested.

Body

The John & Hengerer law firm continues to provide advice and represent the County on matters pending before the Federal Energy Regulatory Commission associated with electric transmission issues. The County uses this firm each year during the PNM formula rate true up in accordance with the 2012 Formula Rate Case settlement. The County Attorney's office has reviewed this contract amendment and agrees that the continued use of the services of this firm is in the best interests of Los Alamos County.

Alternatives

Acquire alternative Counsel to represent the County at the FERC proceedings.

Fiscal and Staff Impact/Planned Item

Approval of this amendment will increase the agreement's total compensation amount by \$100,000. The approved FY2018 and FY2019 budgets will cover the estimated expenses associated with these proceedings.

Attachments

A - AGR12-3838-A4

**AMENDMENT NO. 4
INCORPORATED COUNTY OF LOS ALAMOS
SERVICES AGREEMENT**

This **AMENDMENT NO. 1** (this "Amendment") is entered into by and between the **Incorporated County of Los Alamos**, an incorporated county of the State of New Mexico ("County"), and **John & Hengerer, LLP**, a Washington, D.C., law partnership ("Consultant"), to be effective for all purposes July 1, 2018.

WHEREAS, County and Consultant entered into Services Agreement No. AGR12-3838, dated November 1, 2011; Amendment No. 1, AGR12-3838-A1, dated October 31, 2013; Amendment No. 2, AGR12-3838-A2, dated July 22, 2014; and Amendment No. 3, AGR12-3838-A3, dated July 1, 2016, (the "Agreement"), for legal services to County relating to matters pending before the Federal Energy Regulatory Commission and/or other federal agencies involved in energy regulation; and

WHEREAS, the Services are ongoing and County and Consultant wish to extend the Term and the Compensation of the Agreement; and

WHEREAS, this Amendment was approved by the Board of Public Utilities at a public meeting held on March 21, 2018, and approved by the County Council at a public meeting held on April 3, 2018.

NOW, THEREFORE, for good and valuable consideration, Consultant and County agree as follows:

1. To delete **SECTION B. TERM** in its entirety and replace it with the following:

SECTION B. TERM: The term of this Agreement shall commence July 1, 2018, and shall continue until June 30, 2021, unless sooner terminated, as provided herein.

2. To delete **SECTION C. COMPENSATION** in its entirety and replace it with the following:

SECTION C. COMPENSATION:

1. **Amount of Compensation.** County shall pay compensation for the performance of the Services in an amount not to exceed THREE HUNDRED NINETY-FIVE THOUSAND DOLLARS (\$395,000.00), including reimbursable expenses, but which amount does not include applicable New Mexico Gross Receipts Taxes (NMGRT). Compensation for Services and reimbursable expenses shall be paid in accordance with Exhibit "A," attached hereto and made a part hereof for all purposes.
2. **Monthly Invoices.** Consultant shall submit monthly invoices to the County Attorney. Invoices shall provide a detailed description of services provided each day; the amount of time spent by Consultant on a daily basis; the hourly rate; the total number of hours spent in providing the service; the amount of compensation for services; itemized reimbursable expenses, if any, and the total of such expenses; the amount of any New

Mexico gross receipts taxes; and the total amount payable. Payment of undisputed amounts shall be due and payable thirty (30) days after County's receipt of the invoice.

3. To remove Exhibit "A" in its entirety and replace it with the amended Compensation Rate Schedule attached hereto as Exhibit "A".

Except as expressly modified by this Amendment No. 4, the terms and conditions of the Agreement remain unchanged and in effect.

IN WITNESS WHEREOF, the parties have executed this Amendment No. 4 on the date(s) set forth opposite the signatures of their authorized representatives to be effective for all purposes on the date first written above.

ATTEST

INCORPORATED COUNTY OF LOS ALAMOS

NAOMI D. MAESTAS
COUNTY CLERK

By: _____
TIMOTHY A. GLASCO, P.E. **DATE**
UTILITIES MANAGER

Approved as to form:

J. ALVIN LEAPHART
COUNTY ATTORNEY

JOHN & HENGERER, A Washington, D.C., Law
PARTNERSHIP

DOUGLAS F. JOHN, PARTNER **DATE**

Exhibit "A"
Compensation Rate Schedule
AGR12-3838-A4

Fees for Services shall be based on time actually spent rendering Services satisfactory to County at the following hourly rates:

Douglas F. John	\$500.00
Kevin M. Sweeney	\$450.00
Gordon J. Smith	\$450.00
Matthew T. Rick	\$450.00
Elizabeth A. Zembruski	\$450.00
Kathleen Quinn	\$ 90.00

Reimbursable expenses shall be limited to and paid at the following rates:

- Commercial Messenger/Delivery Services – Actual Charge
- Facsimile – Actual Phone Charge
- Photocopies - .10 per copy or actual costs for large copying projects completed outside the Contractor's Office
- LEXIS, WESTLAW, DIALOG, NM Legal Net Computerized Legal Research – Actual cost with approval of the County Attorney
- Long Distance Telephone Calls – Actual Cost
- Postage – Actual out-of-the ordinary postage costs (i.e., federal express or similar express mail)
- Travel Costs – Actual Cost



County of Los Alamos

Staff Report

April 03, 2018

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.: B.

Index (Council Goals): BCC - N/A

Presenters: Steve Cummins, Deputy Utilities Manager - Power Supply

Legislative File: AGR0563-18

Title

Approval of Amendment No. 1 to Services Agreement No. AGR 16-4270 with Virtue & Najjar, P.C. in an Amount of \$200,000.00 for the period commencing July 1, 2018 through June 30, 2021, resulting in a Revised Total Agreement Amount of \$400,000.00, plus Applicable Gross Receipts Tax, for the Purpose of Providing Legal Services in Connection with the Incorporated County of Los Alamos' Utilities Operations

Recommended Action

I move that Council approve Amendment No. 1 to Services Agreement No. AGR 16-4270 with Virtue & Najjar, P.C. in an Amount of \$200,000.00 for the period commencing July 1, 2018 through June 30, 2021, resulting in a Revised Total Agreement Amount of \$400,000.00, plus Applicable Gross Receipts Tax, for the Purpose of Providing Legal Services in Connection with the Incorporated County of Los Alamos' Utilities Operations

..Utilities Manager's Recommendation

The Utilities Manager recommends that Council approve the amendment as requested.

Board, Commission or Committee Recommendation

The Board of Public Utilities recommends that Council approve the amendment as requested.

Body

The County has been using Virtue & Najjar for legal services as requested by the County Attorney in connection with County's utilities operations. Virtue & Najjar is currently supporting Utilities in the San Juan Generating Station, New Mexico Gas Company, UAMPS Carbon Free Power Project and other utility matters as requested. Staff recommends issuing a new contract to Virtue and Najjar for ongoing support as requested. The County Attorney's office has reviewed this contract amendment and agrees that the continued use of the services of this firm is in the best interests of Los Alamos County.

Alternatives

Solicit new bids for outside legal services and potentially need to bring a new provider up to speed on current legal matters being administered by Virtue and Najjar.

Fiscal and Staff Impact/Planned Item

Fiscal impact included annually in Utilities fiscal year budgets. No staff impact.

Attachments

A - AGR16-4270-A1

**AMENDMENT NO. 1
INCORPORATED COUNTY OF LOS ALAMOS
SERVICES AGREEMENT**

This **AMENDMENT NO. 1** (this "Amendment") is entered into by and between the **Incorporated County of Los Alamos**, an incorporated county of the State of New Mexico ("County"), and **Virtue & Najjar, PC**, a New Mexico professional corporation ("Contractor"), to be effective for all purposes July 1, 2018.

WHEREAS, County and Contractor entered into Services Agreement No. AGR16-4270, dated August 26, 2015 (the "Agreement"), for legal services as requested by the County Attorney in connection with County's utilities operations, including but not limited to, regulatory proceedings before the Utility Division of the New Mexico Public Regulation Commission, representation in fuel supply and utility rate and regulation matters, advice and legal counsel in matters related to financing, advice, legal counsel in matters involving the New Mexico Environment Department, and generally in all legal matters related to the operation of a utility; and

WHEREAS, the Services are ongoing and County and Contractor wish to extend the Term and the Compensation of the Agreement; and

WHEREAS, this Amendment was approved by the Board of Public Utilities at a public meeting held on March 21, 2018, and approved by the County Council at a public meeting held on April 3, 2018.

NOW, THEREFORE, for good and valuable consideration, Contractor and County agree as follows:

1. To delete **SECTION B. TERM** in its entirety and replace it with the following:

SECTION B. TERM: The term of this Agreement shall commence August 26, 2015, and shall continue until June 30, 2021, unless sooner terminated, as provided herein.

2. To delete **SECTION C. COMPENSATION** in its entirety and replace it with the following:

SECTION C. COMPENSATION:

1. Amount of Compensation. County shall pay compensation for the performance of the Services in an amount not to exceed TWO HUNDRED THOUSAND DOLLARS (\$200,000) for the period commencing July 1, 2018 through June 30, 2021, for a total of FOUR HUNDRED THOUSAND DOLLARS (\$400,000.00) for the entire term of the Agreement, including this extension, including reimbursable expenses, but which amount does not include applicable New Mexico Gross Receipts Taxes (NMGR). Compensation for Services and reimbursable expenses shall be paid in accordance with Exhibit "A," attached hereto and made a part hereof for all purposes.

2. Monthly Invoices. Contractor shall submit monthly invoices to the County Attorney. Invoices shall provide a detailed description of services provided each day; the amount of time spent by Contractor on a daily basis; the hourly rate; the total number of hours spent in

providing the service; the amount of compensation for services; itemized reimbursable expenses, if any, and the total of such expenses; the amount of any New Mexico gross receipts taxes; and the total amount payable. Payment of undisputed amounts shall be due and payable thirty (30) days after County's receipt of the invoice.

3. To remove **Exhibit "A", Compensation Rate Schedule**, in its entirety and replace it with the amended Compensation Rate Schedule attached hereto as Exhibit "A".

Except as expressly modified by this Amendment No. 1, the terms and conditions of the Agreement remain unchanged and in effect.

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 on the date(s) set forth opposite the signatures of their authorized representatives to be effective for all purposes on the date first written above.

ATTEST

INCORPORATED COUNTY OF LOS ALAMOS

NAOMI D. MAESTAS
COUNTY CLERK

BY: _____
TIMOTHY A. GLASCO, P.E. **DATE**
UTILITIES MANAGER

Approved as to form:

J. ALVIN LEAPHART
COUNTY ATTORNEY

VIRTUE & NAJJAR, PC, A NEW MEXICO
PROFESSIONAL CORPORATION

DANIEL A. NAJJAR, PRESIDENT **DATE**

Exhibit "A"
Compensation Rate Schedule
AGR16-4270-A1

Fees for Services shall be based on time actually spent rendering Services satisfactory to County at the following hourly rates:

Richard L.C. Virtue	\$197.00
Daniel A. Najjar	\$197.00
Paralegal	\$ 85.00
Of Counsel Lawyers	\$185.00 with approval of the County Attorney
Associate Lawyers	\$145.00 with approval of the County Attorney

Reimbursable expenses shall be limited to and paid at the following rates:

- Commercial Messenger/Delivery Services – Actual Charge
- Facsimile – Actual Phone Charge
- Photocopies - .10 per copy or actual costs for large copying projects completed outside the Contractor's Office
- LEXIS, WESTLAW, DIALOG, NM Legal Net Computerized Legal Research – Actual cost with approval of the County Attorney
- Long Distance Telephone Calls – Actual Cost
- Postage – Actual out-of-the ordinary postage costs (i.e., federal express or similar express mail)
- Travel Costs – Actual Cost



County of Los Alamos

Staff Report

April 03, 2018

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.: C.

Index (Council Goals): * 2018 Council Goal – Quality Governance – Intergovernmental Relations – Strengthen Coordination and Cooperation Between County Government, LANL, and Regional and National Partners

Presenters: County Council - Regular Session

Legislative File: RE0366-18

Title

Incorporated County of Los Alamos Resolution No.18-07. A Resolution Supporting Continued Service by the New Mexico Rail Runner Express

Recommended Action

I move that Council adopt Incorporated County of Los Alamos Resolution No. 18-07, a Resolution Supporting Continued Service by the New Mexico Rail Runner Express

County Manager's Recommendation

The County Manager recommends that Council adopt Incorporated County of Los Alamos Resolution No. 18-07.

Body

The North Central Regional Transit District (NCRTD) has requested that each of its members consider the attached resolution in support of an extension of time for the installation of positive train control measures by the NM Rail Runner Express (NMRX). NMRX is a component of the overall multi-modal transit system serving Northern New Mexico, and as such it is an issue of concern for NCRTD. At present, it is understood that if such an extension is not granted, the Rail Runner services will be discontinued at the end of this calendar year until such time as the controls can be purchased and installed. The issue of concern for NMRX is one of funding, and they are currently pursuing financing mechanisms to address the required control systems, however it is anticipated that such financing and subsequent procurement will not occur within the currently mandated time frames.

Alternatives

Council could choose to not approve this resolution, in which case the County would not be viewed in support of this issue.

Fiscal and Staff Impact/Unplanned Item

There is no anticipated fiscal or staff impact associated with the approval of this resolution.

Attachments

A - Resolution No. 18-07 Support Rail Runner Express

B - Publication Notice for Resolution No. 18-07

INCORPORATED COUNTY OF LOS ALAMOS RESOLUTION NO. 18-07

A RESOLUTION SUPPORTING CONTINUED SERVICE BY THE NEW MEXICO RAIL RUNNER EXPRESS

WHEREAS, the Incorporated County of Los Alamos ("County") considers the continuation of service by New Mexico Rail Runner Express (NMRX) to be important to the County and the Region; and

WHEREAS, the County is aware that the federal government has mandated Positive Train Control (PTC) systems be installed on all Class 1 freight and all commuter railroads by December 31, 2018, but has provided only minimal funding for implementation; and

WHEREAS, Rio Metro Regional Transit District (RMRTD) operates the NMRX on behalf of the New Mexico Department of Transportation (NMDOT) who owns the NMRX track and the NMRX rolling stock; and

WHEREAS, the NMDOT has indicated that it is unable to provide the capital funding required to implement PTC on the NMRX, estimated at Fifty-Five Million Dollars (\$55,000,000.00); and

WHEREAS, RMRTD has applied for multiple federal grants to facilitate funding the implementation of PTC, and has received Three Million Six Hundred Thousand Dollars (\$3,600,000.00) through these efforts; and

WHEREAS, RMRTD began to receive an additional Four Million Dollars (\$4,000,000.00) in FTA 5337 (State of Good Repair) formula funding annually beginning in federal fiscal year 2017 that is eligible for supporting PTC implementation; and

WHEREAS, in addition to pursuing PTC installation and the required funding, RMRTD has also pursued alternatives to installing PTC, including submitting for a mainline track exclusion (an exemption from having to install PTC) for the NMRX. These requests were denied by the Federal Railroad Administration (FRA); and

WHEREAS, RMRTD, following guidance provided by FRA after their denial of the PTC exemption request, has been working with the FRA and tenant railroads (Burlington Northern Santa Fe Corporation and Amtrak) to develop a "Risk Mitigation Plan" in accordance with 49 CFR § 236.1019(c)(1)(iii), to allow continued operations of the NMRX after the December 31, 2018 PTC implementation deadline in a temporary capacity; and

WHEREAS, RMRTD, working with the NMDOT, issued a Request for Proposals (RFP) on January 29, 2018, for the implementation of PTC on the NMRX; and

WHEREAS, RMRTD has applied for a State Infrastructure Bank (SIB) loan through NMDOT to partially fund the implementation of PTC on the NMRX using Rio Metro gross receipt tax funds to service debt; and

WHEREAS, RMRTD is working with Federal Transit Administration (FTA) to partially fund the implementation of PTC through a combination of current years FTA 5337 formula funds and grant anticipation financing using future FTA 5337 formula funds to service debt; and

WHEREAS, the State Transportation Commission (STC) will consider the SIB application at their March 15, 2018 regularly scheduled meeting in Rio Rancho, New Mexico; and

WHEREAS, County believes that it would be in the best interest of the traveling public and for regional connectivity to continue Rail Runner services past the 2018 deadline while the implementation of PTC is still pending; and

WHEREAS, the County Council wishes to express its support for a resolution to the PTC issues that ensures continuation of rail service after the December 31, 2018 federal deadline for the implementation of a PTC system.

NOW THEREFORE BE IT RESOLVED THAT the County, hereby supports the continued operation of the NMRX after the December 31, 2018 federal deadline for installing PTC and encourages all persons and entities involved, including but not limited to the agents of the federal government, to take such steps as are reasonably practicable to permit and ensure the continued operation of the NMRX commuter service after the federal deadline until the instillation of a PTC system is completed. Further, County hereby supports the RMRTD SIB loan application being considered by NMDOT and also supports RMRTD's efforts working with FTA to finance a portion of PTC Implementation with grant anticipation financing using future FTA 5337 funds to service debt.

PASSED AND ADOPTED this 3rd day of April, 2018.

**COUNCIL OF THE INCORPORATED
COUNTY OF LOS ALAMOS**

David Izraelevitz
Council Chair

ATTEST:

Naomi D. Maestas
Los Alamos County Clerk

NOTICE OF RESOLUTION NO. 18-07

STATE OF NEW MEXICO, COUNTY OF LOS ALAMOS

Notice is hereby given that the Council of the Incorporated County of Los Alamos, State of New Mexico, has directed publication of Los Alamos County Resolution No. 18-07. This will be considered by the County Council at an open meeting on Tuesday, April 3, 2018 at 6:00 p.m., at the Los Alamos County Municipal Building: 1000 Central Avenue, Los Alamos, New Mexico 87544. The full copy is available for inspection or purchase, during regular business hours, in the County Clerk's Office: 1000 Central Avenue, Suite 240.

INCORPORATED COUNTY OF LOS ALAMOS RESOLUTION NO. 18-07

A RESOLUTION SUPPORTING CONTINUED SERVICE BY THE NEW MEXICO RAIL RUNNER EXPRESS

Council of the Incorporated County of Los Alamos

By: /s/ David Izraelevitz, Council Chair

Attest: /s/Naomi D. Maestas, County Clerk



County of Los Alamos

Staff Report

April 03, 2018

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.:	D.
Index (Council Goals):	BCC - N/A
Presenters:	Bob Westervelt, Deputy Utilities Manager - Finance/Admin
Legislative File:	10300-18

Title

Approval of AGR18-41, San Juan Generating Station Decommissioning Trust Agreement.

..Suggested Motion

I move that Council approve AGR18-41 with Bank of Albuquerque for establishment of a Trust for the purpose of fulfilling the County's funding obligation under the San Juan Generating Station Decommissioning Trust Funds Agreement.

..Recommendation

The Utilities Manager recommends that Council approve the motion as presented.

Board, Commission or Committee Recommendation

The Board of Public Utilities recommends that Council approve the motion as presentedd.

Body

Los Alamos County is a participant in the San Juan Generating Station near Farmington New Mexico. Ownership and participation in the San Juan plant was revised and restructured through The San Juan Project Restructuring Agreement among the San Juan Project participants dated July 31, 2015, and the Exit Date Amendment Amending and Restating the Amended and Restated San Juan Project Participation Agreement among the San Juan Project participants, also dated July 31, 2015. The Participants' rights and obligations with respect to Plant Decommissioning Costs are governed by the San Juan Decommissioning and Trust Funds Agreement among the San Juan Project Participants, also dated July 31, 2015. "Closing" on these restructuring agreements became effective on or about December 31, 2017. The Decommissioning Agreement requires that within 90 days of closing on the restructuring agreements an Irrevocable Trust Fund be established by each Project Participant to satisfy that participant's share of decommissioning costs, as defined by the Decommissioning Agreement. The Plant Decommissioning Agreement requires that this trust fund be established, funded, and maintained until completion of the decommissioning work, as determined by the Plant Decommissioning Oversight Committee, on which each Project Participant has representation. Because of the uncertain end date of decommissioning activities, it cannot be known how long the trust will be required, and thus what the total obligation under this agreement will be. The fee proposed is a \$500 setup fee, and an annual fee of \$2,500 per year, which will be required for the duration of the decommissioning activities. The Trustee recommended was competitively selected through issuance of a formal RFP (request for proposals). Two proposals were received and the recommended offeror was the unanimous recommendation of the evaluation committee.

Alternatives

Establishment of this trust is an obligation already accepted via the restructuring agreements, including the San Juan Decommissioning and Trust Funds Agreement among the San Juan Project Participants, dated July 31, 2015. Should this motion not pass the County would stand in default on the Decommissioning and Trust Funds Agreement until the required trust fund is established.

Fiscal and Staff Impact/Planned Item

We have been accruing funds for Plant Decommissioning for several years and will use these moneys to fund the Trust Account, so the fiscal impact is limited to the setup fee and annual fee discussed above. The funding of the Trust will involve a transfer of funds from one restricted account to another on the fund statement of the Electric Production Utility's sub-fund.

Attachments

A - AGR18-41 Bank of Albuquerque Trust Agreement Final

B - AGR18-41 Exhibit 1 - San Juan Decommissioning and Trust Funds Agreement among the San Juan Project Participants, dated July 31, 2015

C - AGR18-41 Exhibit 2 - Price Schedule

**SAN JUAN GENERATING STATION
DECOMMISSIONING TRUST AGREEMENT**

This San Juan Generating Station Decommissioning Trust Agreement (“Decommissioning Trust Agreement”) is entered into as of April 4, 2018, by and between the **INCORPORATED COUNTY OF LOS ALAMOS**, a body politic and corporate (“County”) in its capacity as a participant in the San Juan Project, and **BOKF, N.A. dba Bank of Albuquerque**, as Trustee (in its capacity as Trustee hereunder, the “Trustee”), upon the terms and conditions set forth in this Decommissioning Trust Agreement. The County and the Trustee are collectively referred to as the “Parties” or individually as a “Party”.

RECITALS

WHEREAS, the San Juan Project is a coal-fired electric generation plant located in San Juan County, near Farmington, New Mexico, also known as the San Juan Generating Station (“SJGS”, “San Juan Project”, or “Project”).

WHEREAS, Public Service Company of New Mexico (“PNM”), Tucson Electric Power Company (“TEP”), the City of Farmington, New Mexico (“Farmington”), M-S-R Public Power Agency (“M-S-R”), the Incorporated County of Los Alamos, New Mexico (“Los Alamos”), Southern California Public Power Authority (“SCPPA”), City of Anaheim (“Anaheim”), Utah Associated Municipal Power Systems (“UAMPS”) and Tri-State Generation and Transmission Association, Inc. (“Tri-State”) (collectively, the “Decommissioning Parties”) have entered into the San Juan Decommissioning and Trust Funds Agreement dated July 31, 2015 (“July 2015 Agreement”), to establish a methodology for planning and approving SJGS Decommissioning Work and funding and allocating the cost of Decommissioning Work as defined in the July 2015 Agreement.

WHEREAS, PNMR Development and Management Corporation (“PNMR-D”) was also a party to the July 2015 Agreement, but PNMR-D has assigned its interests and delegated its obligations under the July 2015 Agreement to PNM.

WHEREAS, this Decommissioning Trust Agreement is being entered into pursuant to the July 2015 Agreement.

AGREEMENT

NOW, THEREFORE, for valuable consideration, the receipt of which is acknowledged, the County and the Trustee agree that the County is establishing a

spendthrift trust by these terms of trust, and herewith transferring funds to the Trustee, pursuant to the terms of this Decommissioning Trust Agreement, to be held in trust (such trust being referred to herein as the “Decommissioning Trust”) under the terms of this Decommissioning Trust Agreement for the benefit of the Beneficiaries as identified in Section 2.1 below and as required by the July 2015 Agreement attached and incorporated herein as **Exhibit 1**. Furthermore, the Trustee agrees to take all actions related to the trust assets pursuant to the terms of this Decommissioning Trust Agreement or as may be amended.

ARTICLE 1

NAME OF TRUST AND PURPOSE

1.1 Name. This San Juan Generating Station Decommissioning Trust Agreement may be referred to as the “Decommissioning Trust Agreement” by and between the County and Trustee.

1.2 Purpose. The purpose of this Decommissioning Trust Agreement is for the County to provide funding for the payment of Decommissioning Costs for the San Juan Project in accordance with the County’s obligations as set out in the July 2015 Agreement.

ARTICLE 2

TRUST BENEFICIARIES

2.1 Identification of Beneficiaries. The beneficiaries of this Decommissioning Trust (“Beneficiaries”) are: (i) the County, as the settlor; (ii) each of the other Decommissioning Parties; and (iii) the Decommissioning Agent as provided for in the July 2015 Agreement. At the time of the establishment of the County’s Trust, the County will notify and provide to the Trustee the names and contact information of all of the Decommissioning Parties and the Decommissioning Agent.

2.2 Settlor’s Relinquishment of Beneficial Interest. The County, as settlor of the Decommissioning Trust, retains no beneficial interest in the funds held in trust except to utilize funds in the Decommissioning Trust as set forth in Section 4 and to receive a return of any funds that may remain in the Decommissioning Trust after the purposes of the Decommissioning Trust have been accomplished and the Decommissioning Trust has been terminated.

ARTICLE 3

DECOMMISSIONING TRUST FUND

3.1 Decommissioning Trust Fund. The County hereby establishes and is funding herewith the Decommissioning Trust Fund in accordance with the July 2015 Agreement. Prior to termination, funds may be disbursed from the Decommissioning Trust Fund for the following and no other purposes: (a) to pay the costs and fees associated with the maintenance of the Decommissioning Trust Account, including the fees and expenses of the Trustee attached and incorporated by reference as **Exhibit 2**; and (b) to pay the County's Decommissioning Share (as defined in Section 5.3 and Exhibit A of the July 2015 Agreement) of Decommissioning Costs pursuant to invoices rendered to the County by the Decommissioning Agent (as that term is defined in the July 2015 Agreement) and approved for payment by the County. The Trustee will pay funds out of the County's Decommissioning Trust Fund in accordance with the following procedures.

3.1.1. The Decommissioning Agent will bill the County, in writing, for Decommissioning Costs at least ten (10) Business Days prior to the date that payment is due. The term "Business Day" means any day of the year, excluding Saturday, Sunday and any other day on which the Trustee is closed for business. The County will promptly review the Decommissioning Agent's invoice and, upon the County's review and written approval of such invoice, the County will direct the Trustee to pay such invoice by making payment out of the assets of the Decommissioning Trust, in immediately available funds. Upon the making of such payment to the Decommissioning Agent, the Trustee will provide notice of such payment to the County.

3.1.2. The County will provide the Trustee with appropriate wiring (or Automated Clearing House) instructions for the making of payments in immediately available funds to the Decommissioning Agent. The County will notify the Trustee of the identity of the Decommissioning Agent and of any changes in the Decommissioning Agent. Subject to and in accordance with the terms and conditions hereof, the Trustee agrees that it will receive, hold in trust, invest, reinvest, and release, disburse or distribute the funds in the Decommissioning Trust Account ("Decommissioning Trust Fund").

3.1.3. All interest and other earnings on the Decommissioning Trust Fund will become a part of the Decommissioning Trust Account and the Decommissioning Trust Fund for all purposes, and all losses resulting from the investment or reinvestment thereof from time to time, and all amounts charged thereto to compensate or reimburse the Trustee for amounts owing to it hereunder from time to time, will be set off against the Decommissioning Trust Fund, from the time of such loss or charge, and thereafter no longer will constitute part of the Decommissioning Trust Fund.

3.2 Funding Provisions. The County will fund the Decommissioning Trust Account according to the terms set forth in the July 2015 Agreement. The Trustee will have no obligation to take any action whatsoever in connection with the County's funding of the Decommissioning Trust, or to enforce any obligations that the County has, or may

have, under the July 2015 Agreement with respect to the funding and replenishment of the Decommissioning Trust.

3.3 Notice to Trustee. The Trustee will be entitled to receive and may conclusively rely upon a written notice from the County of funding requirements pursuant to this Decommissioning Trust Agreement. Any notice described in this Section 3.3 will be delivered to the Trustee as provided in Section 11.12.

ARTICLE 4

IRREVOCABILITY; MODIFICATIONS

4.1 Modifications. The Decommissioning Trust created pursuant to this Decommissioning Trust Agreement is irrevocable and may not be modified by the County in a manner that (i) is inconsistent with the July 2015 Agreement; or (ii) will adversely affect the ability of any Beneficiary to perform its obligations under the July 2015 Agreement. It will be a condition to any modification of this Decommissioning Trust Agreement that the County certifies to the Trustee that such modification is not inconsistent with the July 2015 Agreement and will not adversely affect the ability of any Beneficiary to perform its obligations under the July 2015 Agreement. In no circumstance will this Decommissioning Trust Agreement be modified in a way that impacts the Trustee's rights or duties, without the Trustee's prior written consent.

ARTICLE 5

TRUSTEE'S DUTIES

5.1 Good Faith Duties of Administration. The Trustee must exercise reasonable care, skill and caution in the administration of the Decommissioning Trust and must administer the Decommissioning Trust in good faith, in accordance with the terms of this Decommissioning Trust Agreement and the July 2015 Agreement. The Trustee shall administer the trust in good faith, in accordance with its terms and purposes and the interests of the beneficiaries and in accordance with the Uniform Trust Act.

5.2 No Conflicts of Interest. The Decommissioning Trust will be administered solely in the interests of the Beneficiaries. The Trustee will not permit to exist a conflict of interest between its duties under this Decommissioning Trust Agreement and its personal interests and must keep the Decommissioning Trust property separate from the Trustee's own property.

ARTICLE 6

TRUSTEE'S POWERS

6.1 Limited Powers. The Trustee will be vested with the following specific powers and discretion in addition to any other powers conferred upon the Trustee by law:

(a) Consultation with the County. The Trustee will have the power to regularly consult and confer with the County on all matters affecting the administration and investment of the Decommissioning Trust Fund to ensure that the Decommissioning Trust Funds are used for permitted purposes.

(b) Investment Decisions. The Trustee agrees to invest and reinvest the Decommissioning Trust Fund only as provided herein. The Parties recognize and agree that the Trustee will not provide supervision, recommendations or advice relating to either the investment of the Decommissioning Trust Fund property or the purchase, sale, retention or other disposition of any permitted investment. Interest and other earnings on investments will be added to the Decommissioning Trust Account. Any loss or expense incurred as a result of an investment will be borne by the Decommissioning Trust property account. The Trustee will have no responsibility or liability for any diminution in value of any assets held hereunder that may result from any investments or reinvestments made in accordance with the provisions contained herein. Only upon written instruction of the County, the Trustee may invest property of the Decommissioning Trust Fund in the Cavanal Hill Institutional Treasury Fund, or a successor or similar fund offered by the Trustee (–“Fund”). Where instructed in writing by the County, Trustee may execute purchases and sales of investments through the facilities of its own trading or capital markets operations or those of any affiliated entity. The County acknowledges that it has received, upon its request, and reviewed the Fund’s prospectus and has determined that the Fund is an appropriate investment for the Decommissioning Trust Funds.

(c) Appointment of Investment Manager(s). The County may appoint in writing one or more investment managers (the “Investment Managers”) to direct the investment of all or part of the Decommissioning Trust Fund. The County will also have the right to remove any such Investment Manager. The appointment of the Investment Manager(s) will be made in accordance with the July 2015 Agreement. The County will provide notice of any such appointment to the Trustee which notice will specify the portion of the Decommissioning Trust Funds to which the Investment Manager has been authorized to invest, reinvest, or return to the Trust Account Fund. Each Investment Manager will certify in writing, along with independent written authorization County to the Trustee that it is qualified to act in the capacity provided under an investment manager agreement with the County. The Trustee will accept the County’s designation and appointment of such Investment Manager. The County will also certify the identity of the

person or persons authorized to give instructions or directions to the Trustee on its behalf, including specimen signatures, and will undertake to perform the duties imposed on it under the relevant investment manager agreement. The Trustee may continue to rely upon all such certifications unless otherwise notified in writing by the County or the Investment Manager(s), as the case may be. The County may also utilize, as a Decommissioning Trust Account investment, pooled funds that are SEC-registered mutual funds, bank commingled funds, insurance company pooled funds or pooled funds of registered investment advisors whose portfolio is designed to track an equity or fixed income market index. Only upon the County's written instructions, the Trustee may procure for the Decommissioning Trust Account a pooled fund and will take the actions necessary to ensure that the pooled fund's value is properly reflected on the account statement.

(d) Direction by Investment Manager(s). The Investment Manager(s) designated by the County to manage the specified and authorized portion of the Decommissioning Trust Fund will have only the authority to manage such portion of the Decommissioning Trust Fund as has been previously authorized in writing by the County. Each Investment Manager is authorized to only invest in securities specified by the County, which will be consistent with the guidelines established pursuant to the July 2015 Agreement. The Trustee, upon proper notification from an Investment Manager, will execute and deliver in accordance with the appropriate trading authorizations. Written notification of the issuance of each such authorization will be given promptly to the Trustee and County by the Investment Manager(s), and the Investment Manager(s) will cause the execution of such order to be confirmed in writing to the Trustee and County by the broker or dealer. Such notification will be proper authority for the Trustee to pay for portfolio securities purchased against receipt thereof and to deliver portfolio securities sold against payment therefor, as the case may be.

(e) Authority of Investment Manager(s). The authority of the Investment Manager(s) and the terms and conditions of the appointment and retention of the Investment Manager(s) will be the sole responsibility of the County, consistent with the July 2015 Agreement, and the Trustee will not be deemed to be a party to or to have any obligations under any agreement of the County with the Investment Manager(s) except to ensure that the Investment Manager has and remains the duly appointed agent of the County. Any duty of supervision or review of the acts, omissions or overall performance of the Investment Manager(s) will be the exclusive responsibility of the County, and the Trustee will have no duty to review the actions of or performance by the Investment Manager(s) or to initiate any report or communication to the County with respect to the exercise or non-exercise of any power by the Investment Manager(s).

(f) Trustee Responsibility Regarding Investment Manager(s). The Trustee will be under no liability of any kind which may result by reason of any action taken by it in accordance with any direction of the Investment Manager(s). In any event, the Trustee will be under no liability for any loss of any kind by reason of changes in value of the investments purchased, sold or retained by the Investment Manager(s), nor for the risk or diversification of the portfolio, nor for the turnover of the investments, nor for any other aspect of a portfolio for which an Investment Manager(s) has been appointed.

(g) Purchase or Sale Orders. Orders for the purchase or sale of any security which are received by the Trustee before the published trade deadline then in effect will ordinarily be executed that day. Orders for the purchase or sale of any security which are received by the Trustee after the published trade deadline then in effect will ordinarily be executed the following Business Day.

(h) Account Statement. Receipt, investment and reinvestment of the Decommissioning Trust Funds will be confirmed by the Trustee in monthly account statements sent to the County and, if requested by the County, to any of the other Beneficiaries. Any discrepancies in any such account statement will be noted by the County to the Trustee within sixty (60) calendar days after receipt thereof. For purposes of this Section 6.1(h), each account statement will be deemed to have been received by the County on the earlier to occur of (i) actual receipt thereof, or (ii) three (3) Business Days after the deposit thereof in the United States Mail, postage prepaid to the address and contact noted below.

(i) Participation in Judicial Proceedings. The Trustee will have the power to take all steps reasonably necessary to protect, defend and conserve the Decommissioning Trust Fund in any judicial or administrative proceeding. In the event the Trustee becomes involved in litigation as a result of this Decommissioning Trust Agreement, the Trustee will be entitled to retain counsel and the fees and expenses of such counsel will be payable as provided in Section 9.1.

(j) Consultation with Legal Counsel. The Trustee may consult with its counsel or other counsel satisfactory to it concerning any question relating to its duties or responsibilities hereunder or otherwise in connection herewith and will be paid or reimbursed the reasonable and documented fees and expenses of such counsel.

(k) Trustee Records and Reports. The Trustee must keep or cause to be kept and maintained accurate books and records reflecting all income, principal and expense transactions, which books and records will be open at all reasonable times for inspection by the County or its duly authorized representatives, upon at least two (2)

Business Days prior written notice to the Trustee. The Trustee must furnish statements to the County and the Decommissioning Agent at least as often as annually, or as may be requested by the County. The Trustee will promptly respond to requests for information related to the administration of the Decommissioning Trust from the County. When applicable and required by applicable regulations, the Trustee will issue annual any or all IRS Forms and documents.

(l) Scope of Undertaking. The Trustee, as a fiduciary, will be subject to and must perform all duties in accordance with this Decommissioning Trust Agreement. The Trustee will perform such duties and only such duties as are specifically set forth in this Decommissioning Trust Agreement, and no implied covenants, agreements or duties will be read into this Decommissioning Trust Agreement against the Trustee. The Trustee will have no duty to perform, cause the performance of, manage, monitor, evaluate or approve the Decommissioning Work. The Trustee is not a principal, participant, or beneficiary in any transaction underlying this Decommissioning Trust Agreement and will have no duty to inquire beyond the terms and provisions of this Decommissioning Trust Agreement except as specifically provided herein. The Trustee will not be required to deliver the Decommissioning Trust Fund or any part thereof, or take any action with respect to any matters that might arise in connection therewith, other than to receive, hold in trust, invest, reinvest, and release, disburse or distribute the Decommissioning Trust Fund property as herein provided. The Trustee will not be required to notify or obtain the consent, approval, authorization or order of any court or governmental body to perform its obligations under this Decommissioning Trust Agreement, except as expressly provided herein. Without limiting the specific duties provided herein, it is hereby expressly agreed and stipulated by the Parties that, unless otherwise provided herein, the Trustee will not be required to exercise any discretion hereunder and will have no investment or management responsibility and, accordingly, will have no duty to, or liability for its failure to, provide investment recommendations or investment advice to the County. It is the intention of the Parties that the Trustee will not be required to use, advance or risk its own funds or otherwise incur financial liability in the performance of any of its duties or the exercise of any of its rights and powers hereunder except that those funds, costs, and expenses related to the normal management and oversight of the Decommissioning Trust Fund property shall be reimbursed as provided herein.

(m) Reliance; Liability. The Trustee may act upon any instruction or direction, regardless of form, furnished to the Trustee by the designated County official in writing or any instrument or signature which it believes to be genuine and in conformance with the terms of this Decommissioning Trust Agreement, may assume the validity and accuracy of any statement or assertion contained in such a writing or instrument. The Trustee will not be liable in any manner for the sufficiency or correctness as to form,

manner and execution, or validity of any instrument deposited with it; neither will it be required to verify the identity, authority or right of any person executing the same. The Trustee will only be responsible for receiving, holding in trust, investing, reinvesting, and releasing, disbursing or distributing the Decommissioning Trust Fund as provided in this Decommissioning Trust Agreement and July 2015 Agreement; provided, however, that in no event will the Trustee be liable for any lost profits, lost savings, or other special, exemplary, consequential, or incidental damages, even if the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action; and provided, further, that the Trustee will have no liability for any loss arising from any cause beyond its control, including, but not limited to, the following: (a) acts of God, force majeure, including, without limitation, war (whether or not declared or existing), revolution, terrorism, insurrection, riot, civil commotion, accident, fire, explosion, stoppage of labor, strikes or other differences with employees; (b) the act, failure or neglect of the County or the Beneficiaries; (c) any delay, error, omission or default of any mail, courier, or telecopier operator; or (d) the acts or edicts of any government or governmental agency or other group or entity exercising governmental powers. The Trustee is not responsible or liable in any manner whatsoever for the sufficiency, correctness, genuineness or validity of the subject matter of this Decommissioning Trust Agreement and any part hereof, for the transaction or transactions requiring or underlying the execution of this Decommissioning Trust Agreement or the form or execution hereof, or for the identity or authority of any person executing this Decommissioning Trust Agreement or any part hereof. The Trustee will not be liable in connection with the performance or observation of its duties or obligations hereunder except for failure to exercise reasonable care or in the case of its own willful misconduct. The Trustee will have no obligation or liability to the County under this Decommissioning Trust Agreement for the failure or refusal of the County to perform any covenant or agreement made by the County hereunder or under any other agreement, but will be responsible solely for the performance of the duties and obligations expressly imposed upon it as Trustee hereunder.

(n) Right of Interpleader. Should (a) any controversy arise involving the Parties or any other person, firm or entity with respect to this Decommissioning Trust Agreement or the Decommissioning Trust Fund, (b) a successor Trustee fails to be designated as provided in Section 10.1, or (c) the Trustee is in doubt as to what action to take, then, in each such circumstance, the Trustee will have the right, but not the obligation, either to (i) withhold delivery of the Decommissioning Trust Fund until the controversy is resolved, the conflicting demands are withdrawn, or its doubt is resolved, or (ii) institute a petition for interpleader in any court of competent jurisdiction to determine the rights of the Parties, of any of the Beneficiaries or of any other person. In the event the Trustee is a party to any dispute with respect to the County, the Beneficiaries, this Decommissioning Trust Agreement, or the Decommissioning Trust Funds, the Trustee will have the

additional right to refer such controversy to binding arbitration as described in Section 6.1(o), if applicable.

(o) Arbitration. Subject to the Trustee's right of interpleader as provided in Section 6.1(n), and the County's right to seek removal of the Trustee under Section 10.2, the Parties agree that all controversies which may arise between the County and the Trustee concerning the construction, performance or breach of this Agreement will be determined by arbitration.

(i) The arbitration will be held before a single arbitrator selected by the Parties, or, in the event that the Parties are unable to agree upon an arbitrator, a single arbitrator chosen by the American Arbitration Association from a panel of persons knowledgeable in the subject matter of the arbitration.

(ii) Any arbitration will be held in Albuquerque, New Mexico. The arbitration will be conducted in accordance with the commercial arbitration rules of the American Arbitration Association. The arbitration will be held and a final decision reached within thirty (30) days after the appointment of the arbitrator or such longer period as the Parties may agree. The arbitrator will file a certificate of ruling with the Parties immediately after a decision is reached. The decision of the arbitrator will be final and conclusive on the Parties, and there will be no relief or appeal therefrom, except for grounds set out in the Uniform Arbitration Act, NMSA 1978, §§ 44-4A-1 through 44-4A-32 or as may be provided in the Uniform Trust Code, NMSA 1978, §§ 46A-1-101 through 46A-11-1105 as may be amended from time to time, as may be provided by law. A decision of the arbitrator may be enforced by the prevailing Party in a court of competent jurisdiction. All other issues in connection with such arbitration will be determined in accordance with the rules of the American Arbitration Association.

(iii) The Parties agree that an action to compel arbitration pursuant to this Agreement will be brought in any court of competent jurisdiction in the State of New Mexico. Application may also be made to such court for confirmation of any decision or award of the arbitrator, which may be necessary to effectuate such decisions or awards. The Parties hereby consent to the jurisdiction of the arbitrator and of such court and waive any objection to the jurisdiction and venue of such arbitrator or court.

(iv) Each party shall be responsible for their own costs and fees related to arbitration.

(p) Indemnification. The Trustee will have no obligation to take any legal action in connection with this Decommissioning Trust Agreement or towards its

enforcement, or to appear in, prosecute or defend any action or legal proceeding that would or might involve it in any cost, expense, loss or liability unless indemnity, as provided in this Section 6.1(p) and as may be allowed under State law, will be furnished; provided, that the Trustee may rely on the protections of this Section 6.1(p) without a requirement for further action by the County.

To the extent permitted by applicable law, the County agrees to indemnify the Trustee and its officers, directors, employees and agents (the “Indemnified Parties” and each an “Indemnified Party”) and save and hold the Indemnified Parties harmless from and against any and all Claims (as hereinafter defined) and Losses (as hereinafter defined) which may be incurred by an Indemnified Party a result of Claims asserted against such Indemnified Party as a result of or in connection with such Indemnified Party’s capacity as such under or in connection with this Decommissioning Trust Agreement by any person or entity. For the purposes hereof, the term “Claims” will mean all claims, lawsuits, arbitrations, mediations, causes of action or other legal actions and proceedings of whatever nature brought against (whether by way of direct action, counterclaim, cross action or impleader) an Indemnified Party, even if groundless, false or fraudulent, so long as the claim, lawsuit, arbitration, mediation, cause of action or other legal action or proceeding is alleged or determined, directly or indirectly, to arise out of, result from, relate to or be based upon, in whole or in part: (a) the acts or omissions of the County, the Beneficiaries or an Investment Manager, (b) the appointment of the Trustee as Trustee under this Decommissioning Trust Agreement, or (c) the exercise by the Trustee of its powers and discharge of its duties under and in accordance with this Decommissioning Trust Agreement; and the term “Losses” will mean losses, costs, damages, expenses, judgments and liabilities of whatever nature (including, but not limited to, attorneys’, accountants’ and other professionals’ fees, litigation, arbitration, mediation and court costs and expenses and amounts paid in settlement), directly or indirectly resulting from, arising out of or relating to one or more Claims. Upon the written request of an Indemnified Party, and to the extent permitted by law, the County agrees to assume the investigation and defense of any Claim, including the employment of counsel acceptable to such Indemnified Party and the payment of all expenses related thereto and, notwithstanding any such assumption, such Indemnified Party will have the right, and the County agrees to pay the cost and expense, to employ separate counsel with respect to any such Claim and participate in the investigation and defense thereof in the event that such Indemnified Party will have been advised by counsel that there may be one or more legal defenses available to such Indemnified Party that are different from or in addition to those available to the County. The County hereby agrees that the indemnification and protections afforded the Indemnified Parties in this Section 6.1(p) will survive the resignation or removal of the Trustee and the termination of this Decommissioning Trust Agreement.

(q) Registration of Securities. The Trustee will have the power to hold any stocks, bonds, securities, and/or other property in the name of a nominee, in a street name, or by other title-holding device.

ARTICLE 7

TERMINATION OF THE TRUST AND OF THE DECOMMISSIONING TRUST AGREEMENT

7.1 Termination of Decommissioning Trust and of this Decommissioning Trust Agreement. The Decommissioning Trust and this Decommissioning Trust Agreement will terminate no earlier than twenty-four (24) months after the Decommissioning Committee (established in the July 2015 Agreement) determines that the “Decommissioning Work” is complete; provided, however, that in the event all fees, expenses, costs and other amounts required to be paid to the Trustee hereunder are not fully and finally paid prior to termination, the provisions of Section 9.1 will survive the termination hereof, and provided further, that the provisions of Section 6.1(n) and Section 6.1(p) (if applicable) will, in any event, survive the termination hereof. Notice of termination of the Decommissioning Trust and of this Decommissioning Trust Fund and Agreement must be provided to the Trustee in the following manner: the Decommissioning Agent, at the direction of the Decommissioning Committee, must give written notice to the County and to each of the other Decommissioning Parties that the Decommissioning Work was completed, and the County must, in turn, give written notice to the Trustee of the satisfaction of the County’s obligations under the July 2015 Agreement.

7.2 Distribution of Assets. Until satisfaction of The County’s obligations under the July 2015 Agreement, the County will have no right of return of any of the Decommissioning Trust Fund. Upon the termination of this Decommissioning Trust Agreement, the Trustee must distribute any remaining assets in the Decommissioning Trust Account to the County.

ARTICLE 8

APPOINTMENT OF TRUSTEE

8.1 Power of Appointment. The County has the power to appoint the initial and successive Trustee as provided herein.

8.2 Appointed Trustees. The County hereby appoints BOKF, N.A. dba Bank of Albuquerque to serve as the Trustee, and appoints BOKF, N.A. dba Bank of Albuquerque to hereby accept such appointment, for the purposes and subject to the terms and conditions set forth in this Decommissioning Trust Agreement.

8.3 Successor Trustee. If for any reason or at any time the Trustee, or its successor, is unwilling or unable to act, resigns, or is removed pursuant to Article 10, then a successor will be appointed by the County.

8.4 Bond. No bond is required of the Trustee or of any successor Trustee or, if a bond is required by law, no surety on such bond is required. If, however, a court requires a bond, the premium of any surety will be payable out of the Decommissioning Trust Fund.

ARTICLE 9 COMPENSATION OF TRUSTEE

9.1 Compensation and Reimbursement of Expenses.

(a) The Trustee will charge for its trust services hereunder in accordance with the Trustee's fee schedule attached hereto as **Exhibit 2**, as in effect and as may be amended from time to time (the "Trustee Fee") and the Trustee will be reimbursed for all expenses incurred by the Trustee in connection with the performance of its duties and enforcement of its rights hereunder and otherwise in connection with the preparation, operation, administration and enforcement of this Decommissioning Trust Agreement, including, without limitation, attorneys' fees, brokerage costs and related expenses incurred by the Trustee ("Trust Expenses"). The County will be liable to the Trustee for the payment of the Trustee Fee and Trust Expenses; provided, however, the Trustee may, in its discretion, charge the Trustee Fee and Trust Expenses to the Decommissioning Trust Fund.

(b) All amounts payable to the Trustee or any Indemnified Party pursuant to this Decommissioning Trust Agreement, including, without limitation, any such amounts payable to the Trustee or any Indemnified Party pursuant to Sections 6.1(j) and 6.1(p), may be deducted by the Trustee from the Decommissioning Trust Fund, with all such deductions being made first from interest and other returns earned on the Decommissioning Trust Fund, and to the extent such interest and other returns earned with respect to the Decommissioning Trust Fund are insufficient to pay such amounts, from the principal of the Decommissioning Trust Fund. If such deductions are insufficient to pay all amounts owed to the Trustee, the County will be liable for the excess amount.

(c) The Trustee will notify the County of all deductions made under this Section 9.1 by reflecting such deductions in monthly account statements, as provided in Section 6.1(h).

(d) The Trustee will notify the County in writing and in advance of any material change in the method or rate of the Trustee's compensation.

ARTICLE 10 RESIGNATION OR REMOVAL OF TRUSTEE

10.1 Resignation of Trustee. In the event that any Trustee desires to resign, such Trustee will have the right to resign at any time by giving sixty (60) days prior written notice to the County; provided, however, that no such resignation by a Trustee will become effective until the date on which a written acceptance by a successor Trustee is delivered to the resigning Trustee and the Trustees receive approval of such transfer of responsibilities under this agreement.

10.2 Removal of Trustee. The County may request that the Trustee resign at any time by giving thirty (30) days' written notice to the Trustee, and the Trustee will resign. The County may petition any court having jurisdiction in the premises for removal of the Trustee for failure to resign when requested to do so, to administer this Decommissioning Trust Agreement expeditiously for the purposes stated in this Decommissioning Trust Agreement, for a breach of trust or for other failure to perform the general duties of the Trustee in accordance with the standards of care and performance as set forth herein; provided, however, that the removal of the Trustee will not become effective until the date on which a written acceptance by a properly qualified successor Trustee is delivered to the removed Trustee or said court.

ARTICLE 11 MISCELLANEOUS PROVISIONS

11.1 The Trustee. Whenever in this Decommissioning Trust Agreement reference is made to the "Trustee", such reference will be deemed to include not only the initial Trustee, but also any and all successor Trustees at any time qualified and acting hereunder, and all rights and powers given in this Decommissioning Trust Agreement to the Trustee will be vested in such successor Trustees. Any banking association or corporation into which the Trustee may be merged, converted or with which the Trustee may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee will be a party, or any banking association or corporation to which all or substantially all of the business of the Trustee will be sold or otherwise transferred, will succeed to all the Trustee's rights, obligations and immunities hereunder without the execution or filing of any instrument or any further act, deed or conveyance on the part of the Parties, anything herein to the contrary notwithstanding.

11.2 Spendthrift Clause. The interests of the Beneficiaries are held subject to a **spendthrift trust**. No interest in the Decommissioning Trust Fund established pursuant to this Decommissioning Trust Agreement will be transferable or assignable, voluntarily or involuntarily, or be subject to the claims of the County or its creditors other than as provided in the July 2015 Agreement.

11.3 Tax Matters. The County must provide the Trustee with its taxpayer identification number documented by an appropriate Form W8 or W9 (or other appropriate identification information for tax purposes) upon execution of this Decommissioning Trust Agreement. Failure to provide such form may prevent or delay disbursements from the Decommissioning Trust Fund and may also result in the assessment of a penalty and the requirement that the Trustee withhold tax on any interest or other income earned on the Decommissioning Trust Fund. The Parties agree that, for all tax purposes, all interest or other income, gain, or loss from investment of the Decommissioning Trust Fund, as of the end of each calendar year and to the extent required by the Internal Revenue Service or other taxing authority, will be reported as having been earned or lost, as the case may be, by the County. Any payments of income will be subject to applicable withholding regulations then in force in the United States or any other jurisdiction, as applicable.

11.4 Tax Liability of the Trustee. To the extent that the Trustee becomes liable for the payment of any taxes with respect to income derived from the investment of the Decommissioning Trust Fund, the Trustee will satisfy such liability to the extent possible from the Decommissioning Trust Fund. To the extent such amounts cannot be satisfied from the Decommissioning Trust Fund, the County agrees to indemnify, defend and hold the Trustee harmless, as may be allowed by law, from and against any tax, late payment, interest, penalty or other cost or expense that may be assessed against the Trustee on or with respect to the Decommissioning Trust Fund and the investment thereof unless any such tax, late payment, interest, penalty or other expense was caused by the gross negligence or willful misconduct of the Trustee. The indemnification provided by this Section 11.4 is in addition to the indemnification provided in Section 6.1(p) and will survive the resignation or removal of the Trustee and the termination of this Decommissioning Trust Agreement.

11.5 Binding Effect. This Decommissioning Trust Agreement will extend to and be binding upon the heirs, executors, administrators, legal representatives, assignees, and successors, respectively, of the County and the Trustee. The foregoing notwithstanding, no assignment of the interests of the County will be binding on the Trustee unless and until properly issued written notice of such assignment will be delivered to and acknowledged by the Trustee.

11.6 Captions. The captions, section and paragraph headings of this Decommissioning Trust Agreement are not necessarily descriptive, or intended or represented to be descriptive of all the provisions thereunder, and in no manner, will such captions, section and paragraph headings be deemed or interpreted to limit the provisions of this Decommissioning Trust Agreement.

11.7 Numbers and Genders. Whenever used herein, unless the context will otherwise provide, the singular number will include the plural, the plural the singular, and the use of any gender will include all genders.

11.8 Severability. If any provision of this Decommissioning Trust Agreement, or the application of such provisions to any person or circumstances, will be held invalid, the remainder of this Decommissioning Trust Agreement, or the application of such provisions to persons or circumstances other than those to which it is held invalid, will not be affected thereby.

11.9 Governing Law. The validity, construction, and effect of this Decommissioning Trust Agreement, the administration thereof and the rights and obligations of the Parties will be governed by the laws of the State of New Mexico.

11.10 Counterparts. This Decommissioning Trust Agreement may be executed in any number of counterparts, and it will not be necessary that the signatures of both Parties be contained on any counterpart. Each counterpart will be deemed an original, but all counterparts together will constitute one and the same instrument.

11.11 **Not FDIC Insured.** The County acknowledges that investments in mutual funds, money market mutual funds, and any other non-deposit investment products are not insured by the FDIC; are not deposits or other obligations of, or guaranteed by Bank; and are subject to investment risks, including possible loss of the principal amount invested.

11.12 Notices. Any notice, demand or request provided for in this Agreement, or served, given or made in connection with it, will be deemed properly served, given or made (i) when delivered personally or by prepaid overnight courier, with a record of receipt; (ii) on the fourth day after mailing if mailed by certified mail, return receipt requested; or (iii) on the day of transmission, if sent by facsimile or electronic mail during regular business hours or the day after transmission, if sent after regular business hours (provided, however, that such facsimile or electronic mail will be followed on the same day or next Business Day with the sending of a duplicate notice, demand or request by a nationally recognized prepaid overnight

courier with record of receipt), to the Parties specified below. The following notice information may be changed at any time by written notice to the other Party.

If to the Trustee:

Bank of Albuquerque
Corporate Trust
100 Sun Avenue NE Suite 500
Albuquerque, NM 87109
Telephone 505-222-8457
Facsimile 505-222-8453

If to The County:

Incorporated County of Los Alamos
Attention Deputy Utilities Manager, Finance and Administration
1000 Central Avenue Suite 130
Los Alamos, NM 87544
Telephone 505-662-8001
Facsimile 505-662-8005

With Copy to:

Incorporated County of Los Alamos
Attention: Chief Financial Officer
1000 Central Avenue Suite 300
Los Alamos, NM 87544
Telephone 505-662-8360
Facsimile 505-662-8069

11.13 Waivers. Any failure by either Party to comply with any of its obligations, agreements or conditions herein contained may be waived by the Party to whom such compliance is owed by an instrument signed by the Party to whom compliance is owed and expressly identified as a waiver, but not in any other manner. No waiver of, or consent to a change in, any of the provisions of this Decommissioning Trust Agreement will be deemed or will constitute a waiver of, or consent to a change in, other provisions hereof (whether or not similar), nor will such waiver constitute a continuing waiver unless otherwise expressly provided.

11.14 Entire Agreement; Amendments. This Decommissioning Trust Agreement constitutes the entire agreement of the Parties with respect to the subject matter hereof and supersedes all prior and contemporaneous oral, and all prior written, understandings, agreements, solicitation documents and representations, express or implied, between the

Parties. By execution of this Decommissioning Trust Agreement, the Trustee will not be deemed or considered to be a party to any other contract or agreement, including any agreement between or among the County and any of the Decommissioning Parties. The County acknowledges that it will not enter into any modification of this Decommissioning Trust Agreement, including of any "Mandatory Provision" of this Decommissioning Trust Agreement, except as provided for in Section 4.1 and in the July 2015 Agreement.

11.15 Third Party Beneficiaries. Nothing in this Decommissioning Trust Agreement will entitle any person other than the Parties to any claim, cause of action, remedy, or right of any kind, except the rights expressly provided to the persons described in Section 6.1(p) (if applicable).

IN WITNESS WHEREOF, the Parties have executed this San Juan Generating Station Decommissioning Agreement on the date first above written.

INCORPORATED COUNTY OF LOS
ALAMOS

By: _____
Timothy Glasco
Utilities Manager

BOKF, N.A. dba Bank of Albuquerque, as
Trustee

By: _____
Name: _____
Title: _____

Exhibit 1. San Juan Decommissioning and Trust Funds Agreement, July 31, 2015

Exhibit 2. Trustee Fee Schedules

SAN JUAN DECOMMISSIONING AND TRUST FUNDS AGREEMENT

AMONG

PUBLIC SERVICE COMPANY OF NEW MEXICO

TUCSON ELECTRIC POWER COMPANY

THE CITY OF FARMINGTON, NEW MEXICO

M-S-R PUBLIC POWER AGENCY

THE INCORPORATED COUNTY OF LOS ALAMOS, NEW MEXICO

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

CITY OF ANAHEIM

UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS

TRI-STATE GENERATION AND TRANSMISSION ASSOCIATION, INC.

PNMR DEVELOPMENT AND MANAGEMENT CORPORATION

July 31, 2015

SAN JUAN DECOMMISSIONING AND TRUST FUNDS AGREEMENT

TABLE OF CONTENTS

RECITALS	1
1.0 Term and Termination	2
1.1 Effective Date	2
1.2 Termination.....	2
2.0 Definitions and Rules of Interpretation.....	2
2.1 Definitions.....	2
2.2 Rules of Interpretation	8
3.0 Decommissioning Committee and Decommissioning Agent	9
3.1 Decommissioning Committee.....	9
3.2 Decommissioning Agent.....	11
4.0 Activities During Interim Period	16
4.1 Initial Decommissioning Work.....	16
4.2 Interim Decommissioning Work.....	16
4.3 Items not Part of Decommissioning.....	18
4.4 Use of Equipment Located at Units 2 and 3; Salvage Revenue	18
5.0 Decommissioning Plan	18
5.1 Decommissioning Study	18
5.2 Selection of Decommissioning Plan	19
5.3 Payment for Decommissioning.....	19
5.4 Payment Procedures.....	19
6.0 Decommissioning Trust Funds	19
6.1 Establishment of Decommissioning Trusts	19
6.2 Decommissioning Trust Funding Obligations.....	20
6.3 Projected Decommissioning Costs Reviews and Adjustment of Decommissioning Trust Funding Obligations.....	20
6.4 Investment of Decommissioning Trust Funds	21
6.5 Mandatory Provisions for Decommissioning Trust Agreements.....	21
6.6 Only Purposes	22
6.7 Decommissioning Correcting Deposits.....	22
6.8 Return of Funds in Decommissioning Trust.....	23

6.9	Status Reports	23
6.10	Compliance	23
7.0	Decommissioning Investment Committee.....	23
7.1	Establishment of Decommissioning Investment Committee.....	23
7.2	Decommissioning Investment Committee Membership.....	24
7.3	Functions and Responsibilities of the Decommissioning Investment Committee....	24
7.4	Decisions of the Decommissioning Investment Committee.....	25
7.5	Meetings of the Decommissioning Investment Committee.....	25
8.0	Default.....	25
8.1	Definition of Default.....	25
8.2	Default Notice	26
8.3	Cure of Default	26
8.4	Protest of Default	26
8.5	Declaration of Default.....	26
8.6	Consequences of Default	27
8.7	No Stay for Arbitration	27
8.8	Termination of Default	27
8.9	Other Rights	27
8.10	No Waiver	27
9.0	Dispute Resolution.....	27
9.1	Amicable Resolution.....	27
9.2	Call for Arbitration	28
9.3	Selection of Arbitrators.....	28
9.4	Arbitration Procedures	29
9.5	Decision of Arbitrators	29
9.6	Enforcement of Arbitration Award.....	30
9.7	Fees and Expenses	30
9.8	Prompt Resolution	30
9.9	Legal Remedies.....	30
10.0	Power and Authority	30
10.1	Requisite Power and Authority.....	30
10.2	No Violation.....	30
11.0	Relationship of Parties	31
11.1	Several Obligations	31

11.2	No Joint Venture or Partnership	31
12.0	Assignments	31
12.1	Successors and Assigns.....	31
12.2	No Right to Mortgage	31
12.3	Prior Written Consent	31
12.4	Assignee's Obligation to Establish and Fund Decommissioning Trust.....	32
12.5	Parties not Relieved of Obligations	32
12.6	Assigning Party's Right of Refund	32
13.0	Audit Rights; Related Disputes.....	32
13.1	Right of Audit	32
13.2	Audit Dispute Resolution.....	32
13.3	Adjusted Billing Procedures	33
13.4	Audit of Decommissioning A&G Expenses	33
14.0	Uncontrollable Forces	33
15.0	Invalid Provisions	33
16.0	Applicable Law and Venue.....	34
16.1	Compliance with Law	34
16.2	Governing Law	34
16.3	Venue	34
17.0	Entire Agreement	34
17.1	Entire Agreement	34
17.2	Amendment and Modification	34
17.3	Prior Obligations Unaffected	34
18.0	No Interpretation Against Drafter	34
19.0	Independent Covenants	35
20.0	Other Documents	35
21.0	Notices	35
21.1	Manner of Giving of Notice.....	35
21.2	Changes in Designation	37
22.0	Captions and Headings	37
23.0	Effect of Municipal Law	37
23.1	Anaheim and M-S-R.....	37
23.2	Southern California Public Power Authority	38
23.3	Farmington and Los Alamos.....	38

23.4	Utah Associated Municipal Power Systems	38
24.0	Parties' Cost Responsibilities	38
25.0	No Third Party Beneficiaries	38
26.0	No Admission of Liability	39
27.0	Confidentiality	39
27.1	Confidentiality of Negotiations.....	39
27.2	Non-confidentiality of Decommissioning Agreement.....	39
28.0	Damages.....	39
29.0	Execution in Counterparts.....	39

List of Exhibits

Exhibit A	Decommissioning Shares
Exhibit B	Decommissioning Trust Agreement Mandatory Provisions
Exhibit C	SJGS Plant Site
Exhibit D	Initial Decommissioning Work
Exhibit E	Retirement in Place
Exhibit F	Equipment Required for On-going Operation of Units 1 and 4

SAN JUAN DECOMMISSIONING AND TRUST FUNDS AGREEMENT

This SAN JUAN DECOMMISSIONING AND TRUST FUNDS AGREEMENT (“Decommissioning Agreement”), dated as of July 31, 2015, is entered into by PUBLIC SERVICE COMPANY OF NEW MEXICO, a New Mexico corporation (“PNM”); TUCSON ELECTRIC POWER COMPANY, an Arizona corporation (“TEP”); THE CITY OF FARMINGTON, NEW MEXICO, an incorporated municipality and a body politic and corporate, existing as a political subdivision under the constitution and laws of the State of New Mexico (“Farmington”); M-S-R PUBLIC POWER AGENCY, a joint exercise of powers agency organized under the laws of the State of California (“M-S-R”); THE INCORPORATED COUNTY OF LOS ALAMOS, NEW MEXICO, a body politic and corporate, existing as a political subdivision under the constitution and laws of the State of New Mexico (“Los Alamos”); SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY, a joint exercise of powers agency organized under the laws of the State of California (“SCPPA”); CITY OF ANAHEIM, a municipal corporation organized under the laws of the State of California (“Anaheim”); UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS, a political subdivision of the State of Utah (“UAMPS”); TRI-STATE GENERATION AND TRANSMISSION ASSOCIATION, INC., a Colorado cooperative corporation (“Tri-State”); and PNMR DEVELOPMENT AND MANAGEMENT CORPORATION, a New Mexico corporation (“PNMR-D”). The parties to this Decommissioning Agreement are sometimes referred to individually as a “Party” and collectively as the “Parties.”

RECITALS

This Decommissioning Agreement is made with reference to the following facts, among others:

A. The San Juan Project is a four-unit, coal-fired electric generation plant located in San Juan County, near Farmington, New Mexico, also known as the San Juan Generating Station (“SJGS”, “San Juan Project” or “Project”). On the execution date, the owners of the Project are: PNM, TEP, Farmington, M-S-R, Los Alamos, SCPPA, Anaheim, UAMPS and Tri-State.

B. Concurrently herewith, the Parties are executing: (i) the San Juan Project Restructuring Agreement (“Restructuring Agreement”); (ii) the Amended and Restated Mine Reclamation and Trust Funds Agreement (“Mine Reclamation Agreement”); (iii) the SJPPA Restructuring Amendment; and (iv) the SJPPA Exit Date Amendment, all of which were agreed upon pursuant to a mediation among the Parties. The Restructuring Agreement, among other things, provides for the amendment of certain provisions of the Amended and Restated San Juan Project Participation Agreement dated March 23, 2006 (the “SJPPA”) regarding rights and obligations in respect of the ownership and operation of the San Juan Project.

C. One disagreement subject to negotiation and mediation concerned obligations under Section 40.0 of the SJPPA, which provides:

The Participants acknowledge the appropriateness of incorporating in a future amendment to this Agreement, or in another appropriate contractual instrument, provisions which address the decommissioning of the San Juan Project and/or of one or more Units. It is recognized, however, that the resolution of issues associated with San Juan Project decommissioning will require protracted study. The Participants therefore agree to establish a task force or other forum for the careful and deliberate consideration of decommissioning issues so that these issues may be addressed and resolved in a timely manner. The Operating Agent shall propose to the Participants a methodology and a schedule for addressing decommissioning issues.

The Parties desire by this Decommissioning Agreement to settle and resolve such disagreements and to establish a methodology for planning and approving Decommissioning Work and funding and allocating the cost of Decommissioning Work.

D. The Parties desire, by this Decommissioning Agreement, the Mine Reclamation Agreement, the Restructuring Agreement, the SJPPA Restructuring Amendment and the SJPPA Exit Date Amendment to establish a comprehensive set of agreements with respect to the restructuring of San Juan Project ownership interests, rights and cost responsibilities.

E. The foregoing Recitals are included to provide background regarding this Decommissioning Agreement, and while certain Recitals may be referenced in this Decommissioning Agreement, they are neither part of nor incorporated into the terms, covenants and conditions of this Decommissioning Agreement.

AGREEMENT

NOW, THEREFORE, for and in consideration of the promises and obligations reflected in the covenants, terms and conditions in this Decommissioning Agreement, all of which together provide the consideration for this Decommissioning Agreement, the Parties agree as follows:

1.0 Term and Termination

1.1 Effective Date. As provided for in the Restructuring Agreement, this Decommissioning Agreement will become effective on the Exit Date.

1.2 Termination. This Decommissioning Agreement will continue in full force and effect until twenty-four (24) months after completion of Decommissioning Work.

2.0 Definitions and Rules of Interpretation

2.1 Definitions. The following terms, when used herein with initial capitalization, have the meanings specified below:

2.1.1 Affiliate means, with respect to any person: (i) each person that, directly or indirectly, controls or is controlled by or is under common control with such designated person; (ii) any person that beneficially owns or holds 50% or more of any class of voting

securities of such designated person or 50% or more of the equity interest in such designated person; and (iii) any person of which such designated person beneficially owns or holds 50% or more of any class of voting securities or in which such designated person beneficially owns or holds 50% or more of the equity interest; provided, however, that members of a Party will not be deemed to be Affiliates of each such Party. For the purposes of this definition, “control” (including, with correlative meanings, the terms “controlled by” and “under common control with”), as used with respect to any person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such person, whether through the ownership of voting securities or by contract or otherwise; PNM and PNMR-D are Affiliates.

2.1.2 Arbitration Award means an award of the arbitrators as provided for in Section 9.5.

2.1.3 Arbitration Organization has the meaning provided for in Section 9.3.2.

2.1.4 Assigning Party means a Party making a transfer or assignment as described in Section 12.

2.1.5 Board means the governing body of a Party.

2.1.6 Business Day means any day other than a Saturday, Sunday or federal holiday.

2.1.7 Charter Documents means with respect to any Party, the certificate or articles of incorporation or organization and by-laws, the limited partnership agreement, the partnership agreement, the limited liability company agreement or trust agreement, or other organizational documents of such Party.

2.1.8 Credit Rating means the rating publicly assigned to a Party’s senior, unsecured long-term debt obligations (not supported by a third party credit enhancement), by a Rating Agency or, if a Party does not have a public rating for its senior, unsecured long-term debt, the rating publicly assigned to the Party by a Rating Agency as its corporate credit rating, or long-term issuer rating, as applicable.

2.1.9 Decommissioning Correcting Deposits means deposits to a Party’s Decommissioning Trust as required by Section 6.7.

2.1.10 Decommissioning Correction Period means the time in which Decommissioning Correcting Deposits must be completed as provided for in Section 6.7.2.1.

2.1.11 Decommission, Decommissioned or Decommissioning means, subject to the provisions set forth in Section 4.3, removal of the San Juan Project facilities from service in conjunction with retirement of facilities or closure of the Project in accordance with either the requirements of applicable Law, if any, or Prudent Cost Avoidance. Possible Decommissioning activities include the dismantlement, demolition, removal, retirement in place, salvage, remediation and/or reclamation of the San Juan Project or a

portion thereof (but not of the San Juan Mine), including any planning and administrative activities incident thereto and related reporting and monitoring requirements.

2.1.12 Decommissioning A&G Expenses means administrative and general expenses of the Decommissioning Agent incurred for Decommissioning as provided for in Section 3.2.4.

2.1.13 Decommissioning Agent means the agent of the Parties, selected in accordance with Section 3.2.1, who will perform the Decommissioning Work and other tasks assigned to the Decommissioning Agent under this Decommissioning Agreement under the oversight of the Decommissioning Committee.

2.1.14 Decommissioning Agreement means this San Juan Decommissioning and Trust Funds Agreement.

2.1.15 Decommissioning Committee means the committee established in Section 3.1.1.

2.1.16 Decommissioning Contractor means a non-Party who is hired to perform Decommissioning Work.

2.1.17 Decommissioning Costs means the costs for San Juan Project Decommissioning, including Decommissioning A&G Expenses.

2.1.18 Decommissioning Funding Target Amount means, the initial Decommissioning Funding Target Amount established in Sections 6.2 and 6.3, and thereafter, the respective dollar amounts as determined by the Decommissioning Investment Committee pursuant to Section 6.2.1.

2.1.19 Decommissioning Investment Committee means the committee established in Section 7.1.

2.1.20 Decommissioning Plan means the decommissioning plan as described in Section 5, which will include a provision that Salvage Revenues will be credited to all Parties based on each Party's Decommissioning Share.

2.1.21 Decommissioning Share means a Party's share of Decommissioning funding and cost responsibility, as specified for a given year in Section 5.3 and **Exhibit A**, as calculated by the Decommissioning Committee.

2.1.22 Decommissioning Study means an analysis of processes and associated costs for Decommissioning performed pursuant to Section 5.1.

2.1.23 Decommissioning Trust means a trust maintained by a Party with a Trustee pursuant to Section 6.1.

2.1.24 Decommissioning Trust Agreement means a trust agreement entered into between a Party and its Trustee for the purpose of satisfying the Party's responsibilities under this Decommissioning Agreement to fund and pay for Decommissioning Costs.

2.1.25 Decommissioning Work means all activities for planning and conducting Decommissioning.

2.1.26 Default means a default in performance of a Party's obligations under this Decommissioning Agreement, as defined more particularly in Section 8.1.

2.1.27 Default Declaration means a declaration of default as defined in Section 8.5.

2.1.28 Default Notice means a notice of default as defined in Section 8.2.

2.1.29 Dispute Protest has the meaning provided for in Section 9.1.2.

2.1.30 Effective Date means the date established in Section 1.1 for the effectiveness of this Decommissioning Agreement.

2.1.31 Exit Date means the date upon which the Exiting Participants transfer all of their respective rights, titles and interests in and to their ownership interests in SJGS to PNM and PNMR-D as provided in the Restructuring Agreement and terminate their active involvement in the operation of the SJGS, except as expressly provided for in the Restructuring Agreement, the Mine Reclamation Agreement and this Decommissioning Agreement; the Exit Date is anticipated to be on or about December 31, 2017.

2.1.32 Exiting Participants means those Parties that will transfer all of their respective rights, titles and interests in and to their ownership interests in SJGS to PNM and PNMR-D as provided in the Restructuring Agreement and terminate their active involvement in the operation of SJGS on the Exit Date, except as expressly provided for in the Restructuring Agreement, the Mine Reclamation Agreement and this Decommissioning Agreement; the Exiting Participants are M-S-R, Anaheim, SCPPA and Tri-State.

2.1.33 Final Decommissioning Report means a report prepared by the Decommissioning Contractor describing how Decommissioning was completed in accordance with requirements of Law and the Decommissioning Plan and provided by the Decommissioning Agent to the Decommissioning Committee pursuant to Section 3.2.2.8.

2.1.34 Governmental Authority means any federal, state, tribal, local, municipal or foreign governmental or regulatory authority, department, agency, commission, body, court or other governmental authority other than a Party.

2.1.35 Initiating Party means the Party initiating an audit as provided for in Section 13.1.

2.1.36 Interim Period has the meaning described in Section 4.2.

2.1.37 Law means statutes, rules, regulations, ordinances, orders and codes of federal, state and local Governmental Authorities.

2.1.38 Mandatory Provisions means those provisions which must be included in each Party's Decommissioning Trust Agreement, as described in **Exhibit B**.

2.1.39 Mine Reclamation Agreement means the Amended and Restated Mine Reclamation and Trust Funds Agreement, executed concurrently herewith.

2.1.40 Notice of Dispute has the meaning provided for in Section 9.1.1.

2.1.41 Notice means a notification given in accordance with Section 21.1.

2.1.42 Noticing Party has the meaning provided for in Section 9.1.1.

2.1.43 Notification of Intent means a notification of intent to declare a Party in default, as defined in Section 8.5.

2.1.44 Party means any one of the signatories to this Decommissioning Agreement.

2.1.45 Prime Rate means the interest rate per annum (sometimes referred to as the base rate) for large commercial loans to creditworthy entities announced from time-to-time by Wells Fargo Bank, N.A. (New York) or its successor bank or, if such rate is not announced, the rate published in The Wall Street Journal as the "prime rate" from time-to-time (or, if more than one rate is published, the arithmetic mean of such rates), in either case determined as of the date the obligation to pay arises.

2.1.46 Project has the meaning provided for in Recital A.

2.1.47 Project Assets means equipment or facilities of any kind at the San Juan Project that are not being used for current operations, including all components, spare equipment and inventory of any Unit which has ceased operations.

2.1.48 Projected Decommissioning Costs Review means a review of the projected costs of completing Decommissioning Work, as adjusted from time-to-time pursuant to Section 6.3.

2.1.49 Protest means a protest made under Section 8.4.

2.1.50 Protesting Party has the meaning provided for in Section 9.1.2.

2.1.51 Prudent Cost Avoidance means a discretionary action approved by the Decommissioning Committee in accordance with Section 4.2.3, even though not required by then-current Law.

2.1.52 Rating Agency means Moody's Investors, Inc. or Standard & Poor's Financial Services, LLC (a subsidiary of McGraw-Hill Companies).

2.1.53 Remaining Participants means those Parties that will continue participation, or acquire an ownership interest, in the Project on or after the Exit Date; the Remaining Participants are PNM, TEP, Farmington, Los Alamos, UAMPS and PNMR-D.

2.1.54 Required Plan has the meaning provided for in Section 5.1.1.

2.1.55 Restructuring Agreement means the San Juan Project Restructuring Agreement among the Parties, executed concurrently herewith.

2.1.56 Retirement Order means a proposal for the expenditure of certain funds as described in Section 4.2.3.

2.1.57 Salvage Revenue means proceeds, net of cost of removal, received from the sale or disposition of any Project Assets, as provided for in this Decommissioning Agreement.

2.1.58 SJGS has the meaning provided for in Recital A.

2.1.59 SJGS Plant Site means the parcels identified as Parcels A, B, D, E and F in **Exhibit C**.

2.1.60 SJPPA means the Amended and Restated San Juan Project Participation Agreement among the Participants dated March 23, 2006.

2.1.61 SJPPA Exit Date Amendment has the meaning provided for in Section 1.2.2 of the Restructuring Agreement.

2.1.62 SJPPA Restructuring Amendment has the meaning provided for in Section 1.2.1 of the Restructuring Agreement.

2.1.63 Status Report means a status report prepared and provided to Parties in accordance with Section 6.9.

2.1.64 Threshold Amount means five hundred thousand dollars (\$500,000).

2.1.65 Trustee means a financial institution selected by a Party at which the Party's Decommissioning Trust is or will be held.

2.1.66 Uncontrollable Forces has the meaning provided for in Section 14.

2.1.67 Unit means Unit 1, Unit 2, Unit 3 or Unit 4 of the San Juan Project.

2.1.68 Willful Action means (i) action taken or not taken by a Party (or the Decommissioning Agent), at the direction of its directors, members of its Board, officers or employees having management or administrative responsibility affecting its performance under this Decommissioning Agreement, which action is knowingly or intentionally taken or not taken with conscious indifference to the consequences thereof or with intent that injury or damage would probably result therefrom; or (ii) action taken or

not taken by a Party (or the Decommissioning Agent) at the direction of its directors, members of its Board, officers or employees having management or administrative responsibility affecting its performance hereunder, which action has been determined by final arbitration award or final judgment or judicial decree to be a material default hereunder and which action occurs or continues beyond the time specified in such arbitration award or judgment or judicial decree for curing such default, or if no time to cure is specified therein, occurs or continues beyond a reasonable time to cure such default; or (iii) action taken or not taken by a Party (or the Decommissioning Agent), at the direction of its directors, members of its Board, officers or employees having management or administrative responsibility affecting its performance hereunder, which action is knowingly or intentionally taken or not taken with the knowledge that such action taken or not taken is a material default hereunder. The phrase “employees having management or administrative responsibility,” as used in this Section 2.1.68, means employees of a Party who are responsible for one or more of the executive functions of planning, organizing, coordinating, directing, controlling and supervising such Party’s performance under this Decommissioning Agreement; provided, however, that, with respect to employees of the Decommissioning Agent acting in its capacity as such and not in its capacity as a Party, but only during such time as any one of Unit 1, 2, 3 or 4 is commercially producing electrical power, such phrase refers only to: (x) the senior employee of the Decommissioning Agent on duty at the Project who is responsible for the operation of the Units, and (y) anyone in the organizational structure of the Decommissioning Agent between such senior employee and an officer. After such time as none of Unit 1, 2, 3 or 4 is commercially producing electrical power, the phrase “employees having management or administrative responsibility” as used in this Section 2.1.68 will mean employees of any Party (including the Decommissioning Agent), who are responsible for one or more of the executive functions of planning, organizing, coordinating, directing, controlling and supervising such Party’s performance under this Decommissioning Agreement. Willful Action does not include any act or failure to act which is merely involuntary, accidental or negligent.

2.2 Rules of Interpretation. Unless a clear contrary intention appears, this Decommissioning Agreement will be construed and interpreted as follows:

2.2.1 Any reference to a person includes any individual, partnership, firm, company, corporation, joint venture, trust, association, organization, governmental entity or other entity;

2.2.2 Any reference to a day, week, month or year is to a calendar day, week, month or year, unless otherwise specified as a Business Day;

2.2.3 Any act required to occur by or on a certain day is required to occur before or on that day unless the day falls on a Saturday, Sunday or federal holiday, in which case the act must occur before or on the next Business Day;

2.2.4 The singular includes the plural and *vice versa*;

2.2.5 Reference to the feminine, masculine or neutral gender includes reference to all other genders;

2.2.6 Reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this Decommissioning Agreement;

2.2.7 Unless expressly stated otherwise, reference to any agreement (including this Decommissioning Agreement), document, instrument or tariff means such agreement, document, instrument or tariff as amended, supplemented, replaced or modified and in effect from time-to-time;

2.2.8 Reference to any Law means such Law as amended, modified, codified, supplemented or reenacted, in whole or in part, and in effect from time-to-time, including, if applicable, rules and regulations promulgated thereunder;

2.2.9 Unless expressly stated otherwise, reference to any article, section, exhibit or appendix means such article, section, exhibit or appendix of this Decommissioning Agreement, as the case may be;

2.2.10 "Hereunder," "hereof," "herein," "hereto" and words of similar import are deemed references to this Decommissioning Agreement as a whole and not to any particular provision hereof;

2.2.11 "Including," "include" and "includes" are deemed to be followed by the phrase "without limitation" and will not be construed to mean the examples given constitute an exclusive list of the matters covered;

2.2.12 Relating to the determination of any period of time, "from" means "from and including," "to" means "to but excluding" and "through" means "through and including"; and

2.2.13 Whenever an act is required to be performed by a particular time of day, prevailing Mountain Time will be the standard by which performance is measured.

3.0 Decommissioning Committee and Decommissioning Agent

3.1 Decommissioning Committee.

3.1.1 Establishment of the Decommissioning Committee. The Parties hereby establish a Decommissioning Committee. The Decommissioning Committee will remain in existence during the term of this Decommissioning Agreement. The Decommissioning Committee will have no authority to modify any of the provisions of this Decommissioning Agreement.

3.1.2 Decommissioning Committee Membership. The Decommissioning Committee will consist of one representative from each Party who must be an officer or other designated representative of a Party. Any of the Parties may designate an alternate

or substitute to act as its representative on the Decommissioning Committee in the absence of the regular representative on the Decommissioning Committee or to act on specified occasions or with respect to specified matters. Each Party must notify the other Parties promptly, in writing, of the designation of its representative and alternate representative on the Decommissioning Committee and of any subsequent changes in such designations. The chairperson of the Decommissioning Committee will be the representative of the Decommissioning Agent if the Decommissioning Agent is a Party. If the Decommissioning Agent is not a Party, the chairperson will be elected by a majority of the individual representatives on the Decommissioning Committee. Each Party will be responsible for the costs of its Decommissioning Committee representative, including fees and travel reimbursement.

3.1.3 Functions and Responsibilities of the Decommissioning Committee. The responsibilities of the Decommissioning Committee include the following:

3.1.3.1 Oversee the performance of the Decommissioning Agent, including the Decommissioning Work;

3.1.3.2 Review and oversee ongoing Decommissioning A&G Expenses including Decommissioning A&G loadings and the methodology for determining Decommissioning A&G as described in Section 3.2.4;

3.1.3.3 Vote as to matters assigned to the Decommissioning Committee;

3.1.3.4 Establish goals, timelines and procedures with respect to Projected Decommissioning Costs Reviews and perform related functions, as provided for in Section 6.3;

3.1.3.5 Identify activities that constitute Decommissioning Work;

3.1.3.6 Determine when the Decommissioning Work and Decommissioning have been completed;

3.1.3.7 Establish budgets and schedules for Decommissioning Work and approve all proposed changes to the budgets or schedules for Decommissioning Work;

3.1.3.8 Determine contracting procedures for entry into third party agreements for Decommissioning Work;

3.1.3.9 Recalculate the Decommissioning Shares as set forth in footnote 1 of **Exhibit A**; and

3.1.3.10 Perform other tasks delegated to the Decommissioning Committee by this Decommissioning Agreement.

3.1.4 Decisions of the Decommissioning Committee. Except as provided for in the third sentence of this Section 3.1.4, any actions or determinations brought before the

Decommissioning Committee require the following vote: (i) more than a sixty-six and two thirds percent (66 2/3%) majority of the Decommissioning Shares of the Parties then in effect as set out in Section 5.3 and as defined in **Exhibit A**; and (ii) more than a sixty-six and two thirds percent (66 2/3%) majority of the number of individual Parties. Matters approved by the requisite majority of the Decommissioning Committee will be binding on all Parties. If a Party's right to vote has been suspended because of a Default, such Party will not have a right to vote under either subsection (i) or subsection (ii) of this Section 3.1.4, and the requisite majorities for actions or determinations of the Decommissioning Committee will be sixty-six and two thirds percent (66 2/3%) of the members eligible to vote under either subsection (i) or (ii) of this Section 3.1.4. The outcome of any vote of the Decommissioning Committee properly conducted in accordance with this Decommissioning Agreement will not be subject to the dispute resolution provisions of Section 9.

3.1.5 Meetings of the Decommissioning Committee. The Decommissioning Committee must meet no less frequently than annually. Special meetings will be held promptly at the written request of any Party, such request to be delivered in writing to the chairperson of the Decommissioning Committee. The Decommissioning Committee must keep written minutes and records of all meetings, the draft of which minutes will be distributed for review within forty-five (45) days. Any action or determination made by the Decommissioning Committee must be reduced to writing and will become effective when signed by the representatives of the Parties entitled to vote thereon, representing a voting majority of the members of the Decommissioning Committee as specified in Section 3.1.4(i) and (ii). Decommissioning Committee representatives will be permitted, by prior notification to the chairperson of the Decommissioning Committee, to attend a meeting of the Decommissioning Committee by conference call or video conferencing. A Decommissioning Committee representative who is unable to attend a meeting of the Decommissioning Committee will be permitted to vote in absentia by delivering to the chairperson of the Decommissioning Committee, at least twenty-four (24) hours prior to the scheduled commencement of the meeting, a written statement, including by e-mail or facsimile, identifying the matter to be voted on and how the representative desires to vote.

3.2 Decommissioning Agent.

3.2.1 Selection of the Decommissioning Agent.

3.2.1.1 Subject to Sections 3.2.7 and 3.2.8, the Parties will appoint a Decommissioning Agent to carry out the responsibilities assigned to the Decommissioning Agent hereunder. The Decommissioning Agent will be the agent of the Parties and may exercise only such authority as is conferred upon it by this Decommissioning Agreement.

3.2.1.2 The Parties hereby appoint PNM as the initial Decommissioning Agent, and PNM agrees to undertake, as the agent of the Parties, and as principal on its own behalf, the performance of the responsibilities assigned herein to the Decommissioning Agent.

3.2.2 Responsibilities of the Decommissioning Agent. The Decommissioning Agent will have the following responsibilities:

3.2.2.1 Serve as liaison and focal point for the coordination of interchanges and discussions among the Parties in connection with matters arising under this Decommissioning Agreement;

3.2.2.2 Propose to the Decommissioning Committee plans, budgets and schedules for Decommissioning Work;

3.2.2.3 As and when it considers necessary, propose modifications to plans, budgets or schedules for Decommissioning Work to the Decommissioning Committee;

3.2.2.4 Pursuant to Section 6.3, perform (or cause to be performed) a Projected Decommissioning Costs Review and prepare a report on such review for submission to the Decommissioning Committee;

3.2.2.5 Furnish from its own resources or contract for the procurement of goods or services necessary for the implementation of this Decommissioning Agreement, pursuant to the procedures established by the Decommissioning Committee;

3.2.2.6 Issue requests for proposals from qualified vendors for performance of Decommissioning Work;

3.2.2.7 Monitor and supervise the performance of Decommissioning Work;

3.2.2.8 Prepare, or provide for preparation of, reports for the Decommissioning Committee at such intervals as the Decommissioning Committee may direct on the progress of the Decommissioning Work, including a Final Decommissioning Report;

3.2.2.9 Review the form and content of all invoices received from vendors for performance of Decommissioning Work, approve invoices for payment as appropriate and issue payments to vendors for approved invoices;

3.2.2.10 Issue invoices to the Parties for their Decommissioning Shares of expenses incurred by the Decommissioning Agent in the performance of any Decommissioning Work and for Decommissioning A&G Expenses;

3.2.2.11 Upon commencement of Decommissioning Work, issue periodic invoices to each Party, at such intervals as directed by the Decommissioning Committee, for payment of such Party's Decommissioning Share of Decommissioning Work;

3.2.2.12 Prepare recommendations for the Decommissioning Committee for the procurement of goods or services necessary for the performance of Decommissioning Work;

3.2.2.13 Administer, perform and enforce all contracts entered into by the Decommissioning Agent subject to the direction of the Decommissioning Committee;

3.2.2.14 Comply with all Laws applicable to its performance, monitoring and supervision of the Decommissioning Work;

3.2.2.15 Maintain in the name of the Parties and for the purposes of this Decommissioning Agreement an operating account for monies collected in connection with the implementation of this Decommissioning Agreement; such operating account must be maintained separately from any and all other accounts related to the San Juan Project;

3.2.2.16 Keep and maintain records of monies expended and received, obligations incurred, credits accrued, Project Assets disposed of, and contracts entered into in the implementation of this Decommissioning Agreement and provide reports of such records to the Parties at such intervals as the Decommissioning Committee directs, but no less frequently than thirty (30) calendar days before each annual meeting of the Decommissioning Committee;

3.2.2.17 Cooperate with the Decommissioning Investment Committee in the conduct of any review or audit of a Party's compliance with its funding of its Decommissioning Share of Decommissioning Costs and to otherwise carry into effect policies established by the Decommissioning Investment Committee;

3.2.2.18 Prepare recommendations covering the matters that may be reviewed and acted upon by the Parties and the Decommissioning Committee and the Decommissioning Investment Committee;

3.2.2.19 Keep the Parties fully and promptly advised of material changes in conditions or other material developments affecting the implementation of this Decommissioning Agreement and of any Defaults under this Decommissioning Agreement;

3.2.2.20 Provide the Decommissioning Committee and the Decommissioning Investment Committee with all records, information and reports that may be relevant to such committees in the performance of their responsibilities under this Decommissioning Agreement;

3.2.2.21 As provided in Section 8, provide copies of any Default Notice, Notification of Intent, or Default Declaration to the representatives on the Decommissioning Committee, the Decommissioning Investment Committee, the persons identified in Section 21.1, and the Trustee of a defaulting Party's Decommissioning Trust;

3.2.2.22 Enforce the obligations of each Party to fund its Decommissioning Share of the Decommissioning Costs and to pay invoices submitted hereunder to the Parties or to their Trustees;

3.2.2.23 Procure appropriate insurance covering Decommissioning Work to provide coverage for risks for which the Parties have or may have responsibility under this Decommissioning Agreement;

3.2.2.24 Perform all other obligations and duties that the Parties, the Decommissioning Committee, or the Decommissioning Investment Committee may from time-to-time delegate to the Decommissioning Agent; and

3.2.2.25 Perform all other obligations and duties that are assigned herein to the Decommissioning Agent or that are reasonably necessary in connection with the performance of its obligations and duties hereunder.

3.2.3 Reimbursement of Costs and Expenses. Subject to Section 11.1, each Party will reimburse the Decommissioning Agent, based on the Party's Decommissioning Share then in effect, for all of the reasonable costs and expenses incurred by the Decommissioning Agent in its performance of its responsibilities pursuant to this Decommissioning Agreement.

3.2.4 Decommissioning Administrative and General Expenses. Beginning January 1, 2018, Decommissioning A&G Expenses will include administrative and general expenses directly chargeable to FERC Accounts 920, 921, 923, 926, 930.2, 931 and 935, will include payroll loads for administrative and general expenses, payroll taxes, injuries and damages and pension and benefits, and will be added to the periodic billings in proportion to the dollars of direct labor billed. The Decommissioning Agent will prepare, for the approval of the Decommissioning Committee, operating procedures for the accounting of Decommissioning A&G Expenses in its performance of the Decommissioning Work and will recommend updates thereof no fewer than every three (3) years. An annual true-up of Decommissioning A&G Expenses will be made each year once such expenses have been recorded.

3.2.5 No Fee. The Decommissioning Agent will receive no fee or profit hereunder, unless otherwise agreed unanimously by the Parties.

3.2.6 Liability of the Decommissioning Agent.

3.2.6.1 The provisions of this Section 3.2.6 are intended to address limitations on the liability of the Decommissioning Agent acting solely in the capacity of Decommissioning Agent; to the extent the actions of the Decommissioning Agent are carried out in its capacity as a Party or in any other capacity, the limitation of liability provisions in this Section 3.2.6 are not applicable.

3.2.6.2 Except for any judgment debt for damage resulting from Willful Action or as necessary to enforce an Arbitration Award, each Party hereby

extends to the Decommissioning Agent, its employees, officers, directors and agents, its covenant not to execute, levy or otherwise enforce a judgment obtained against the Decommissioning Agent, including recording or effecting a judgment lien, for any direct, indirect or consequential, damage, claim, cost, charge or expense, whether or not resulting from the negligence of the Decommissioning Agent, its employees, officers, directors or agents, or any person or entity whose negligence would be imputed to the Decommissioning Agent arising out of its performance or non-performance hereunder. With respect to the Decommissioning Agent's liability for Willful Action, such liability will in no event exceed a total of fourteen million dollars (\$14,000,000) per occurrence. The Parties extend to the Decommissioning Agent, its employees, officers, directors and agents, their covenant not to execute, levy or otherwise enforce a judgment against any of them for any such liability for Willful Action in excess of the amounts set forth in the previous sentence. In the event that Parties' claims made or judgments obtained against the Decommissioning Agent or its employees, officers, directors and agents exceed fourteen million dollars (\$14,000,000) per occurrence, such claims or judgments will be prorated among the successful Parties consistent with the limitation on Willful Action liability established herein.

3.2.7 Resignation of the Decommissioning Agent. Subject to Section 3.2.8, the Decommissioning Agent will serve during the term of this Decommissioning Agreement unless it resigns as Decommissioning Agent by giving notice to the Parties at least one (1) year in advance of the effective date of the resignation. Following such a notice, the Decommissioning Committee must convene promptly to address the selection of a replacement Decommissioning Agent which may, but need not, be a Party.

3.2.8 Removal of the Decommissioning Agent. The Decommissioning Agent may be removed by the Parties, if, in the judgment of the Parties, their best interests require such removal. Any Party seeking the removal of the Decommissioning Agent must serve a notice on the Decommissioning Agent and on each of the Parties, detailing the reasons why, in the judgment of the initiating Party, the Decommissioning Agent should be removed. Within thirty (30) days after receipt by the Decommissioning Agent of this written statement, the Decommissioning Agent will prepare and serve upon the Parties its response, which will contain a detailed rebuttal of the allegations made in the initiating statement. Within the same thirty (30) day period, any other Party may also serve upon the Decommissioning Agent and the Parties a statement responding to the allegations in the initiating statement. Within twenty (20) days after service of all such response statements, the Parties must meet to consider what actions, if any, to take in regard to the removal of the Decommissioning Agent. The Decommissioning Agent may be removed by the vote of more than a sixty-six and two thirds percent (66 2/3%) majority of the Decommissioning Shares of the Parties and more than a sixty-six and two thirds percent (66 2/3%) majority of the number of individual Parties; provided, however, that a Party that is the Decommissioning Agent will not be entitled to vote on the issue of its own removal and the requisite voting percentages will be based upon the number of eligible voting Parties, other than the Party that is the Decommissioning Agent, and their respective Decommissioning Shares. If the Decommissioning Agent is removed by vote of the

Parties, the Decommissioning Committee must convene promptly to address the selection of a replacement Decommissioning Agent which may, but need not, be a Party.

4.0 Activities During Interim Period

4.1 Initial Decommissioning Work.

4.1.1 Three specific one-time tasks constituting initial Decommissioning Work for Units 2 and 3, and the estimated costs of such tasks, are set forth in **Exhibit D** hereto. The cost of the initial Decommissioning Work set forth in **Exhibit D** will be paid by all Parties based on the following percentages:

4.1.1.1	PNM:	46.297%
4.1.1.2	TEP:	19.8%
4.1.1.3	M-S-R:	8.7%
4.1.1.4	Farmington:	2.559%
4.1.1.5	Tri-State:	2.49%
4.1.1.6	Los Alamos:	2.175%
4.1.1.7	SCPPA:	12.71%
4.1.1.8	Anaheim:	3.10%
4.1.1.9	UAMPS:	2.169%
4.1.1.10	PNMR-D:	0.000 %

4.1.2 Other tasks related to requirements for the retirement-in-place of Units 2 and 3, and their estimated cost, are set forth in **Exhibit E** hereto. The costs of such tasks will be paid for as operating and maintenance costs by the Remaining Participants based on the following percentages:

4.1.2.1	PNM:	58.671%
4.1.2.2	TEP:	20.068%
4.1.2.3	Farmington:	5.076%
4.1.2.4	Los Alamos:	4.309%
4.1.2.5	UAMPS:	4.203%
4.1.2.6	PNMR-D:	7.673%
4.1.2.7	Exiting Participants:	0.000%

4.2 **Interim Decommissioning Work.** Other Decommissioning Work undertaken during the period between the Exit Date and the complete cessation of commercial production of electrical power at all four Units (“Interim Period”) will be addressed as set forth in this Section 4.2.

4.2.1 The Decommissioning Agent will report each year during the Interim Period addressing Decommissioning Work, if any, to take place in the following calendar year and provide that report to the Decommissioning Committee no later than ninety (90) days prior to the beginning of the next calendar year. The Decommissioning Committee

will review the Decommissioning Agent's report as to whether a particular project exceeds or is less than the Threshold Amount.

4.2.2 The Decommissioning Committee will refer projects for Decommissioning Work which it determines will have a cost below the Threshold Amount to the Engineering and Operating Committee established in the SJPPA. Such projects will be paid for as if they were operations and maintenance activities in accordance with the SJPPA, not Decommissioning Work. The Parties having an ownership interest in the Project at the time such Decommissioning Work below the Threshold Amount is performed will be responsible for the costs of such projects in accordance with the SJPPA.

4.2.3 If the report identifies any project for Decommissioning Work with an estimated cost above the Threshold Amount, the Decommissioning Agent will prepare a Retirement Order that will include a description of the project, a determination as to whether the project is required by Law or is being proposed for purposes of Prudent Cost Avoidance, a schedule of the estimated timing for performance of the project and a budget based on the estimated cost of the project, including the Decommissioning Agent's reasonable Decommissioning A&G Expenses. The Decommissioning Agent will not aggregate unrelated projects or separate related projects for the purpose of avoiding or exceeding the Threshold Amount. If a project for Decommissioning Work is proposed for the purposes of Prudent Cost Avoidance, the Retirement Order will also include a cost-benefit analysis which explains why the Decommissioning Agent recommends performance of the project.

4.2.3.1 For projects for Decommissioning Work above the Threshold Amount determined by the Decommissioning Agent to be required by Law to be commenced within the next year, the Decommissioning Committee will vote pursuant to the provisions of Section 3.1.4 whether to adopt the Retirement Order and proceed with the project. If such a project required by Law is not approved, the Decommissioning Agent will perform or procure performance of the Decommissioning Work for such project in an efficient and economical manner until a budget has been approved by the Decommissioning Committee and the cost for such project will be paid pursuant to Sections 5.3 and 5.4.

4.2.3.2 For projects for Decommissioning Work above the Threshold Amount recommended by the Decommissioning Agent on the basis of Prudent Cost Avoidance, the Decommissioning Committee will vote pursuant to the provisions of Section 3.1.4 whether to adopt the Retirement Order and proceed with the project. Such a project not approved by the Decommissioning Committee will not be performed.

4.2.4 Each Party will be responsible to pay for the costs of approved projects above the Threshold Amount performed under this Section 4.2 based on its then-current Decommissioning Share for the year in which the majority of project expenditures are expected to be spent.

4.3 Items not Part of Decommissioning. During the Interim Period, expenditures related to use, operation or maintenance of any Unit or common facility of the SJGS are not part of Decommissioning. Attached as **Exhibit F** is an illustrative list of equipment, facilities and systems potentially required or that may be used for the ongoing operation of Units 1 and/or 4 during the Interim Period, and expenditures on such equipment, facilities and systems are not part of Decommissioning. Decommissioning does not include (i) any activities primarily to protect the health and welfare of the SJGS plant workers during continued operation of Unit 1 and/or 4 until all Units cease operations; (ii) any activities required because equipment and/or facilities from Unit 2 or 3 or common facilities, such as equipment identified in **Exhibit F**, are being used for ongoing operations; or (iii) any activities resulting from equipment and/or facilities from Unit 2 or 3 or common facilities being removed for reuse by Unit 1 and/or 4. In case of doubt, the Decommissioning Committee will determine expenditures above the Threshold Amount that are for the ongoing operation of Units 1 and 4 and are not Decommissioning. The following facilities owned by either or both of PNM or TEP located at or adjacent to the SJGS Plant Site are not facilities or equipment that will be Decommissioned pursuant to this Section 4.3:

4.3.1 The San Juan switchyard;

4.3.2 Any gas plant or any other generating or fuel facility added to the SJGS Plant Site that is not part of the San Juan Project, or any new facility constructed on the SJGS Plant Site; and

4.3.3 Any other property or facilities that PNM and/or TEP notifies the other Parties, within fifteen (15) days after the decision is made to retire the last Unit, either or both wish to retain and not Decommission under this Decommissioning Agreement.

4.4 Use of Equipment Located at Units 2 and 3; Salvage Revenue. During the Interim Period, the Remaining Participants will be entitled to use equipment from Units 2 and 3 in the operation of either or both of Units 1 and 4 without compensation to the Exiting Participants. However, any Salvage Revenue obtained during the Interim Period will be distributed to all Parties based on each Party's Decommissioning Share in effect in the year in which the right to obtain the Salvage Revenue arises.

5.0 Decommissioning Plan

5.1 Decommissioning Study. Within thirty (30) days after the decision is made to retire the last Unit, the Decommissioning Agent will commence a Decommissioning Study which will compare alternative Decommissioning Plan scenarios.

5.1.1 The Decommissioning Study will: (i) determine the current federal and state requirements under Law, if any, for Decommissioning a coal-fired electric generation plant in the state of New Mexico; (ii) estimate the cost of Decommissioning Work to the level required by Law, which may include ongoing monitoring of the SJGS Plant Site ("Required Plan"); and (iii) estimate the cost of other approaches proposed by either the Decommissioning Committee or the Decommissioning Agent.

5.1.2 All Decommissioning Plans included in the Decommissioning Study will: (i) include provisions to dispose of any remaining fly ash; (ii) subject to the provisions of Section 19 of the Restructuring Agreement, provide for the identification and remediation of any environmental concerns existing at the time Decommissioning begins; (iii) include provisions addressing security, risk management and insurance; and (iv) describe the Decommissioning Work proposed to be performed.

5.1.3 The facilities identified in Section 4.3.1, 4.3.2 and 4.3.3 are not facilities or equipment that will be Decommissioned pursuant to this Section 5 and will not be considered in the Decommissioning Study or Decommissioning Plans. The costs of Decommissioning any new facility constructed, or equipment installed, on the SJGS Plant Site or on the Project after the Exit Date, unless such facility or equipment is a replacement or betterment of existing facilities or equipment, will be the sole responsibility of the Parties that own such new facility or equipment.

5.1.4 The Decommissioning Study will be completed within six (6) months unless the Decommissioning Committee has extended the completion date.

5.2 Selection of Decommissioning Plan. The Decommissioning Committee will review the Decommissioning Study and vote to select a Decommissioning Plan. Unless the Decommissioning Committee unanimously votes to select any plan other than the Required Plan, the Required Plan will become the selected Decommissioning Plan. The selected Decommissioning Plan will be implemented, and the Decommissioning Costs paid pursuant to Sections 5.3 and 5.4 based on the Decommissioning Shares in effect during the year in which commercial production of electrical power has ceased at all four Units.

5.3 Payment for Decommissioning. The Parties will pay for Decommissioning Costs based on the Decommissioning Shares set forth in **Exhibit A**. All Parties will start with eighteen (18) years of ownership at their current capacity as of December 31, 2017, and then their percentages will increase or decrease in the years after 2017, based on the total of each individual Party's megawatt-years in SJGS divided by the total of all Parties' megawatt-years, as shown in **Exhibit A**.

5.4 Payment Procedures. Prior to paying an invoice for Decommissioning Work, including costs for Projected Decommissioning Costs Reviews, the Decommissioning Agent will invoice the Parties for such costs, and the Parties will pay the invoice within ten (10) Business Days of receipt. Payments of an invoice issued to a Party will be paid as determined by each Party from such Party's Decommissioning Trust or by payment made directly by such Party. Appropriate supporting information must accompany each invoice, and the Decommissioning Agent will provide any additional supporting information that a Party may reasonably request.

6.0 Decommissioning Trust Funds

6.1 Establishment of Decommissioning Trusts. Within ninety (90) days after the Effective Date of this Decommissioning Agreement, each Party must execute a separate trust fund agreement ("Decommissioning Trust Agreement") between that Party and a financial institution in good standing selected by that Party ("Trustee") for the establishment of an irrevocable trust

(“Decommissioning Trust”) to carry out the purposes of this Decommissioning Agreement. The Trustee may not be an Affiliate of a Party. A copy of each Decommissioning Trust Agreement must upon execution be provided to each other Party. Each Decommissioning Trust must be funded as provided for in this Section 6. Each Party will notify each other Party of the name and contact information of its Trustee.

6.2 Decommissioning Trust Funding Obligations.

6.2.1 Each Party must maintain a balance in its Decommissioning Trust sufficient to fund its Decommissioning Share, as established pursuant to Section 5, of the Decommissioning Funding Target Amount as specified by the Decommissioning Investment Committee during the term hereof. The initial Decommissioning Funding Target Amount is thirty million dollars (\$30 million), and each Party must fund its Decommissioning Share of the initial Decommissioning Funding Target Amount by December 31, 2022. Any adjustment to a Decommissioning Funding Target Amount pursuant to Section 6.3 or the dates by which Parties must fund their respective Decommissioning Shares of the Decommissioning Funding Target Amount will not be deemed an amendment to this Decommissioning Agreement but rather will be considered an element of the administration and implementation of this Decommissioning Agreement; upon approval of a Decommissioning Funding Target Amount adjustment, as provided for herein, such adjusted Decommissioning Funding Target Amount will replace the Decommissioning Funding Target Amount previously in effect. Except as provided in Section 6.2.2, no additional funding of a Decommissioning Trust will be required of a Party if the funds in its Decommissioning Trust are sufficient, by December 31, 2022 and by December 31 of each subsequent year during the term hereof, to satisfy the Party’s Decommissioning Share of the Decommissioning Funding Target Amount for that year.

6.2.2 If a Party’s Credit Rating drops below investment grade, the Decommissioning Investment Committee may increase the funding obligation for that Party up to one hundred ten percent (110%) of the otherwise applicable funding obligation of that Party. The percentage increase in that Party’s funding obligation will remain in effect until that Party’s Credit Rating is restored to investment grade. If a Party whose Credit Rating is determined to be below investment grade has its Credit Rating restored to investment grade, the additional amounts paid into the Decommissioning Trust will be a credit toward future funding obligations to the Decommissioning Trust. This Section 6.2.2 will not apply to a Party that does not have a current Credit Rating if the Party’s most recent Credit Rating was investment grade.

6.3 Projected Decommissioning Costs Reviews and Adjustment of Decommissioning Trust Funding Obligations.

6.3.1 The Parties acknowledge the appropriateness of adjusting, from time-to-time, the Decommissioning Funding Target Amounts for all Parties based on updated estimates for Decommissioning Work pursuant to a Projected Decommissioning Costs Review as provided for in this Section 6.3.

6.3.2 The Decommissioning Agent will perform (or cause to be performed) a technical reassessment of estimated costs for Decommissioning Work at a level of Decommissioning determined by the Decommissioning Committee to be appropriate (a “Projected Decommissioning Costs Review”) during the year 2022 and every five (5) years thereafter. A Party desiring to request a Projected Decommissioning Costs Review more frequently than every five (5) years must do so by serving a written request upon the Decommissioning Agent and the members of the Decommissioning Committee. A request for a Projected Decommissioning Costs Review must set out in detail the facts relied on by the Party making the request. The Decommissioning Committee may approve such a request, and may vote to conduct a Projected Decommissioning Costs Review at any time.

6.3.3 The Decommissioning Committee will establish reasonable goals, timelines and procedures with respect to the manner in which the required Projected Decommissioning Costs Review is to be conducted. The costs of a Projected Decommissioning Costs Review will be Decommissioning Costs and will be invoiced and paid pursuant to Section 5, whether or not the cost of a Projected Decommissioning Costs Review is below the Threshold Amount.

6.3.4 The Decommissioning Agent will present a report resulting from a Projected Decommissioning Costs Review to the Decommissioning Committee.

6.3.5 The Decommissioning Committee will promptly either approve the report of the Projected Decommissioning Costs Review provided by the Decommissioning Agent or direct that further study or revisions be made to the Projected Decommissioning Costs Review report. In the event the Decommissioning Committee directs further study or revisions, the Decommissioning Agent must submit a new Projected Decommissioning Costs Review report to the Decommissioning Committee upon completion of such further study or revisions.

6.3.6 Except for funding of the initial Decommissioning Funding Target Amount of thirty million dollars (\$30 million) by the end of 2022, the Decommissioning Investment Committee will thereafter adjust the Decommissioning Funding Target Amounts for the Decommissioning Trusts based on the approved Projected Decommissioning Costs Review report.

6.4 Investment of Decommissioning Trust Funds. Each Party may implement its own policies in relation to the investment of funds in its Decommissioning Trust. Each Party may, at its discretion, appoint one or more investment managers to direct the investment of all or parts of funds held in its Decommissioning Trust.

6.5 Mandatory Provisions for Decommissioning Trust Agreements.

6.5.1 Each Decommissioning Trust Agreement must contain and maintain certain mandatory provisions (“Mandatory Provisions”). The Mandatory Provisions are contained in **Exhibit B**. The Decommissioning Investment Committee will review the initial Decommissioning Trust Agreement for each Party for compliance with **Exhibit B**.

6.5.2 Proposed amendments to any Mandatory Provision in a Party's Decommissioning Trust Agreement are subject to review and approval by the Decommissioning Investment Committee. A Party desiring to amend a Mandatory Provision must submit such proposed amendment to the Decommissioning Investment Committee for prior review in accordance with procedures established by the Decommissioning Investment Committee.

6.5.3 If the Decommissioning Investment Committee representatives (other than the representative representing any Party whose compliance is under review) conclude that a Party's initial Decommissioning Trust Agreement is inconsistent with **Exhibit B**, or that a proposed amendment to a Mandatory Provision is inconsistent with the purposes of this Decommissioning Agreement, the Decommissioning Investment Committee must inform the Party of the reasons why, in the judgment of the Decommissioning Investment Committee, the Mandatory Provisions of its initial Decommissioning Trust Agreement are inconsistent with **Exhibit B** or why the proposed amendment to the Mandatory Provision is inconsistent with this Decommissioning Agreement. No Party may amend a Mandatory Provision in its Decommissioning Trust Agreement in a manner contrary to a determination of the Decommissioning Investment Committee.

6.6 Only Purposes. Prior to termination, funds held in a Decommissioning Trust may be utilized for the following and no other purposes: (i) to pay the costs and fees associated with the maintenance of the Decommissioning Trust, including the fees and expenses of the Trustee; and (ii) to pay the Party's Decommissioning Share (as defined in Section 5 and **Exhibit A**) of Decommissioning Costs, as provided for in this Decommissioning Agreement. During the term hereof, no Party will be permitted to withdraw funds from its Decommissioning Trust, including net earnings on accumulations in the Trust, except as provided in this Decommissioning Agreement.

6.7 Decommissioning Correcting Deposits.

6.7.1 In the event that, as of December 31 of any year after 2022 during the term hereof, the value of funds in a Party's Decommissioning Trust is less than its Decommissioning Share of the Decommissioning Funding Target Amount for such year, then the Party must make one or more Decommissioning Correcting Deposits. The amount and timing of such Decommissioning Correcting Deposits must comply with policies established by the Decommissioning Investment Committee consistent with Section 6.7.2.

6.7.2 Decommissioning Correcting Deposits in the aggregate must be sufficient to ensure that the value of funds in a Party's Decommissioning Trust is equal to or greater than such Party's Decommissioning Share of the Decommissioning Funding Target Amount at the end of the applicable Decommissioning Correction Period determined as provided in Section 6.7.2.1.

6.7.2.1 The applicable Decommissioning Correction Period during which one or more Decommissioning Correcting Deposits must be made pursuant to Section 6.7.1 is two (2) years.

Example:

If the value of funds in Party A's Decommissioning Trust is less than the Decommissioning Funding Target Amount for Party A at the end of 2025, the Decommissioning Correction Period expires December 31, 2027.

6.7.3 If any Party fails to make any Decommissioning Correcting Deposit when due, then, within ten (10) days after the applicable due date, the chairperson of the Decommissioning Investment Committee will report such failure by the Party to each representative on the Decommissioning Investment Committee.

6.8 Return of Funds in Decommissioning Trust. Any funds remaining in a Party's Decommissioning Trust after the completion of the Decommissioning Work as determined by the Decommissioning Committee and full payment of the Party's Decommissioning Share of the Decommissioning Work will be returned to the Party pursuant to the Party's Decommissioning Trust Agreement.

6.9 Status Reports. Each Party will prepare on an annual basis a funding Status Report regarding the funds in its Decommissioning Trust as of December 31 of each year during the term hereof and provide such annual funding Status Report to each of the other Parties. The funding Status Report will include a detailed summary of the investments made by the Party in its Decommissioning Trust during the period covered by the Status Report. The funding Status Report will be prepared and provided to the other Parties no later than thirty (30) days following the end of a calendar year unless otherwise directed by the Decommissioning Investment Committee. In addition to such annual funding Status Reports, on the written request of any other Party for reasonable cause (*e.g.*, changes in market conditions that could significantly affect the value of funds in a Decommissioning Trust), each Party will provide special funding Status Reports, in the same format and content as annual funding Status Reports, to the other Parties; provided, that such special reports will not be required of any Party more frequently than once in any calendar quarter.

6.10 Compliance. A Party whose funding of its Decommissioning Trust has been determined by the Decommissioning Investment Committee not to be in compliance with the requirements of this Decommissioning Agreement must act promptly to bring itself into compliance therewith. A Party, the Mandatory Provisions of whose Decommissioning Trust Agreement have been determined by the Decommissioning Investment Committee not to be in compliance with the requirements of this Decommissioning Agreement, must act promptly to bring itself into compliance therewith and must promptly inform the Decommissioning Investment Committee of actions taken to bring itself into compliance.

7.0 Decommissioning Investment Committee

7.1 Establishment of Decommissioning Investment Committee. The Parties hereby establish a Decommissioning Investment Committee. The Decommissioning Investment Committee will remain in existence during the term of this Decommissioning Agreement. The Decommissioning Investment Committee will have no authority to modify any of the provisions of this Decommissioning Agreement.

7.2 Decommissioning Investment Committee Membership. The Decommissioning Investment Committee will consist of one representative from each Party who must be an officer or other authorized representative of the Party. Any of the Parties may designate an alternate or substitute to act as its representative on the Decommissioning Investment Committee in the absence of the regular representative on the Decommissioning Investment Committee or to act on specified occasions or with respect to specified matters. Each Party must notify the other Parties promptly, in writing, of the designation of its representative and alternate representative on the Decommissioning Investment Committee and of any subsequent changes in such designations. The chairperson of the Decommissioning Investment Committee will be a representative of the Decommissioning Agent if the Decommissioning Agent is a Party. If the Decommissioning Agent is not a Party, the chairperson will be elected by a majority of the individual representatives on the Decommissioning Investment Committee. Each Party will be responsible for the costs of its Decommissioning Investment Committee representative, including fees and travel reimbursement.

7.3 Functions and Responsibilities of the Decommissioning Investment Committee. The Decommissioning Investment Committee will have the following functions and responsibilities:

7.3.1 Within six (6) months of the Effective Date, establish the format and content to be used for each Party's annual funding Status Report;

7.3.2 Review each Party's annual and special funding Status Report(s) and determine and, as to each Party, report to the Decommissioning Committee and the Decommissioning Agent whether the amount of funds in a Party's Decommissioning Trust is in compliance with Sections 5, 6 and **Exhibit A**;

7.3.3 Upon receipt from the Decommissioning Committee of a copy of a Projected Decommissioning Costs Review, as provided for in Section 6.3, establish and provide to each of the Parties new Decommissioning Funding Target Amounts for the Decommissioning Trusts;

7.3.4 Establish, consistent with Section 6.7, policies regarding the number and timing of Decommissioning Correcting Deposits;

7.3.5 Audit, or cause to be audited, compliance of Parties in meeting their obligations under Section 6;

7.3.6 Under procedures to be established in a timely fashion by the Decommissioning Investment Committee, (i) promptly upon execution of each Party's Decommissioning Trust Agreement, review the Mandatory Provisions of each such Decommissioning Trust Agreement to assure that the Mandatory Provisions of each such Decommissioning Trust Agreement conform to the requirements of Section 6.5 and of **Exhibit B**; and (ii) review any proposed amendment to a Mandatory Provision in a Party's Decommissioning Trust Agreement;

7.3.7 Perform such other tasks as the Decommissioning Committee from time-to-time assigns to the Decommissioning Investment Committee; and

7.3.8 Perform such other tasks as may be delegated under this Decommissioning Agreement to the Decommissioning Investment Committee.

7.4 Decisions of the Decommissioning Investment Committee. Except as provided for in the third sentence of this Section 7.4, any actions or determinations brought before the Decommissioning Investment Committee will require the following vote: (i) more than a sixty-six and two thirds percent (66 2/3%) majority of the Decommissioning Shares of the Parties as set out in Section 5.3 and as defined in **Exhibit A**; and (ii) more than a sixty-six and two thirds percent (66 2/3%) majority of the number of individual Parties. Matters approved by the requisite majority of the Decommissioning Investment Committee will be binding on all Parties. If a Party's right to vote has been suspended because of a Default, such Party will not have a right to vote under either subsection (i) or subsection (ii) of this Section 7.4, and the requisite majorities for actions or determinations of the Decommissioning Investment Committee will be sixty-six and two thirds percent (66 2/3%) of the members eligible to vote under either subsection (i) or (ii) of this Section 7.4. The outcome of any vote of the Decommissioning Investment Committee properly conducted in accordance with this Decommissioning Agreement will not be subject to the dispute resolution provisions of Section 9.

7.5 Meetings of the Decommissioning Investment Committee. The Decommissioning Investment Committee will meet no less frequently than annually. Special meetings will be held promptly at the written request of any Party, such request to be delivered to the chairperson of the Decommissioning Investment Committee. The Decommissioning Investment Committee will keep written minutes and records of all meetings, the draft of which minutes will be distributed for review within forty-five (45) days. Any action or determination made by the Decommissioning Investment Committee will be reduced to writing and will become effective when signed by the representatives of the Parties entitled to vote thereon, representing a voting majority of the members of the Decommissioning Investment Committee. Decommissioning Investment Committee representatives will be permitted, by prior notification to the chairperson of the Decommissioning Investment Committee, to attend a meeting of the Decommissioning Investment Committee by conference call or video conferencing. A Decommissioning Investment Committee representative who is unable to attend a meeting of the Decommissioning Investment Committee will be permitted to vote in absentia by delivering to the chairperson of the Decommissioning Investment Committee, at least twenty-four (24) hours prior to the scheduled commencement of the meeting, a written statement, including by e-mail or facsimile, identifying the matter to be voted on and how the representative desires to vote.

8.0 Default

8.1 Definition of Default. Each Party must: (i) fund its Decommissioning Trust under the terms of this Decommissioning Agreement and consistent with its Decommissioning Trust Agreement; (ii) make any required Decommissioning Correcting Deposits; (iii) cause the timely payment of its Decommissioning Share of Decommissioning Work pursuant to invoices for Decommissioning Costs rendered to the Party; and (iv) carry out all other performances, duties and obligations agreed to be paid or performed by it pursuant to this Decommissioning

Agreement. A failure to perform any of items (i) through (iv) above is a Default under this Decommissioning Agreement.

8.2 Default Notice. If the Decommissioning Agent (either on its own motion or at the suggestion of a Party) deems a Party to be in Default, the Decommissioning Agent must serve upon the defaulting Party a written notice of default (the “Default Notice”). The Decommissioning Agent must also serve a copy of the Default Notice on: (i) the representatives on the Decommissioning Committee; (ii) the representatives on the Decommissioning Investment Committee; (iii) all persons entitled to receive notices under Section 21.1; and (iv) the Trustee of the defaulting Party’s Decommissioning Trust. The Default Notice must specify the existence, nature and extent of the Default.

8.3 Cure of Default. Upon receipt of the Default Notice, the defaulting Party must: (i) pay any monies due under this Decommissioning Agreement (including funding of its Decommissioning Trust and making any required Decommissioning Correcting Deposits) within fifteen (15) days; or (ii) commence within fifteen (15) days the performance of any non-monetary obligation and continue thereafter the diligent completion of such non-monetary obligation.

8.4 Protest of Default. If the defaulting Party disputes a Default Notice, such Party must nonetheless pay the disputed payment or commence performance of the disputed obligation, but may do so under protest (the “Protest”). The Protest must be in writing, must accompany the disputed payment or precede the commencement of performance of the disputed obligation, and must specify the reason upon which the Protest is based. Copies of the Protest must be served by the defaulting Party on the Decommissioning Agent and also on: (i) the representatives on the Decommissioning Committee; (ii) the representatives on the Decommissioning Investment Committee; (iii) all persons entitled to receive notices under Section 21.1; and (iv) the Trustee of the defaulting Party’s Decommissioning Trust. Within seven (7) days after the service of the Protest, authorized representatives of the Parties must meet, in person or by conference call or video conference, to address the Protest and to determine what actions, if any, to take as a result of the Protest.

8.5 Declaration of Default. If the defaulting Party fails to cure the Default pursuant to Section 8.3, or protests the Default Notice pursuant to Section 8.4 but fails to timely pay the disputed payment or commence performance of the disputed obligation, the Decommissioning Agent must notify the defaulting Party in writing of the Decommissioning Agent’s intent to declare the defaulting Party in Default unless there is a prompt cure of the Default (“Notification of Intent”). The Notification of Intent must afford the defaulting Party a minimum of fifteen (15) additional days after the giving of the Notification of Intent to cure the Default. The pendency of a Protest will not prevent the Decommissioning Agent from issuing a Notification of Intent. If the Default has not been cured within the period of time identified in the Notification of Intent, the Decommissioning Agent may give written notice to the defaulting Party declaring that the defaulting Party is in Default (the “Default Declaration”). The Decommissioning Agent must serve a copy of the Notification of Intent and of the Default Declaration on: (i) the representatives on the Decommissioning Committee; (ii) the representatives on the Decommissioning Investment Committee; (iii) all persons entitled to receive notices under Section 21.1; and (iv) the Trustee of

the defaulting Party's Decommissioning Trust. The pendency of a Protest will not prevent the Decommissioning Agent from making a Default Declaration.

8.6 Consequences of Default. Upon delivery of the Default Declaration, the Party in Default under this Decommissioning Agreement will lose all its rights but retain its obligations under this Decommissioning Agreement, the Mine Reclamation Agreement and the Restructuring Agreement so long as the Default is in effect. This consequence of Default is in addition to and cumulative of any other remedy to which the Party in Default may be subject, including the loss of the right to vote on the Decommissioning Investment Committee and the Decommissioning Committee. If and when the Party in Default remedies the Default, its rights under such agreements will be restored.

8.7 No Stay for Arbitration. A demand for arbitration or other dispute resolution procedure will not stay: (i) the right of the Decommissioning Agent to issue a Default Notice, a Notification of Intent or a Default Declaration; or (ii) the suspension of the rights of a defaulting Party.

8.8 Termination of Default. The Default will be terminated, and the full rights of the defaulting Party restored when: (i) the Default has been cured and all costs incurred by the non-defaulting Parties resulting from the Default of the defaulting Party have been reimbursed in full by the defaulting Party, with interest thereon at the Prime Rate plus two percent (2%) per annum or the maximum legal rate of interest, whichever is less, from the date of payment to the date of reimbursement; (ii) other arrangements acceptable to the non-defaulting Parties have been made; or (iii) the defaulting Party prevails in an arbitration or other legal proceeding in which the default status of the defaulting Party is at issue.

8.9 Other Rights. Subject to the limitations set forth in Section 28, the rights and remedies provided in this Decommissioning Agreement will be in addition to any other rights and remedies the Decommissioning Agent and the non-defaulting Parties have in law or equity.

8.10 No Waiver. No waiver by the Decommissioning Agent or by a non-defaulting Party of its rights with respect to a Default under this Decommissioning Agreement or with respect to any other matter arising in connection with this Decommissioning Agreement, will be effective unless the Decommissioning Agent or the non-defaulting Party waives in writing its rights and no such waiver will be deemed a waiver with respect to any subsequent Default or matter. No delay short of the statutory period of limitations in asserting or enforcing any right hereunder will be deemed a waiver of such right. The Decommissioning Agent will not waive any of its rights with respect to a Default under this Decommissioning Agreement without the approval of the Decommissioning Committee.

9.0 Dispute Resolution

9.1 Amicable Resolution. If a dispute between or among any of the Parties should arise under this Decommissioning Agreement, or in relation to the rights or obligations of the Parties under this Decommissioning Agreement, executive representatives of the Parties with authority to resolve the dispute will first seek to resolve the dispute as set forth in this Section 9.1.

9.1.1 The dispute process will be initiated by the delivery of a written notice by a Party (“Noticing Party”) of the dispute (“Notice of Dispute”) to the Party with which a dispute is claimed. The Notice of Dispute will specify the existence, nature and extent of the dispute. Copies of the Notice of Dispute will be served on all other Parties. The Notice of Dispute will specifically state the sums allegedly due, any non-monetary obligation allegedly not performed, or both if applicable.

9.1.2 Within fifteen (15) Business Days of receipt of the Notice of Dispute, the Party alleged not to be performing may protest in writing any or all of the matters set forth in the Notice of Dispute (“Dispute Protest”), specifying the basis of the Dispute Protest. Copies of the Dispute Protest will be served by the protesting Party (“Protesting Party”) on all other Parties.

9.1.3 Within fifteen (15) Business Days of the giving of a Notice of Dispute under Section 9.1.1 or within ten (10) Business Days after the service of a Dispute Protest under Section 9.1.2, the executive representatives of the Parties involved in the dispute will meet at a mutually agreeable time and place to attempt to negotiate a timely and amicable resolution of the dispute. If an executive of a Party intends to be accompanied by counsel, the other Parties will be given at least five (5) Business Days’ written notice of such intent and may also be accompanied by counsel. All negotiations will be confidential and will be treated as compromise and settlement negotiations under New Mexico Law. If the executive representatives of the Parties are unable to resolve the dispute within sixty (60) days of the Notice of Dispute (or such other period as they may agree to), any Party involved in the dispute may call for submission of the dispute to arbitration, which call will be binding upon all of the other affected Parties except as provided in Section 9.9.

9.2 Call for Arbitration. The Party calling for arbitration must give written notice to all other Parties (“Arbitration Notice”), setting forth in the Arbitration Notice in adequate detail the entity against whom relief is sought, the nature of the dispute, the amount, if any, involved in such dispute, and the remedy sought by such arbitration proceedings, which may include monetary, equitable and declaratory relief. Within twenty (20) Business Days after receipt of the Arbitration Notice, any other Party may submit its own statement of the matter at issue and set forth in adequate detail additional related matters or issues to be arbitrated, with copies of such notice provided to all other Parties. Thereafter, the Party calling for arbitration will have ten (10) Business Days in which to submit a written rebuttal statement, copies of which must be provided to all other Parties.

9.3 Selection of Arbitrators.

9.3.1 The Parties involved in the arbitration will seek to agree upon a panel of three (3) neutral arbitrators as follows. Within ten (10) days after service of the written rebuttal statement, the Parties representing each side of the dispute will provide to the Parties representing the other side of the dispute a list of up to five (5) suggested arbitrators having the qualifications required by Section 9.3.2 and a summary of each such suggested arbitrator’s experience and qualifications. Within five (5) Business Days thereafter, the Parties involved in the arbitration will meet and confer by telephone or in

person to seek to agree upon a panel of three (3) neutral arbitrators from the lists that have been exchanged. If such agreement is not reached as the result of such meeting, the Parties representing each side of the dispute will provide a second list of suggested arbitrators to one another and the Parties will meet and confer again within five (5) Business Days thereafter to attempt to reach agreement upon a panel of three (3) neutral arbitrators. If such agreement on arbitrators is reached, the Parties will proceed to arbitration as further set forth in this Section 9.

9.3.2 If the Parties involved in the arbitration are not able to agree upon a complete panel of three (3) neutral arbitrators, such Parties will select the arbitrators upon which agreement has not been reached as follows. The Parties will request from the American Arbitration Association (or similar organization as the arbitrating Parties agree upon) (“Arbitration Organization”) a list of seven (7) arbitrators with names and biographical sketches and specific qualifications relating to the case to be heard. The proposed arbitrators will be persons skilled and experienced in the field that gives rise to the dispute, and no person will be eligible for appointment as an arbitrator who is an officer or employee of any of the Parties to the dispute or is otherwise interested in the matter to be arbitrated. The Parties involved in the arbitration will each advise the Arbitration Organization of its order of preference of such arbitrators by numbering from one (1) to seven (7) each name on the list (with one (1) being the most preferred arbitrator) and submitting the numbered lists in writing to the Arbitration Organization. Depending upon the number of arbitrators to be selected, the name or names with the lowest combined numbers will be appointed as the remaining neutral arbitrator(s). In the event more than one name on the list has the same lowest combined score, the tie will be broken by lot. Should the Parties agree that one list of seven (7) is insufficient to obtain a total of three (3) neutral arbitrators with the required qualifications, an additional list of arbitrators may be requested from the Arbitration Organization.

9.4 Arbitration Procedures. Except as otherwise provided in this Section 9 or otherwise agreed by the Parties to the dispute, the Parties will utilize in the arbitration the American Arbitration Association’s Commercial Arbitration Rules and Mediation Procedures (including Procedures for Large, Complex Commercial Disputes) or similar rules and practices of another Arbitration Organization from time-to-time in force, except that if such rules and practices, as modified herein, conflict with New Mexico Rules of Civil Procedure or any other provisions of New Mexico law then in force that are specifically applicable to arbitration proceedings, such New Mexico laws will govern. The arbitration will be conducted at a location in Albuquerque, New Mexico, unless otherwise agreed by the affected Parties.

9.5 Decision of Arbitrators. The arbitrators will hear evidence submitted by the respective Parties or group or groups of Parties and may call for additional information, which additional information must be furnished by the Party having such information. The decision of a majority of the arbitrators (“Arbitration Award”) must be rendered no later than twenty (20) days after the conclusion of the arbitration hearing and will be binding upon all the Parties and must be based on the provisions of this Decommissioning Agreement and applicable New Mexico or federal Law. The Arbitration Award must be in writing and must explain in reasonable detail the basis of the award.

9.6 Enforcement of Arbitration Award. This agreement to arbitrate is specifically enforceable, and the Arbitration Award will be final and binding upon the Parties to the extent provided by the laws of the State of New Mexico. Any Arbitration Award may be filed with a court of competent jurisdiction in New Mexico and upon motion of a Party the court shall enter a judgment in conformity therewith as provided by the New Mexico Uniform Arbitration Act. Said judgment is enforceable in other States and Territories of the United States under the Full Faith and Credit provisions of the United States Constitution and other Laws.

9.7 Fees and Expenses. Fees and expenses of the arbitrators will be paid by the non-prevailing Party, unless the Arbitration Award specifies some other apportionment of such fees and expenses. All other expenses and costs of the arbitration, including attorney fees and expert witness fees, will be borne by the Party incurring the same.

9.8 Prompt Resolution. The Parties acknowledge the importance of prompt dispute resolution. Accordingly, it is agreed that any arbitration proceeding hereunder must be scheduled and conducted in such a manner that the Arbitration Award is rendered no later than two hundred and seventy (270) days after the Arbitration Notice is served.

9.9 Legal Remedies. Nothing in this Section 9 will be deemed to prevent a Party from commencing judicial action: (i) to obtain a provisional remedy to protect the effectiveness of the arbitration proceeding; (ii) to confirm, enforce, modify, correct or vacate or challenge an Arbitration Award on grounds provided for in the New Mexico Uniform Arbitration Act; (iii) to obtain relief in instances where the arbitrators are unable or unwilling to act within the time provided for in Section 9.8; (iv) where, as the result of the unreasonable or dilatory conduct of another Party, a Party is not able to obtain a timely valid and enforceable Arbitration Award; or (v) if a Party is prohibited by Law from participating in binding arbitration.

10.0 Power and Authority

10.1 Requisite Power and Authority. Each Party represents and warrants to the other Parties that it has the requisite power and authority to execute this Decommissioning Agreement and to perform its obligations set out in this Decommissioning Agreement. The execution and delivery of this Decommissioning Agreement and the performance of the obligations set out herein have been duly authorized by all necessary action on the part of each Party. The obligations set out herein will, upon execution hereof by each Party, be valid and binding obligations of such Party, enforceable against such Party in accordance with the terms and conditions hereof, except to the extent that enforceability hereof or thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar Laws generally affecting creditors' rights and by equitable principles, regardless of whether enforcement is sought in equity or at Law.

10.2 No Violation. Each Party, to the best of its knowledge and upon reasonable inquiry, represents and warrants to the other Parties that the execution and delivery of this Decommissioning Agreement by such Party, and the performance by such Party of all of its obligations hereunder, will not violate any term, condition or provision of its Charter Documents; any applicable Law by which the Party is bound; any applicable court or administrative order or

decree; or any agreement or contract to which it is a party. Further, each Party represents and warrants to the other Parties that, to the best of its knowledge and upon reasonable inquiry, there is no claim pending or threatened against it which seeks a writ, judgment, order or decree restraining, enjoining or otherwise prohibiting or making illegal any of the transactions contemplated by this Decommissioning Agreement or which could result in the filing of any mechanic's or materialman's lien against the SJGS Plant Site.

11.0 Relationship of Parties

11.1 Several Obligations. All covenants, obligations and liabilities of the Parties are, except as otherwise specifically provided herein, intended to be several and not joint or collective. At no time will a non-defaulting Party be responsible for making payments required under this Decommissioning Agreement on behalf of any other Party. Each Party will be individually responsible for its own covenants, obligations and liabilities as provided for herein.

11.2 No Joint Venture or Partnership. Nothing in this Decommissioning Agreement will be construed to create an association, joint venture, trust or partnership, or to impose a trust or partnership covenant, obligation or liability on or with regard to any one or more of the Parties. No Party or group of Parties will be under the control of or will be deemed to control any other Party or the Parties as a group. Except as provided in this Decommissioning Agreement, the Restructuring Agreement or the Mine Reclamation Agreement, no Party will be the agent of or have a right or power to bind any other Party without its express written consent.

12.0 Assignments

12.1 Successors and Assigns. This Decommissioning Agreement is binding upon and inures to the benefit of the Parties and their respective authorized successors and assigns.

12.2 No Right to Mortgage. No Party will have the right to mortgage, create or provide for a security interest in or convey in trust its rights, titles and interests in a Decommissioning Trust created pursuant to this Decommissioning Agreement, or in funds held in a Decommissioning Trust created pursuant to this Decommissioning Agreement, to a trustee or trustees under deeds of trust, mortgages or indentures, or to secured parties under a security agreement, as security for their present or future bonds or other obligations or securities, and to any successors or assigns thereof.

12.3 Prior Written Consent. No Party may assign its rights, or delegate its obligations, under this Decommissioning Agreement without the prior written consent of all of the other Parties, which consent will not be unreasonably delayed or denied; provided, however, that consent will not be granted unless (i) the assignee has first agreed in writing with the non-assigning Parties to fully perform and discharge all of the obligations hereunder of the Assigning Party; and (ii) the assignee demonstrates to the Decommissioning Committee it has creditworthiness equal to or higher than that of the assigning Party. Such prior consent of the other Parties will not be required in the event of the transfer or assignment by a Party of its interest in the Project to a duly authorized successor; provided, however, that such successor has agreed in writing with the remaining Parties to fully perform and discharge all of the obligations

hereunder of the Assigning Party and the remaining Parties have agreed in writing to the substitution of the successor, in place of the Assigning Party, which consent will not be unreasonably delayed or denied.

12.4 Assignee's Obligation to Establish and Fund Decommissioning Trust. Among the contracts that the assignee must have executed in connection with any assignment is a Decommissioning Trust Agreement with a financial institution, consistent with the requirements of this Decommissioning Agreement. Pursuant to such Decommissioning Trust Agreement, the assignee must establish and fully fund its Decommissioning Trust to its then-required share of the Decommissioning Funding Target Amount in accordance with Section 6.2. Such Decommissioning Trust Fund Agreement must be provided to the Decommissioning Agent for review and approval by the Decommissioning Committee before the assignment becomes effective.

12.5 Parties not Relieved of Obligations. No Party will be relieved of any of its obligations and duties to the other Parties by a transfer or assignment under this Section 12 without the express prior written consent of the remaining Parties, which consent will not be unreasonably withheld, conditioned or delayed.

12.6 Assigning Party's Right of Refund. Upon receipt of the written consents provided for in Sections 12.3 and 12.5, and the assignee having fully funded its Decommissioning Trust as required in Section 12.4, the Assigning Party will be: (i) released from further obligations under this Decommissioning Agreement; and (ii) entitled to a return of all monies remaining in its Decommissioning Trust.

13.0 Audit Rights; Related Disputes

13.1 Right of Audit. The Decommissioning Agent will maintain complete and accurate records of all expenses and transactions for which a Party may have cost responsibility under this Decommissioning Agreement. Such records will be maintained from the date an expense is billed to a Party hereunder for a period of the longer of: (i) the expiration of the statute of limitations for actions based on contract; or (ii) the date the records may be destroyed under the Decommissioning Agent's document retention policy. Any Party (an "Initiating Party") may, upon reasonable advance written notice to the Decommissioning Agent, conduct an audit of all records, invoices, costs, expenses or liabilities charged to the Initiating Party or for which the Initiating Party has or may have cost responsibility. Parties desiring to perform an audit will cooperate with one another so as to minimize the number of audits and any undue burden upon the Decommissioning Agent. Each such audit will be carried out by an auditor of the Initiating Party's choosing and at the expense of the Initiating Party, except as provided in Section 13.3. The Decommissioning Agent will cooperate with the Initiating Party and the Initiating Party's auditor and will make available its relevant business records at reasonable times and places, upon reasonable advance notice. A copy of the audit report will be provided to all Parties by the Initiating Party within fifteen (15) days of receipt of the audit report.

13.2 Audit Dispute Resolution. If any Party disagrees with an audit finding from an audit conducted under Section 13.1, the Party may within fifteen (15) Business Days of the

receipt of the audit report request in writing that the audit be reviewed by providing such request to all of the Parties. After any such request, the affected Parties will review the expenditure and will endeavor to agree upon whether an over- or under-billing occurred. If, after the review, the affected Parties determine that the expenditure was over- or under-billed, an adjustment to the billing that is the subject of the audit finding will be made to eliminate the over- or under-billing and an adjusted bill will be sent as provided for in Section 13.3. Each Party that receives a payment as a result of under- or over-billing will reimburse the Initiating Party as provided for in Section 13.3. If within thirty (30) Business Days of the date of the mailing of the written request for review the affected Parties are unable to agree in writing on a modification of the expenditure to eliminate the over- or under-billing, the matter will be submitted to dispute resolution pursuant to Section 9.

13.3 Adjusted Billing Procedures. If as the result of an audit and any related dispute resolution procedures under Section 13.1 or Section 13.2 it is determined that there was an under- or over-billing, the Decommissioning Agent will issue invoices to correct the under- or over-billing with interest at the Prime Rate. Interest will be calculated from the due date for payments on the prior invoices that included the under- or over-billed amounts to the date of the revised billings. The owing Party will pay any amounts owed on the corrected invoices within twenty (20) Business Days after receipt of the revised billing reflecting the result of the audit report. Each Party (other than an Initiating Party) that receives a payment or credit as a result of an audit report will reimburse the Initiating Party for the cost of the audit based on the amount received by such Party as a percentage of the total amount of payments and credits received by Parties; provided that if the amount received by a Party is less than the lower of (i) \$5,000 or (ii) ten percent (10%) of the amount of the disputed billing, no reimbursement for the audit costs will be required.

13.4 Audit of Decommissioning A&G Expenses. To the extent practicable, any audit of Decommissioning A&G Expenses will be coordinated with audits of A&G expenses under any other San Juan Project-related agreements.

14.0 Uncontrollable Forces. No Party will be considered to be in default in the performance of any of its obligations hereunder (other than obligations of a Party to pay costs and expenses and to fully fund its Decommissioning Trust) if failure of performance is due to Uncontrollable Forces. The term “Uncontrollable Forces” means any cause beyond the control of the Party affected, including failure of facilities, flood, earthquake, storm, fire, lightning, epidemic or pandemic, war, riot, civil disturbance, labor dispute, sabotage or terrorism, restraint by court order or public authority, or failure to obtain approval from a necessary Governmental Authority which by exercise of due diligence and foresight such Party could not reasonably have been expected to avoid and which by exercise of due diligence it is unable to overcome. Nothing contained herein requires a Party to settle any strike or labor dispute in which it may be involved. Any Party rendered unable to fulfill any obligation by reason of Uncontrollable Forces will promptly provide notice to the other Parties and exercise due diligence to remove such inability with all reasonable dispatch.

15.0 Invalid Provisions. If any provision of this Decommissioning Agreement is held to be illegal, invalid or unenforceable under any present or future Law, and if the rights or obligations of any Party under this Decommissioning Agreement will not be materially and

adversely affected thereby, such provision will be fully severable, this Decommissioning Agreement will be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof, the remaining provisions of this Decommissioning Agreement will remain in full force and effect and will not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom, and the Parties will negotiate in good faith to attempt to agree upon a legal, valid and enforceable provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible.

16.0 Applicable Law and Venue

16.1 Compliance with Law. The Parties will comply with all applicable Law in the performance of their respective obligations under this Decommissioning Agreement.

16.2 Governing Law. This Decommissioning Agreement is made under and will be governed by New Mexico law, without regard to conflicts of Law or choice of Law principles that would require the application of the Laws of a different jurisdiction.

16.3 Venue. Venue with respect to any judicial proceeding arising out of or relating to this Decommissioning Agreement will lie exclusively in the state or federal courts in Albuquerque, New Mexico, and the Parties irrevocably consent and submit to the exclusive jurisdiction of such courts for such purpose and irrevocably waive the defense of an inconvenient forum to the maintenance of any such action or proceeding. Service of process may be made in any manner recognized by such courts. A final judgment of the state or federal court will be enforceable in other states under applicable Law.

17.0 Entire Agreement

17.1 Entire Agreement. This Decommissioning Agreement, together with the schedules and exhibits hereto and the Decommissioning Trust Agreements, supersede all prior negotiations, agreements and understandings between the Parties with respect to the covenants and obligations agreed upon in this Decommissioning Agreement.

17.2 Amendment and Modification. Except as otherwise provided herein, this Decommissioning Agreement may be amended, modified or supplemented only by written instrument executed by all of the Parties with the same formality as this Decommissioning Agreement.

17.3 Prior Obligations Unaffected. Except as otherwise provided herein, nothing in this Decommissioning Agreement will be deemed to relieve the Parties of their obligations in effect prior to the Effective Date and such obligations will continue in full force and effect until satisfied or as otherwise mutually agreed.

18.0 No Interpretation Against Drafter. This Decommissioning Agreement has been drafted with the full participation by all of the Parties and their counsel of choice, and no provision of this Decommissioning Agreement will be construed against any Party on the ground that such Party or its counsel was the author of such provision. All of the provisions of this

Decommissioning Agreement will be construed in a reasonable manner to give effect to the intentions of the Parties in executing this Decommissioning Agreement.

19.0 Independent Covenants. The covenants and obligations set forth in this Decommissioning Agreement are independent covenants, not dependent covenants, and the obligation of a Party to perform all of the obligations and covenants to be by it kept and performed is not conditioned on the performance by another Party of all the covenants and obligations to be kept and performed by it. Nothing in this Section 19 affects the rights of the Parties under the dispute resolution and default provisions of Sections 8 and 9.

20.0 Other Documents. Each Party agrees, upon request of another Party, to make, execute and deliver any and all documents and instruments reasonably required to carry into effect the terms of this Decommissioning Agreement; provided, that such documents and instruments will not increase or expand the obligations of a Party hereunder.

21.0 Notices

21.1 Manner of Giving of Notice. Any notice, demand or request provided for in this Decommissioning Agreement, or served, given or made in connection with it, will be deemed properly served, given or made (i) when delivered personally or by prepaid overnight courier, with a record of receipt; (ii) on the fourth day after mailing if mailed by certified mail, return receipt requested; or (iii) on the day of transmission, if sent by facsimile or electronic mail during regular business hours or the day after transmission, if sent after regular business hours (provided, however, that such facsimile or electronic mail will be followed on the same day or next Business Day with the sending of a duplicate notice, demand or request by a nationally recognized prepaid overnight courier with record of receipt), to the persons specified below:

21.1.1 Public Service Company of New Mexico
Attn: Vice President, PNM Generation
2401 Aztec N.E., Bldg. A
Albuquerque, NM 87107

With a copy to:

Public Service Company of New Mexico
c/o Secretary
414 Silver Ave. S.W.
Albuquerque, NM 87102

21.1.2 Tucson Electric Power Company
88 E. Broadway Blvd.
MS HQE901
Tucson, AZ 85701
Attn: Corporate Secretary

21.1.3 City of Farmington

c/o City Clerk
800 Municipal Drive
Farmington, NM 87401

with a copy to:

Farmington Electric Utility System
Electric Utility Director
101 North Browning Parkway
Farmington, NM 87401

21.1.4 M-S-R Public Power Agency
c/o General Manager
1231 11th Street
Modesto, CA 95354

21.1.5 Southern California Public Power Authority
c/o Executive Director
1160 Nicole Court
Glendora, CA 91740

21.1.6 City of Anaheim
c/o City Clerk
200 South Anaheim Boulevard
Anaheim, CA 92805

with a copy to:

Public Utilities General Manager
201 South Anaheim Boulevard
Suite 1101
Anaheim, CA 92805

21.1.7 Incorporated County of
Los Alamos, New Mexico
c/o County Clerk
1000 Central Ave.
Suite 240
Los Alamos, NM 87544

with a copy to:

Incorporated County of
Los Alamos, New Mexico
c/o Utilities Manager
1000 Central Ave.

Suite 130
Los Alamos, NM 87544

21.1.8 Utah Associated Municipal Power Systems
c/o General Manager
155 North 400 West
Suite 480
Salt Lake City, UT 84103

21.1.9 Tri-State Generation and Transmission
Association, Inc.
c/o Chief Executive Officer
1100 West 116th Avenue
Westminster, CO 80234
Or P. O. Box 33695
Denver, CO 80233

For purposes of overnight courier service, Tri-State's address will be:

Tri-State Generation and Transmission Association, Inc.
c/o Chief Executive Officer
3761 Eureka Way
Frederick, CO 80516

21.1.10 PNMR Development and Management Corporation
c/o Corporate Secretary
PNM Resources
Corporate Headquarters
414 Silver Ave. S.W.
Albuquerque, NM 87102

21.2 Changes in Designation. A Party may, at any time or from time-to-time, by written notice to the other Parties, change the designation or address of the person so specified as the one to receive notices pursuant to this Decommissioning Agreement.

22.0 Captions and Headings. The captions and headings appearing in this Decommissioning Agreement are inserted merely to facilitate reference and will have no bearing upon the interpretation of the provisions hereof.

23.0 Effect of Municipal Law

23.1 Anaheim and M-S-R. Anaheim (which includes its Public Utilities Department) and M-S-R are governmental entities whose liability is limited by the California Government Claims Act (Government Code §§ 810 – 998.3) and any liability or indemnity assumed by Anaheim or M-S-R in this Decommissioning Agreement will be limited by the provisions of the

California Government Claims Act. Nothing in this Decommissioning Agreement is intended to create or will be construed or applied to create any obligation, agreement, covenant or promise to indemnify, hold harmless or defend which is against public policy, void and unenforceable. Notwithstanding any other provision of this Decommissioning Agreement, the payment for all purchases, fees or charges made by Anaheim or M-S-R under this Decommissioning Agreement will be made from the legally available revenues of M-S-R or the legally available revenues of the Anaheim Electric System. In no event will the obligation to pay under this Decommissioning Agreement be considered an obligation against the general faith and credit or general taxing power of Anaheim or of M-S-R or any of the members of M-S-R.

23.2 Southern California Public Power Authority. SCPPA is a joint exercise of powers agency organized under the laws of the State of California, created to acquire, construct, finance, operate and maintain generation and transmission projects on behalf of its members. In no event will the obligation to pay under this Decommissioning Agreement be considered an obligation against the general faith and credit or taxing power of any member of SCPPA.

23.3 Farmington and Los Alamos. Farmington (and the Farmington Electric Utility System) and Los Alamos are governmental entities whose liability is limited by the New Mexico Tort Claims Act, NMSA 1978, §§ 41-4-1 through 41-4-27, and any liability or indemnity assumed by Farmington and the Farmington Electric Utility System or Los Alamos in this Decommissioning Agreement will be limited by the provisions of the New Mexico Tort Claims Act. Notwithstanding any other provisions of this Decommissioning Agreement, the payment for all purchases, fees or charges made by Farmington and Los Alamos under this Decommissioning Agreement will be made from the legally available revenues of Farmington's and/or Los Alamos's Electric Utility System. In no event will the obligation to pay under this Decommissioning Agreement be considered an obligation against the general faith and credit or general taxing power of Farmington or Los Alamos.

23.4 Utah Associated Municipal Power Systems. UAMPS is a joint action agency organized under the laws of the State of Utah, created to acquire, construct, finance, operate and maintain generation and transmission projects on behalf of its members. In no event will the obligation to pay under this Decommissioning Agreement be considered an obligation against the general faith and credit or taxing power of any member of UAMPS.

24.0 Parties' Cost Responsibilities. Except for costs incurred by the Decommissioning Agent in its capacity as Decommissioning Agent, each Party will be solely responsible for its own costs and expenses, including fees and costs of counsel, incurred in connection with the negotiation of this Decommissioning Agreement and with any actions associated with the implementation of this Decommissioning Agreement.

25.0 No Third Party Beneficiaries. The terms and provisions of this Decommissioning Agreement are intended solely for the benefit of the Parties and their respective successors and permitted assigns, and it is not the intention of the Parties to confer third-party beneficiary rights upon any other person.

26.0 No Admission of Liability. The terms of this Decommissioning Agreement are the product of compromise between and among the Parties. Neither any conduct nor statements made in its negotiation, nor entry by the Parties into it, will constitute evidence of, or an admission of, liability; provided, however, nothing in this Section 26 will be construed or interpreted to excuse any Party from, or be used by any Party to argue against, that Party's performance of any of its obligations under this Decommissioning Agreement.

27.0 Confidentiality

27.1 Confidentiality of Negotiations. The Parties' discussions and negotiations that led to the development of this Decommissioning Agreement, the Restructuring Agreement, the Mine Reclamation Agreement, the SJPPA Restructuring Amendment and the SJPPA Exit Date Amendment, including discussions taking place in the context of mediation, were conducted in confidence and will remain confidential; provided, that nothing herein will prevent a Party from making disclosures pursuant to a requirement of Law (including laws related to the inspection of public records and securities), including a subpoena or discovery request. If any Party determines that it is legally obligated to make a disclosure, the Party obligated to make such disclosure will make reasonable efforts to notify the other Parties prior to such disclosure and will reasonably cooperate with any other Party in seeking an order of a Governmental Authority preventing or limiting such disclosure; provided further, however, that the Party seeking any such order to prevent or limit disclosure will be responsible for all costs for seeking such an order. Prior to making disclosure, a Party will, as available or appropriate, attempt to utilize a confidentiality agreement to protect the confidentiality of the information disclosed.

27.2 Non-confidentiality of Decommissioning Agreement. While negotiations were and remain confidential as addressed in Section 27.1, neither this Decommissioning Agreement nor any version of it publicly disclosed pursuant to applicable Law is confidential.

28.0 Damages. In no event will any Party be liable under any provision of this Decommissioning Agreement for any indirect, punitive or incidental damages or costs of any other Party (including loss of revenue, cost of capital and loss of business reputation or opportunity), whether based in contract, tort (including negligence or strict liability), or otherwise, and the Parties hereby waive, release and discharge one another from all such indirect, punitive and incidental damages and costs.


29.0 Execution in Counterparts. This Decommissioning Agreement may be executed in any number of counterparts, and each executed counterpart will have the same force and effect as an original instrument as if all the Parties to the aggregated counterparts had signed the same instrument. Any signature page of this Decommissioning Agreement may be detached from any counterpart thereof without impairing the legal effect of any signatures thereon and may be attached to any other counterpart of this Decommissioning Agreement identical in form thereto but having attached to it one or more additional pages. Electronic or pdf signatures will have the same effect as an original signature.

IN WITNESS WHEREOF, the Parties have caused this Decommissioning Agreement to be executed on their behalf and the signatories hereto represent that they have been duly

authorized to enter into this Decommissioning Agreement on behalf of the Party for whom they sign.

[Signatures on succeeding pages]

PUBLIC SERVICE COMPANY OF NEW MEXICO

By: 
Its: Vice President, Generation
Date: June 30, 2015

TUCSON ELECTRIC POWER COMPANY

By: _____
Its: _____
Date: _____

THE CITY OF FARMINGTON, NEW MEXICO

By: _____
Its: _____
Date: _____

M-S-R PUBLIC POWER AGENCY

By: _____
Its: _____
Date: _____

THE INCORPORATED COUNTY OF LOS ALAMOS, NEW MEXICO

By: _____
Its: _____
Date: _____

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

By: _____
Its: _____
Date: _____

CITY OF ANAHEIM

By: _____
Its: _____
Date: _____

PUBLIC SERVICE COMPANY OF NEW MEXICO

By: _____
Its: _____
Date: _____

TUCSON ELECTRIC POWER COMPANY

By:
Its: VP Energy Resources
Date: 7/1/15

THE CITY OF FARMINGTON, NEW MEXICO

By: _____
Its: _____
Date: _____

M-S-R PUBLIC POWER AGENCY

By: _____
Its: _____
Date: _____

THE INCORPORATED COUNTY OF LOS ALAMOS, NEW MEXICO

By: _____
Its: _____
Date: _____

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

By: _____
Its: _____
Date: _____

CITY OF ANAHEIM

By: _____
Its: _____
Date: _____

PUBLIC SERVICE COMPANY OF NEW MEXICO

By: _____
Its: _____
Date: _____

TUCSON ELECTRIC POWER COMPANY

By: _____
Its: _____
Date: _____

THE CITY OF FARMINGTON, NEW MEXICO

By: Robert M. Mays
Its: City Manager
Date: 7/1/15

M-S-R PUBLIC POWER AGENCY

By: _____
Its: _____
Date: _____

THE INCORPORATED COUNTY OF LOS ALAMOS, NEW MEXICO

By: _____
Its: _____
Date: _____

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

By: _____
Its: _____
Date: _____

CITY OF ANAHEIM

By: _____
Its: _____
Date: _____

PUBLIC SERVICE COMPANY OF NEW MEXICO

By: _____
Its: _____
Date: _____


TUCSON ELECTRIC POWER COMPANY

By: _____
Its: _____
Date: _____

THE CITY OF FARMINGTON, NEW MEXICO

By: _____
Its: _____
Date: _____

M-S-R PUBLIC POWER AGENCY

By: 
Its: GENERAL MANAGER
Date: 7-27-15

THE INCORPORATED COUNTY OF LOS ALAMOS, NEW MEXICO

By: _____
Its: _____
Date: _____

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

By: _____
Its: _____
Date: _____

CITY OF ANAHEIM

By: _____
Its: _____
Date: _____

PUBLIC SERVICE COMPANY OF NEW MEXICO

By: _____
Its: _____
Date: _____

TUCSON ELECTRIC POWER COMPANY

By: _____
Its: _____
Date: _____

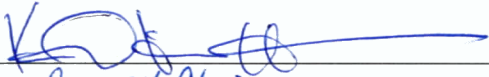
THE CITY OF FARMINGTON, NEW MEXICO

By: _____
Its: _____
Date: _____

M-S-R PUBLIC POWER AGENCY

By: _____
Its: _____
Date: _____

THE INCORPORATED COUNTY OF LOS ALAMOS, NEW MEXICO

By:  _____
Its: *Council Chair* _____
Date: *July 28, 2015* _____

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

By: _____
Its: _____
Date: _____

CITY OF ANAHEIM

By: _____
Its: _____
Date: _____

PUBLIC SERVICE COMPANY OF NEW MEXICO

By: _____
Its: _____
Date: _____

TUCSON ELECTRIC POWER COMPANY

By: _____
Its: _____
Date: _____

THE CITY OF FARMINGTON, NEW MEXICO

By: _____
Its: _____
Date: _____

M-S-R PUBLIC POWER AGENCY

By: _____
Its: _____
Date: _____

THE INCORPORATED COUNTY OF LOS ALAMOS, NEW MEXICO

By: _____
Its: _____
Date: _____

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

By: *J. Moran*
Its: PRESIDENT
Date: 7-16-15

CITY OF ANAHEIM

By: _____
Its: _____
Date: _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT
CIVIL CODE § 1189

State of California

County of Los Angeles

}

Salpi Ortiz, a notary public

On July 16, 2015

Date

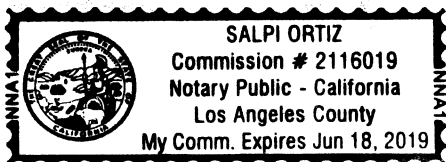
before me,

Name and Title of the Officer

personally appeared

Fred Wilson

Name(s) of Signer(s)



Place Notary Seal Above

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature:

Salpi Ortiz
Signature of Notary Public

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____

Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

☐ Corporate Officer — Title(s): _____

☐ Partner — ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer's Name: _____

☐ Corporate Officer — Title(s): _____

☐ Partner — ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

Signer Is Representing: _____

PUBLIC SERVICE COMPANY OF NEW MEXICO

By: _____
Its: _____
Date: _____

TUCSON ELECTRIC POWER COMPANY

By: _____
Its: _____
Date: _____

THE CITY OF FARMINGTON, NEW MEXICO

By: _____
Its: _____
Date: _____

M-S-R PUBLIC POWER AGENCY

By: _____
Its: _____
Date: _____

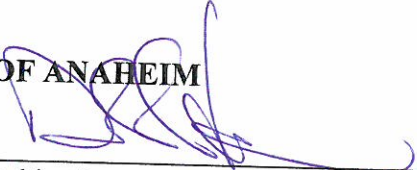
THE INCORPORATED COUNTY OF LOS ALAMOS, NEW MEXICO

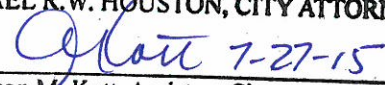
By: _____
Its: _____
Date: _____

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

By: _____
Its: _____
Date: _____

CITY OF ANAHEIM

By:  _____
Dukku Lee
Its: Public Utilities General Manager
Date: July 27, 2015

APPROVED AS TO FORM:
MICHAEL R.W. HOUSTON, CITY ATTORNEY
BY  7-27-15
Alison M. Kott, Assistant City Attorney

UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS

By: Douglas Hunt
Its: General Manager
Date: July 31, 2015

TRI-STATE GENERATION AND TRANSMISSION ASSOCIATION, INC.

By: _____
Its: _____
Date: _____

PNMR DEVELOPMENT AND MANAGEMENT CORPORATION

By: _____
Its: _____
Date: _____

UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS

By: _____
Its: _____
Date: _____

TRI-STATE GENERATION AND TRANSMISSION ASSOCIATION, INC.

By: Michael S. McIn
Its: CEO
Date: 7-22-15

PNMR DEVELOPMENT AND MANAGEMENT CORPORATION

By: _____
Its: _____
Date: _____

UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS

By: _____

Its: _____

Date: _____

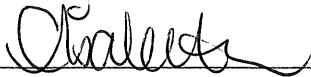
TRI-STATE GENERATION AND TRANSMISSION ASSOCIATION, INC.

By: _____

Its: _____

Date: _____

PNMR DEVELOPMENT AND MANAGEMENT CORPORATION

By: 

Its: President, Chief Executive Officer and Treasurer

Date: June 30, 2015

EXHIBIT A
DECOMMISSIONING SHARES¹

	Pre 2018	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
PNM	46.6%	46.9%	47.2%	47.5%	47.8%	48.0%	48.3%	48.5%	48.8%	49.0%	49.2%	49.4%
PNMR	-	0.2%	0.4%	0.6%	0.8%	0.9%	1.1%	1.3%	1.4%	1.5%	1.7%	1.8%
TEP	20.2%	20.2%	20.2%	20.2%	20.2%	20.2%	20.2%	20.2%	20.2%	20.2%	20.2%	20.2%
MSR	8.7%	8.4%	8.2%	8.0%	7.8%	7.6%	7.4%	7.3%	7.1%	6.9%	6.8%	6.6%
COF	2.6%	2.6%	2.7%	2.7%	2.8%	2.9%	2.9%	3.0%	3.0%	3.1%	3.1%	3.1%
Tri State	2.4%	2.4%	2.3%	2.2%	2.2%	2.1%	2.1%	2.0%	2.0%	1.9%	1.9%	1.8%
LAC	2.2%	2.2%	2.3%	2.3%	2.4%	2.4%	2.5%	2.5%	2.6%	2.6%	2.6%	2.7%
SCPPA	12.3%	12.0%	11.7%	11.4%	11.1%	10.8%	10.5%	10.3%	10.1%	9.8%	9.6%	9.4%
COA	3.0%	2.9%	2.9%	2.8%	2.7%	2.7%	2.6%	2.5%	2.5%	2.4%	2.4%	2.3%
UAMPS	2.1%	2.2%	2.2%	2.3%	2.3%	2.4%	2.4%	2.5%	2.5%	2.5%	2.6%	2.6%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
PNM	49.6%	49.8%	50.0%	50.1%	50.3%	50.5%	50.6%	50.8%	50.9%	51.0%	51.2%	51.3%
PNMR	1.9%	2.0%	2.2%	2.3%	2.4%	2.5%	2.6%	2.7%	2.8%	2.8%	2.9%	3.0%
TEP	20.2%	20.2%	20.2%	20.2%	20.2%	20.2%	20.2%	20.1%	20.1%	20.1%	20.1%	20.1%
MSR	6.5%	6.4%	6.2%	6.1%	6.0%	5.9%	5.8%	5.7%	5.6%	5.5%	5.4%	5.3%
COF	3.2%	3.2%	3.3%	3.3%	3.3%	3.4%	3.4%	3.4%	3.5%	3.5%	3.5%	3.5%
Tri State	1.8%	1.8%	1.7%	1.7%	1.7%	1.6%	1.6%	1.6%	1.6%	1.5%	1.5%	1.5%
LAC	2.7%	2.7%	2.8%	2.8%	2.8%	2.9%	2.9%	2.9%	2.9%	3.0%	3.0%	3.0%
SCPPA	9.2%	9.0%	8.8%	8.7%	8.5%	8.3%	8.2%	8.0%	7.9%	7.8%	7.6%	7.5%
COA	2.3%	2.2%	2.2%	2.1%	2.1%	2.0%	2.0%	2.0%	1.9%	1.9%	1.9%	1.8%
UAMPS	2.6%	2.7%	2.7%	2.7%	2.8%	2.8%	2.8%	2.8%	2.9%	2.9%	2.9%	2.9%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053
PNM	51.4%	51.5%	51.7%	51.8%	51.9%	52.0%	52.1%	52.2%	52.3%	52.4%	52.5%	52.5%	52.6%
PNMR	3.1%	3.2%	3.2%	3.3%	3.4%	3.4%	3.5%	3.6%	3.6%	3.7%	3.7%	3.8%	3.8%
TEP	20.1%	20.1%	20.1%	20.1%	20.1%	20.1%	20.1%	20.1%	20.1%	20.1%	20.1%	20.1%	20.1%
MSR	5.2%	5.1%	5.0%	4.9%	4.9%	4.8%	4.7%	4.6%	4.6%	4.5%	4.4%	4.4%	4.3%
COF	3.6%	3.6%	3.6%	3.6%	3.7%	3.7%	3.7%	3.7%	3.7%	3.8%	3.8%	3.8%	3.8%
Tri State	1.4%	1.4%	1.4%	1.4%	1.4%	1.3%	1.3%	1.3%	1.3%	1.3%	1.2%	1.2%	1.2%
LAC	3.0%	3.0%	3.1%	3.1%	3.1%	3.1%	3.1%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%
SCPPA	7.4%	7.2%	7.1%	7.0%	6.9%	6.8%	6.7%	6.6%	6.5%	6.4%	6.3%	6.2%	6.1%
COA	1.8%	1.8%	1.8%	1.7%	1.7%	1.7%	1.6%	1.6%	1.6%	1.6%	1.5%	1.5%	1.5%
UAMPS	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.2%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

¹ Assumes Units 1 and 4 retire at the same time and there is no change in ownership or Unit rating. Should any of the assumptions change, the Decommissioning Committee will recalculate the Decommissioning Shares.

EXHIBIT B**MANDATORY PROVISIONS**

Trust provisions substantially as shown below are considered to be the “Mandatory Provisions” for the individual Party Decommissioning Trust Agreements as required by Section 6.1 of the San Juan Decommissioning and Trust Funds Agreement (for purposes of this Exhibit B, the “Decommissioning Agreement”). For purposes of this Exhibit B, “Party A” refers to the Party that is a party to a Decommissioning Trust Agreement entered into pursuant to the terms of the Decommissioning Agreement. The numbering provisions in this form are for purposes of convenience and need not correspond to the actual section numbers in the actual Decommissioning Trust Agreement.

1. Purpose. The purpose of this Decommissioning Trust Agreement is to provide funding for the payment of Decommissioning Costs for the San Juan Project in accordance with Party A’s obligations as set out in the Decommissioning Agreement.
2. Identification of Beneficiaries. The beneficiaries of this Decommissioning Trust (“Beneficiaries”) are: (i) Party A, as the settlor; (ii) each of the other Parties to the San Juan Decommissioning and Trust Funds Agreement (“Decommissioning Agreement”); and (iii) the Decommissioning Agent as provided for in the Decommissioning Agreement. At the time of the establishment of Party A’s Trust, Party A will notify the Trustee of the names and contact information of all of the Parties to the Decommissioning Agreement and the Decommissioning Agent.
3. Settlor’s Relinquishment of Beneficial Interest. Party A, as settlor of the Trust, retains no beneficial interest in the funds held in trust except to utilize funds in the Trust as set forth in Section 4 and to receive a return of any funds that may remain in the Trust after the purposes of the Trust have been accomplished and the Trust has been terminated.
4. Decommissioning Trust Fund. Party A hereby establishes and is funding herewith the Decommissioning Trust Fund in accordance with the Decommissioning Agreement. Prior to termination, funds may be disbursed from the Decommissioning Trust Fund for the following and no other purposes: (a) to pay the costs and fees associated with the maintenance of the Decommissioning Trust Account, including the fees and expenses of the Trustee; and (b) to pay Party A’s Decommissioning Share (as defined in Section 5.3 and Exhibit A of the Decommissioning Agreement) of Decommissioning Costs pursuant to invoices rendered to Party A by the Decommissioning Agent (as that term is defined in the Decommissioning Agreement) and approved for payment by Party A. The Trustee will pay funds out of the Decommissioning Trust Fund in accordance with the following procedures. The Decommissioning Agent must bill Party A, in writing, for Decommissioning Costs at least ten (10) Business Days prior to the date that payment is due. Party A must promptly review such invoice and, upon Party A’s review and approval of such invoice from the Decommissioning Agent, must direct the Trustee to pay such invoice by making payment out of the assets of the Decommissioning Trust, in immediately available funds, to the Decommissioning Agent. Upon the making of such payment, the Trustee must provide notice of such payment to Party A. Party A must provide the Trustee with

appropriate wiring instructions for the making of payments in immediately available funds to the Decommissioning Agent. Party A must notify the Trustee of the identity of the Decommissioning Agent and of any changes in the Decommissioning Agent. Subject to and in accordance with the terms and conditions hereof, the Trustee agrees that it will receive, hold in trust, invest, reinvest, and release, disburse or distribute the funds in the Decommissioning Trust Account ("Decommissioning Trust Funds"). All interest and other earnings on the Decommissioning Trust Funds will become a part of the Decommissioning Trust Account and the Decommissioning Trust Funds for all purposes, and all losses resulting from the investment or reinvestment thereof from time to time, and all amounts charged thereto to compensate or reimburse the Trustee for amounts owing to it hereunder from time to time, will be set off against the Decommissioning Trust Funds, from the time of such loss or charge, and thereafter no longer will constitute part of the Decommissioning Trust Funds.

5. Funding Provisions. Party A must fund the Decommissioning Trust Account according to the terms set forth in the Decommissioning Agreement. The Trustee will have no obligation to take any action whatsoever in connection with Party A's funding of the Decommissioning Trust, or to enforce any obligations that Party A has, or may have, under the Decommissioning Agreement with respect to the funding of the Decommissioning Trust.

6. Modifications. A Decommissioning Trust created pursuant to this Agreement is irrevocable and may not be modified by Party A in a manner that (i) is inconsistent with the Decommissioning Agreement; or (ii) will adversely affect the ability of any Beneficiary to perform its obligations under the Decommissioning Agreement. It will be a condition to any modification of this Agreement that Party A has certified to the Trustee that such modification is not inconsistent with the Decommissioning Agreement and will not adversely affect the ability of any Beneficiary to perform its obligations under the Decommissioning Agreement. In no circumstance will this Agreement be modified in a way that impacts the Trustee's rights or duties, without the Trustee's prior written consent.

7. Good Faith Duties of Administration. The Trustee must exercise reasonable care, skill and caution in the administration of the Decommissioning Trust and must administer the Decommissioning Trust in good faith, in accordance with the terms of this Agreement. The Trustee must take reasonable steps to protect the Decommissioning Trust property.

8. No Conflicts of Interest. The Decommissioning Trust will be administered solely in the interests of the Beneficiaries. The Trustee may not permit to exist a conflict of interest between its duties under this Agreement and its personal interests and must keep the Decommissioning Trust property separate from the Trustee's own property.

9. Trustee Records and Reports. The Trustee must keep or cause to be kept and maintained accurate books and records reflecting all income, principal and expense transactions, which books and records will be open at all reasonable times for inspection by Party A or its duly authorized representatives, upon at least two (2) Business Days prior written notice to the Trustee. The Trustee must furnish statements to Party A and the Decommissioning Agent at least as often as annually, as directed by Party A. The Trustee must promptly respond to requests for information related to the administration of the Decommissioning Trust from Party

A. When applicable and required by applicable regulations, the Trustee will issue annual IRS Form 1099.

10. Scope of Undertaking. The Trustee [, as a fiduciary] [Party A and the Trustee may insert this language or omit it] will be subject to and must perform all duties in accordance with [this Agreement] [all rules of law relating to fiduciaries and trustees] [Party A and the Trustee may insert either of the bracketed phrases.]. The Trustee will perform such duties and only such duties as are specifically set forth in this Agreement, and no implied covenants, agreements or duties will be read into this Agreement against the Trustee. The Trustee will have no duty to perform, cause the performance of, manage, monitor, evaluate or approve the Decommissioning Work. The Trustee is not a principal, participant, or beneficiary in any transaction underlying this Agreement and will have no duty to inquire beyond the terms and provisions of this Agreement except as specifically provided herein. The Trustee will not be required to deliver the Decommissioning Trust Funds or any part thereof, or take any action with respect to any matters that might arise in connection therewith, other than to receive, hold in trust, invest, reinvest, and release, disburse or distribute the Decommissioning Trust Funds as herein provided. The Trustee will not be required to notify or obtain the consent, approval, authorization or order of any court or governmental body to perform its obligations under this Agreement, except as expressly provided herein. Without limiting the generality of the foregoing, it is hereby expressly agreed and stipulated by the Parties that, unless otherwise provided herein, the Trustee will not be required to exercise any discretion hereunder and will have no investment or management responsibility and, accordingly, will have no duty to, or liability for its failure to, provide investment recommendations or investment advice to Party A. The Trustee will not be liable for any error in judgment, any act or omission, any mistake of law or fact, or for anything it may do or refrain from doing in connection herewith, subject, however, to its own willful misconduct or [negligence] [gross negligence] [Party A and the Trustee may agree upon either standard]. It is the intention of the Parties that the Trustee will not be required to use, advance or risk its own funds or otherwise incur financial liability in the performance of any of its duties or the exercise of any of its rights and powers hereunder.

11. Termination of Decommissioning Trust and of this Agreement. The Decommissioning Trust and this Agreement will terminate no earlier than twenty-four (24) months after the Decommissioning Committee determines that the Decommissioning Work is complete; provided, however, that in the event all fees, expenses, costs and other amounts required to be paid to the Trustee hereunder are not fully and finally paid prior to termination, the provisions of Section ____ [concerning payment of Trustee] will survive the termination hereof, and provided further, that the provisions of Section ____ [concerning interpleader] and Section ____ [concerning indemnity] if applicable) will, in any event, survive the termination hereof. Notice of termination of the Decommissioning Trust and of this Agreement must be provided to the Trustee in the following manner: the Decommissioning Agent, at the direction of the Decommissioning Committee, must give written notice to Party A and to each of the other Parties that the Decommissioning Work was completed, and Party A must, in turn, give written notice to the Trustee of the satisfaction of Party A's obligations under the Decommissioning Agreement.

12. Distribution of Assets. Until satisfaction of Party A's obligations under the Decommissioning Agreement, Party A will have no right of return of any of the

Decommissioning Trust Funds. Upon the termination of this Agreement, the Trustee must distribute any remaining assets in the Decommissioning Trust Account to Party A.

13. Spendthrift Clause. The interests of the Beneficiaries are held subject to a spendthrift trust. No interest in the Decommissioning Trust Funds established pursuant to this Agreement will be transferable or assignable, voluntarily or involuntarily, or be subject to the claims of Party A or its creditors other than as provided in the Decommissioning Agreement.

14. Tax Matters. Party A must provide the Trustee with its taxpayer identification number documented by an appropriate Form W8 or W9 (or other appropriate identification information for tax purposes) upon execution of this Agreement. Failure to provide such form may prevent or delay disbursements from the Decommissioning Trust Funds and may also result in the assessment of a penalty and the requirement that the Trustee withhold tax on any interest or other income earned on the Trust Funds. The Parties agree that, for all tax purposes, all interest or other income, gain, or loss from investment of the Trust Funds, as of the end of each calendar year and to the extent required by the Internal Revenue Service or other taxing authority, will be reported as having been earned or lost, as the case may be, by Party A. Any payments of income will be subject to applicable withholding regulations then in force in the United States or any other jurisdiction, as applicable.

15. Third Party Beneficiaries. Nothing in this Agreement will entitle any person other than the Parties to any claim, cause of action, remedy, or right of any kind, except the rights expressly provided to the persons described in Section ____ (if applicable).

EXHIBIT C

SJGS PLANT SITE

The SJGS Plant Site consists of Parcels A, B, D, E and F in the property descriptions below.

PARCEL A

The following portions of Township 30 North, Range 15 West, N.M.P.M., San Juan County, New Mexico:

Section 16: SW 1/4
Section 20: NE 1/4, N 1/2 SE 1/4, SW 1/4 SE 1/4
Section 21: NW 1/4 NW 1/4
Section 29: NE 1/4

PARCEL B

The following portions of Township 30 North, Range 15 West, N.M.P.M., San Juan County, New Mexico:

Section 19: SE 1/4 SW 1/4, SW 1/4 SE 1/4
Section 20: E 1/2 NW 1/4, NE 1/4 SW 1/4
Section 29: NW 1/4, N 1/2 SW 1/4
Section 30: NE 1/4, E 1/2 NW 1/4, N 1/2 SE 1/4

PARCEL D

The following portions of Township 30 North, Range 15 West, N.M.P.M., San Juan County, New Mexico:

Section 17: SE 1/4 SW 1/4, S1/2 SE 1/4

PARCEL E

The following portions of Township 30 North, Range 15 West, N.M.P.M., San Juan County, New Mexico:

Section 19: SE 1/4 SE 1/4
NE 1/4 SE 1/4
E 1/2 NW 1/4 SE 1/4

S 1/2 S 1/2 SE 1/4 NE 1/4

Section 20: SE 1/4 SW 1/4
SW 1/4 SW 1/4
NW 1/4 SW 1/4
S 1/2 SW 1/4 SW 1/4 NW 1/4

Containing 235 acres, more or less.

PARCEL F

The following portions of Township 30 North, Range 15 West, N.M.P.M., San Juan County, New Mexico:

Section 20: SE 1/4 SE 1/4

EXHIBIT D

INITIAL DECOMMISSIONING WORK

Equipment	Scope	Decommissioning Cost Estimates	
		Unit 2	Unit 3
Cleanup ash/coal residual	Remove ash and coal from external and internal areas following unit shutdown.	\$400,000	\$400,000
Unit 2 Cooling Tower	Unit 2 Cooling Tower is a wood structure that would be demolished for safety and to eliminate the need for periodic inspections.	\$400,000	NA

EXHIBIT E
RETIREMENT IN PLACE

Equipment	Scope	Costs	
		Unit 2	Unit 3
Mercury switches	Identify, remove, and dispose of instrumentation containing Mercury, Estimated 132 Instruments on U3 and 120 Instruments on U2.	\$25,000	\$25,000
Freon refrigerant	Included in other costs estimates	Included	Included
Lighting Fixture PCB's	Several lighting fixtures contain PCB's. Would isolate and remove those and dispose of PCB's.	\$100,000	\$195,000
Nuclear sources	Remove and dispose of all nuclear source instrumentation. Highest cost is disposal requirements. 51 sources associated with Unit 3, 20 sources associated with Unit 2 - potential for early disposal prior to 2017.	\$112,200	\$44,000
Purge Generator of Hydrogen	Normal shutdown activity	\$0	\$0
Other chemicals (Acid/ Caustic/etc.)	Plans would be to decrease and suspend feed rates in last few weeks and flush in last few days to clean out tanks and equipment.	\$0	\$0
Oil filled equipment	Drain and dispose of oil/fuel from Fans, BFP, AH, CT gearboxes, Mills, Turbine LO, Diesel Generators, EHC fluid, MOVs, LC transformers, motors, HVAC units, sootblowers, hoists, fuel oil, etc.	\$60,000	\$60,000
Resins (Stator Cooling, etc.)	Removal and disposal of resins	\$2,000	\$2,000
Baghouse bags	Remove excess ash from bags	\$5,000	\$5,000

Batteries	Unit 2 - Battery Charger 2C and Batteries 2C, Unit 3 Battery Charger 2B and Batteries 2B (Systems power EBOP & ESOP motors)	\$15,000	\$15,000
DC & UPS System	Disconnect DC circuits and UPS circuits no longer in use	\$15,000	\$15,000
Precipitator T/R sets	Remove oil in Precipitator T/R sets	\$5,000	\$5,000
Safety Surveys	Setup periodic safety survey. Perform walkdown of remaining structures and equipment to identify potential hazards. Make minor remedies.	\$25,000	\$25,000
Ductwork and Misc. Equipment Stabilization	Follow-up from safety survey and other identified items to ensure equipment remains in safe condition	\$75,000	\$75,000
Review of Major Stand Alone Structures			
Stacks	Maintain minimum maintenance to defer tear down costs	\$25,000	\$25,000
Stacks - install stack caps	Install cap on top of stack to protect stack liner and pooling of water internal to the stack.	\$25,000	\$25,000
Stacks	Maintain minimum maintenance to defer tear down costs	* Aircraft light maint - \$5k per year * Elevator PM until obsolete - \$5k per year * Period stack structural inspection \$10k every 2 years-- Light maintenance for caulking up to \$50k over stack life	* Aircraft light maint - \$5k per year * Elevator PM until obsolete - \$5k per year * Period stack structural inspection \$10k every 2years Light maintenance for caulking up to \$50k over stack life.

Unit 3 Cooling Tower	Unit 3 Cooling Tower is a metal structure. Philosophy would be same as baghouse to leave in place until structural issues, if any, are identified. Plan would be to drain all equipment and leave in place.	\$0	\$5,000
Other Plant Structures	Typically steel structures that are anticipated to be able to stand until final decommissioning with little maintenance and periodic inspections.	\$5,000	\$5,000
Common Building Dismantle (Southside waste water building,)	A number of common unit buildings are no longer necessary. Dismantlement is preference for several of these - undetermined at this time.	\$50,000	\$50,000
Blank off chemical feeds	Blank off feeds to Unit 2 & 3 equipment to ensure no inadvertent filling of equipment or tanks from common chemical systems.	\$20,000	\$20,000
Physical Barriers	Setup physical barriers to prevent access to unmaintained areas.	\$25,000	\$25,000
Boiler	Secure/Close bottom of boiler to prevent draft through system - potentially fill seal tough	\$10,000	\$10,000
Misc. Structural and Environmental Issues	Address any emergent structural integrity or environmental conditions, if any, with equipment and facilities.	TBD	TBD
DCS Logic Changes	Changes to align DCS to two unit operation - logic changes	\$50,000	\$50,000
Medium Voltage Motors	Disconnect 4160V/6900V motors at the switchgear. Label cubicles as spare.	\$20,000	\$20,000
480V Motors	Disconnect 480V motor at the LC/MCC. Label cubicles as spare.	\$30,000	\$30,000
De-energize/disconnect Cooling Tower LC/MCC's	De-energize electrical equipment. Potential physical disconnect to remove potential for inadvertently re-energizing.	\$10,000	\$10,000

etc.			
Electrical disconnect from substation	Physical removal high voltage wire between the Generator MOD and the GSU Xfmrs. Physical removal of the potential backfeeds from medium voltage switchgear bus to the Aux Xfmrs and Generator, also included the Aux feeds to the SO2 Switchgear.	\$50,000	\$50,000
Coal Connection	Physically separate coal system so no inadvertent coal added back into Units 2 & 3 silos, etc.	\$15,000	\$15,000
Fire Protection	Insurance provider recommends maintaining fire detection in areas with oil storage or energized electrical equipment. May cap and drain non-operational areas.	\$50,000	\$50,000
Building elevators	Board up unit elevators - will need to transfer ownership on some to remaining owners to allow access to common piping runs, etc. - need better assessment	\$0	\$0
Property Taxes	Review/address continuing obligations, if any, on property taxes.		
Insurance Requirements	Review/address continuing obligations on required insurance.		
Aux Power Requirements	Aux power requirements for freeze protection, FAA warning lights, and other lighting equipment for the retired units.		
Building winter enclosures	Cover and repair vents, louvers, etc. in areas for heat loss and freeze protection in winter and air ventilation in the summer.	\$10,000	\$10,000

EXHIBIT F**EQUIPMENT REQUIRED FOR ON-GOING
OPERATION OF UNITS 1 AND 4**

Unit Needing Support	Unit Providing Support	Common System	Power Source Feeding	Notes
1	2	Sootblowing Air Compressors #1,2, and 3	2C 480 breakers	
1	2	Unit Plant Air compressor #1	2A 4160	
1	2	Unit Plant Air compressor #2 and 3	2B 4160	
4	3	Sootblowing Air Compressors A and B	U3 6900	
4	3	Bearing Cooling Water Pumps A and B	3A and 3B load centers	
1 and 4	2	Lake Station	U2 4160 A Bus	
1 and 4	2	U1 and U2 Ash Water	U2 4160	
1 and 4		Coal System		
1	2	Baghouse Air Compressor	U2	
4	3	Baghouse Air Compressor	U3 6900	
1		Demineralizer System		
4		Demineralizer System		
1	2	Bearing Cooling Water Pumps	U2	
1	2	Boiler Blowdown		Manual Valves
1 and 4	4	Oxidation Air Blowers	U3 and U4 01 MCC	
Common		Limestone Slurry System C Huff Tank		
4	3 and 4	Aux Cooling System	Switchyard	Blank off U3 Piping
1	1 and 2	Raw Water Supply	U2	
4	3 and 4	Raw Water Supply	U3	Heat Trace and Structure
4	3 and 4	HVAC	U3	
1	1 and 2	Control Room	U2	
4	3 and 4	Control Room	U3	
Common	2	Potable Water	U2	
1	1 and 2	Relay Room	U2	
4	3 and 4	Relay Room	U3	
Common	2	Lab and 1 and 2 Maintenance Shop	U2	
Common		Building Steam		Isolation
1	1 and 2	ME Wash 01 Area		Common Tank and Pumping

Unit Needing Support	Unit Providing Support	Common System	Power Source Feeding	Notes
				System
4	3 and 4	ME Wash 01 Area		Common Tank and Pumping System
1	1 and 2	Fuel Oil Pumping	U2	
4	3 and 4	Start-Up Boiler Feedpump	U3	
Common	2 and 3	Cranes and Elevators	U2 and U3	
4	3 and 4	CT Chemical Injection	U3	
1	1 and 2	Stack Relay, DCS, and LOTO Area	U3	
1	1 and 2	U1 and U2 FP Booster Pump	U2	
4	3 and 4	U3 and U4 FP Booster Pump	U3	
1	1 and 2	CO2 System	U2	
4	3 and 4	CO2 System	U3	
Common		Control System AC Power		Backup Sources from Sister Unit
1	1 and 2	Sample Panel	U2	
4	3 and 4	Sample Panel	U3	
1	1 and 2	Hydrogen Panels		Valving or Capping
4	3 and 4	Hydrogen Panels		Valving or Capping
Common		DBA Tank and Piping	U3	
1	1 and 2	Cathodic Protection	U2	
4	3 and 4	Cathodic Protection	U3	
Common		Aux Steam		
1	1 and 2	Tripper Deck Exhaust Fans	U2	
4	3 and 4	Tripper Deck Exhaust Fans	U3	
1	1 and 2	Lighting	U2	
4	3 and 4	Lighting	U3	
1	2	Stack Lighting	U2	Needed if Stack not Demolished
4	3	Stack Lighting	U3	Needed if Stack not Demolished
Common	2 and 3	Radio repeater System	U2 and U3	
Common		Contractor Support Shop	U2 and U3	

PROPOSED FEE SCHEDULE
TRUSTEE FOR LOS ALAMOS COUNTY
DECOMMISSIONING TRUST

Acceptance Fee.....\$500.00

This one-time fee is payable at closing and includes the review of documents, performing required customer due diligence, opening the account, and receipt of funds.

Annual Administration Fee.....\$2,500.00

Covers the day to day duties of providing Trustee services including account reporting, trade settlement, and compliance and risk management monitoring. Due annually, in advance. First year paid at closing.

Trustee Counsel Fee (if required).....at cost

New Mexico Gross Receipts Tax are applied to all fees.



County of Los Alamos

Staff Report

April 03, 2018

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.: E.

Index (Council Goals): * 2018 Council Goal – Quality Governance – Operational Excellence – Maintain Quality Essential Services and Supporting Infrastructure Including Updated Enterprise Software and Permitting

Presenters: Naomi Maestas

Legislative File: 10569-18

Title

County Council Minutes for March 5, 2018, March 6, 2018, and March 20, 2018

Recommended Action

I move that Council approve the County Council Minutes for March 5, 2018, March 6, 2018, and March 20, 2018.

Clerk's Recommendation

The County Clerk recommends that Council approve the County Council Minutes as presented.

Attachments

- A - County Council Minutes for March 5, 2018
- B - County Council Minutes for March 6, 2018
- C - County Council Minutes for March 20, 2018



County of Los Alamos

Los Alamos, NM 87544
www.losalamosnm.us

Minutes

County Council – Special Session

*David Izraelevitz, Council Chair; Christine Chandler, Vice Chair;
James T. Chrobocinski, Antonio Maggiore, Susan O'Leary
Rick Reiss and Pete Sheehey, Councilors*

Monday, March 5, 2018

6:00 PM

Council Chambers – 1000 Central Avenue
TELEVISED

1. OPENING/ROLL CALL

Councilor Izraelevitz, called the meeting to order at 6:01 p.m.

The following Councilors were in attendance:

Present: 6 - Councilor Izraelevitz, Councilor Chandler, Councilor Maggiore, Councilor O'Leary,
Councilor Reiss, and Councilor Sheehey

Absent: 1 - Councilor Chrobocinski

2. PLEDGE OF ALLEGIANCE

Led by: All

3. PUBLIC COMMENT

None.

4. APPROVAL OF AGENDA

A motion was made by Councilor Chandler, seconded by Councilor Maggiore, that the Agenda be approved as presented.

The motion passed by acclamation with the following vote:

Yes: 6 - Councilor Izraelevitz, Councilor Chandler, Councilor Maggiore, Councilor O'Leary,
Councilor Reiss, and Councilor Sheehey

Absent: 1 - Councilor Chrobocinski

5. BUSINESS

- A. Discussion and Possible Action Relating to Allegations of Improprieties Involving Regional Coalition of LANL Communities' Travel Expenditures and Related Issues Including the Los Alamos County's Role in Reviewing and Disclosing Such Issues

Mr. Harry Burgess, County Manager, spoke.
Mr. Steven Lynne, Deputy County Manager, spoke.
Mr. Alvin Leaphart, County Attorney, spoke.

Public Comment:

Mr. Brady Burke, 2310 39th Street, spoke.
Ms. Lisa Shin, 637 47th Street, spoke.
Mr. Mike Wheeler, 1855 Los Pueblos, spoke.

A motion was made by Councilor Chandler, seconded by Councilor Reiss, that the Friday, March 2nd email from Alvin to Councilor O'Leary with copy to James Chrobocinski and entire the Council be deemed a public record, and available for inspection by anyone who chooses to see it.

Mr. Alvin Leaphart, County Attorney, spoke.

The motion passed with the following vote:

Yes: 6 - Councilor Izraelevitz, Councilor Chandler, Councilor Maggiore, Councilor O'Leary, Councilor Reiss, and Councilor Sheehey

Absent: 1 - Councilor Chrobocinski

A motion was made by Councilor Izraelevitz, seconded by Councilor Chandler, that the County Attorney engage with outside counsel to investigate allegations of improprieties involving the RCLC travel expenditures and related issues, including the Los Alamos County's role in reviewing and disclosing such issues.

Mr. Alvin Leaphart, County Attorney, spoke.
Mr. Harry Burgess, County Manager, spoke.

RECESS

Councilor Izraelevitz called for a recess at 7:55 pm and reconvened at 8:09 pm.

A SUBSTITUTE motion was made by Councilor Chandler, seconded by Councilor Reiss, that the County Attorney engage with outside counsel to investigate the allegations outlined in Councilors O'Leary and Chrobocinski's complaint and that outside counsel return to the County Council with an investigative plan.

The procedural motion to consider the SUBSTITUTE motion passed by acclamation.

Mr. Alvin Leaphart, County Attorney, spoke.

After further discussion, the SUBSTITUTE motion was *amended*.

The SUBSTITUTE motion was *amended*, made by Councilor Chandler, seconded by Councilor Reiss, that the County Attorney engage with outside counsel to investigate the allegations outlined in Councilors O'Leary and Chrobocinski's complaint and that outside counsel return to the County Council with an investigative plan by April 3rd.

The SUBSTITUTE motion as *amended*, passed with the following vote:

Yes: 6 - Councilor Izraelevitz, Councilor Chandler, Councilor Maggiore, Councilor O'Leary, Councilor Reiss, and Councilor Sheehey

Absent: 1 - Councilor Chrobocinski

6. PUBLIC COMMENT

None.

7. ADJOURNMENT

The meeting adjourned at 8:20 p.m.

INCORPORATED COUNTY OF LOS ALAMOS

David Izraelevitz, Council Chair

Attest:

Naomi D. Maestas, County Clerk

Meeting Transcribed by: Francella M. Montoya, Senior Deputy Clerk

Memorandum

TO: Harry Burgess, County Manager
 FR: Helen Perraglio, Chief Financial Officer
 David Griego, Senior Management Analyst
 DATE: February 21, 2018
 RE: Regional Coalition of LANL Communities (RCLC) Review

COUNTY COUNCIL

David Izraelvitz
 Council Chair

Chris Chandler
 Council Vice-Chair

COUNCILORS

James A. Chrobocinski

Antonio Maggiore

Susan O'Leary

Rick Reiss

Pete Sheehy

COUNTY MANAGER

Harry Burgess

Per your request, we have performed a review of payments from RCLC with Los Alamos County as fiscal agent, to ANDREA ROMERO CONSULTING, LLC for fiscal year 2017 to date, with a focus on reimbursable payments. We have also reviewed reimbursement payments to ALICE LUCERO and the CITY OF SANTA FE as these were the only other reimbursements paid out during the timeframe of this review.

Below is a summary of the scope, procedures performed, findings noted, and recommendations from our office.

I. SCOPE:

1. Conduct detailed audit of all payments for this fiscal year and prior fiscal year comparing the totals paid to the estimated totals that should have been paid to ANDREA ROMERO CONSULTING, LLC.
2. Conduct detailed audit of all payments for this fiscal year and prior fiscal year comparing the totals paid to the estimated totals that should have been paid to ALICE LUCERO.
3. Conduct detailed audit of all payments for this fiscal year and prior fiscal year comparing the totals paid to the estimated totals that should have been paid to CITY OF SANTA FE.

II. PROCEDURES:

1. Pulled all reimbursement payments and attached supporting documentation from July 1, 2016 – February 1, 2018.
2. Reviewed ANDREA ROMERO CONSULTING, LLC Agreement No. 16-01, for Executive Director Services for the RCLC.

3. Reviewed RCLC Resolution No. 2012-03, Regional Coalition Travel Policies and Budget.
4. Reviewed Resolution No. 2012-01, Bylaws of the RCLC, and Proposed Changes to RCLC Bylaws that may have been adopted at a later date (no adoption date noted).
5. Reviewed the Joint Powers Agreement (JPA) establishing the RCLC.
6. Reviewed a sample of minutes from RCLC meetings to seek clarification on certain items.
7. Compared fourteen (14) payments for Reimbursable Expenses submitted by ANDREA ROMERO CONSULTING, LLC for compliance with Agreement No. 16-01, and RCLC Resolution No. 2012-03 for the time period noted above.
8. Pulled a sample of three (3) regular payments to ANDREA ROMERO CONSULTING, LLC out of nineteen (19) for the time period noted above for review of compliance with Agreement No. 2012-03.
9. Compared two (2) payments for Reimbursable Expenses submitted by ALICE LUCERO for compliance with Agreement No. 16-01, and RCLC Resolution No. 2012-03 for the time period noted above.
10. Compared three (3) payments for Reimbursable Expenses submitted by CITY OF SANTA FE for compliance with Agreement No. 16-01, and RCLC Resolution No. 2012-03 for the time period noted above.

III. FINDINGS:

1. Overall – we found issues with all nineteen (19) reimbursable payments referenced in Section II. 7, 9, and 10 above. In general, the Travel Policies in Resolution No. 2012-03, were not followed in the following manner:
 - a. No documentation of pre-authorization of out of state travel reimbursement requests were included with supporting documentation as required in Section IV, Authorization for Travel and Training, "A staff member may incur expenses for pre-approved training programs, conferences, and professional meetings... for out of state travel and training... approval is required by the Board". These may have been included in meeting minutes, but were not provided as support for reimbursement.
 - b. Actual meal receipts were provided in lieu of per diem allowances for meals. Refer to Section VII. a) Per Diem Meal Allowance, page 5, in which all claims for meal reimbursements should have been submitted via approved meal allowance rates.
 - c. We could not locate language in either resolution or agreement that would allow for the submission of meal reimbursements paid for business associates or for certain Board events and functions.

Several claims of this nature did not include itemized receipts, or were not substantiated with pre-authorized approvals.

2. Direct violation of Resolution 2012-03, Section VIII., Specifically Prohibited Expenses:

- a. One (1) instance in which a reimbursement of alcoholic beverages was submitted and paid. In another instance, we later discovered an itemized receipt for the Bull Ring that was not attached to supporting documentation we audited, but which also appears to have included alcoholic beverages.
- b. We noted a purchase of twelve (12) Major League Baseball tickets that should have been prohibited entertainment and recreation expenses.
- c. There were several other reimbursements that we could not ascertain whether they were direct violations or not due to a lack of itemized meal receipts provided, (i.e. no supporting detail of items purchased).

3. Summary of Audit Review and Adjustments:

- a. Please refer to Attachment A1-A5 – Review and Compliance Matrix for ANDREA ROMERO CONSULTING, LLC. This is a summary of what we considered to be allowable versus disallowed reimbursements. In several cases, ANDREA ROMERO CONSULTING, LLC miscalculated claims, or Los Alamos County inadvertently missed a payment for a claim that was submitted. The Matrix captures the net effect of the errors.

Total Reimbursable Claims as Approved and Paid totaled \$29,099.74. Summary of Claims as Audited and Recommended for Adjustment totaled \$26,852.84. Therefore we believe that RCLC is owed \$2,246.90 back in order to remedy non-compliance with the Travel Policies. However, we do not know if ANDREA ROMERO CONSULTING, LLC was reimbursed any per diem or if there were other circumstances in which these would not be considered for reimbursement (for example, deduction for meals that may have been provided by a conference or meals paid for by someone else other than ANDREA ROMERO CONSULTING, LLC).

- b. Please refer to Attachment B1-B5 – Review and Compliance Matrix for ALICE LUCERO. This is a summary of what we considered to be allowable versus disallowed reimbursements. The Matrix captures the net effect of the errors.

Total Reimbursable Claims as Approved and Paid totaled \$4,013.43. Summary of Claims as Audited and Recommended for

Adjustment totaled \$4,424.97. Therefore we believe that ALICE LUCERO may be owed \$411.54 in order to remedy non-compliance with the Travel Policies. However, we do not know if Board Member Alice Lucero was reimbursed any per diem by the City of Espanola, or if there were other circumstances in which these would not be considered for reimbursement (for example, deduction for meals that may have been provided by a conference or meals paid for by someone else other than ALICE LUCERO).

- c. Please refer to Attachment C1-C5 – Review and Compliance Matrix for CITY OF SANTA FE. This is a summary of what we considered to be allowable versus disallowed reimbursements. The Matrix captures the net effect of the errors.

Total Reimbursable Claims as Approved and Paid totaled \$4,637.68. Summary of Claims as Audited and Recommended for Adjustment totaled \$5,063.11. Therefore we believe that CITY OF SANTA FE may be owed \$425.43 in order to remedy non-compliance with the Travel Policies. However, we do not know if Board Member Javier Gonzales was reimbursed any per diem by the CITY OF SANTA FE, or if there were other circumstances in which these would not be considered for reimbursement (for example, deduction for meals that may have been provided by a conference or meals paid for by someone else other than the CITY OF SANTA FE).

4. There was no language located in the Bylaws under Resolution No. 2012-01 or in the Proposed Changes to RCLC Bylaws, the Travel Policies and Budget under Resolution No. 2012-03, or within the JPA that gives the Fiscal Agent responsibility for approval of expenditures. We found conflicting language in the services agreement under Section C., 2. with ANDREA ROMERO CONSULTING, LLC that states "Contractor shall submit itemized monthly invoices to the County of Los Alamos...".
 - a. All reimbursements submitted for payment were provided to the Fiscal Agent, Los Alamos County primarily, who then sought approval from the Treasurer of RCLC. All invoices were signed by Andrea Romero, and County staff attached email approvals by the RCLC Treasurer for these payments. County staff also notated approval for payment for submission through the Los Alamos County Accounts Payable office.
 - b. After review of Meeting Minutes of the RCLC dated August 17, 2012, Los Alamos County staff recommended the Board authorize an individual/s to authorize expenditures for the RCLC. The minutes state that the board decided a long-term financial policy needed to be drafted. We did not locate any such policy during the review. The only language that provides responsibility over

disbursements was located Under Article III. Section F., Number 3., in that the Secretary/Treasurer, "Shall have oversight of Regional Coalition funds and assets. He/she shall review accounts of receipts, disbursements and deposits of all Regional Coalition monies...". Also, the language in item F. within the Proposed Changes to Bylaws, if adopted, remained the same. It appears there may have been a misunderstanding of who was responsible for thorough review and authorization of payments from the RCLC which could have contributed to the disallowed expenses being paid.

5. We discovered that reimbursable expenses paid in the Calendar Year 2016 were not included as non-employee compensation on the Form 1099-MISC issued to ANDREA ROMERO CONSULTING, LLC, as these had been erroneously flagged in the vendor maintenance record.
 - a. Upon further review it appears that Los Alamos County staff thought the reimbursements were not subject to 1099 reporting requirements because they were called out separately in the services agreement, and are normally not included for employees. However, because ANDREA ROMERO CONSULTING, LLC is not an employee of the RCLC, all payments including reimbursements are considered non-employee compensation for 1099 reporting purposes.

IV. RECOMMENDATIONS:

Los Alamos County Finance staff recommends the RCLC Board consider the following recommendations and possible action:

1. To ensure compliance with the Travel Policy, all Board Members and Staff, including Contract Staff that may be affected by the policy, should certify they have been presented with the policy and have read it in its entirety.
 - a. The Board might also consider excluding Contract Staff under the scope of the Travel Policy, and address Travel Reimbursements under the contractor's services agreement directly.
2. The Travel Policy should be signed by the Secretary/Treasurer.
3. Travel Policy language should be reviewed and revised as necessary to eliminate any possible language that may be unclear or contradictory, and further specify that actual meal reimbursements are disallowed under this policy.
4. The Board should adopt a separate Discretionary Expense Policy as supported by Article II, Section D of the Bylaws. The policy should include specific language regarding authorized expenditures for specific RCLC events, such as Board meetings, refreshments, snacks, or special events. Currently, there is no policy language that supports the reimbursement of

the Executive Director for these types of expenses. This would avoid reimbursements of this nature to be considered under the Travel Policy – we recommend keeping those policies separate.

5. In reference to Section IV, 4 above, establish spending limits and restrictions, and specifically state expenditures that are disallowed.
6. Travel Reimbursement Forms should be developed and approved by the RCLC Board and incorporated into travel reimbursement procedures. Travel reimbursement request forms will establish internal controls and minimize the risk of non-compliance.
7. In order to avoid any conflicting travel policies from varying Coalition member entities, those entities should arrange for Board Member travel and reimbursement under their own jurisdictions' policies. We then recommend, that RCLC reimburse the member entity for that approved travel. Language should be drafted in the RCLC Travel Policy to accomplish this change. Reasons to consider this policy change:
 - a. This would simplify Board Member travel in that they would not need to follow varying travel policies.
 - b. This would eliminate the risk of any duplication of travel claims between the Board Member's entity and the RCLC.
 - c. This would increase efficiencies in the audit, review and approval process to help ensure compliance with policy.
 - d. This further supports that the entity is the member of the RCLC under the JPA, and reduces the need to involve individual Board Members in the event that a future review reveals reimbursements are due either to RCLC or vice versa.
8. If the proposed change referenced in Section IV., 7 above is not adopted, then we recommend for Board Members that are reimbursed directly from RCLC under RCLC Travel Policy, include a certification statement that the Board Member has not and will not seek reimbursement from any other source. This would ensure that a Board Member is not reimbursed for the same travel event from both entities. This can be accomplished by the use of a Board Travel Reimbursement Form.
9. Review and revise the language in the ANDREA ROMERO CONSULTING, LLC Services Agreement to include all business expenses into the overall fixed fee.
10. Any special projects agreed to be purchased/performed and paid for by the RCLC that are not identified specifically in the contract, should be invoiced directly to RCLC and not paid for by ANDREA ROMERO CONSULTING, LLC and then submitted for reimbursement. Payments to contractor are subject to 1099 reporting as non-employee compensation.
11. To avoid the appearance of duplicate mileage reimbursement claims, staff from ANDREA ROMERO CONSULTING, LLC should indicate on the claim form that both staff individuals traveled separately to the same event. If traveled together, only one claim can be submitted.
12. All invoices and reimbursement requests should be submitted directly to the RCLC Treasurer for review of compliance with policy and approval.

- Once approved by the Treasurer, the Treasurer should then correspond with the designated contact of the Fiscal Agent to proceed with payment.
13. As noted in the August 17, 2012 minutes, a long term financial policy or other form of agreement should be drafted to clarify roles and responsibilities of the RCLC and the Fiscal Agent.
 14. We recommend the re-issuance of the 2016 Form 1099-MISC to ANDREA ROMERO CONSULTING, LLC to include all reimbursable expenses that were paid out and should have been included as non-employee compensation. Going forward, all payments to contractor are subject to 1099 requirements to be reported as non-employee compensation.
 15. Revise the language in the ANDREA ROMERO CONSULTING, LLC Services Agreement to remove Los Alamos County under Section C. Compensation, 1. and 2., and clarify that the RCLC shall pay compensation and that itemized monthly invoices shall be submitted directly to the RCLC Treasurer showing amount of compensation due.

Finally, we recommend that the Los Alamos County staff's function in the future would be to perform a secondary review of any payment requests, only after the Treasurer's authorization to approve. Los Alamos County staff should communicate any issues noted back to the Treasurer prior to release of payment in order to correct any items as necessary. Los Alamos County staff, if requested, could provide training to the Executive Director, and/or the Treasurer on how to ensure invoices and reimbursement claims comply with RCLC policies. In addition, Los Alamos County staff could help to prepare travel reimbursement forms for the RCLC that meet the requirements of the Travel Policy to aid in the submission and payment of reimbursable travel expenses.

ANDREA ROMERO CONSULTING, LLC

ANDREA ROMERO CONSULTING, LLC

Fiscal Year	Check No.	Check Date	Check Amount	Invoice Description	Reimbursement Type (As Approved and Paid)									Check Total	Check Difference	
					In State Travel Mileage	In State Per Diem Meals	Out State Per Diem Meals	Incidental Allowance	Airfare	Parking-Shuttle-Taxi	Registration Fees	Hotel - Lodging	Actual Meals-Entertainment-Other			
2016	349335	7/5/2016	845.82	FY16 Travel (June 2016) -Paid in FY17	246.78						525.00		74.04	845.82	-	
2017	350195	8/11/2016	418.82	Jul 2016 Reimbursable Expenses	338.45								80.37	418.82	-	
	350945	9/13/2016	1,281.82	Aug 2016 Reimbursable Expenses	111.89				404.36			765.57		1,281.82	-	
	351635	10/11/2016	818.16	Sep 2016 Reimbursable Expenses	448.95					159.66		78.59	130.96	818.16	-	
	352217	11/8/2016	505.56	Oct 2016 Reimbursable Expenses	319.57					35.37			150.62	505.56	-	
	354391	2/23/2017	992.71	Jan 2017 Reimbursable Expenses	385.63				577.60		(25.52)		55.00	992.71	-	
	354712	3/9/2017	2,651.59	Feb 2017 Reimbursable Expenses	281.40					135.01		837.56	1,397.62	2,651.59	-	
	355158	3/30/2017	1,536.44	Feb 2017 Reimbursable Expenses			300.00		402.88			833.56		1,536.44	-	
	356085	5/11/2017	1,578.16	Mar & Apr 2017 Reimbursable Expenses	477.97					20.00		844.66	235.53	1,578.16	-	
	356853	6/8/2017	1,143.65	May 2017 Reimbursable Expenses	220.73					9.00		913.92		1,143.65	-	
	358358	8/3/2017	218.62	Jun 2017 Reimbursable Expenses	93.73								124.89	218.62	-	
TOTAL					11,145.53	2,678.32	-	300.00	-	1,384.84	359.04	(25.52)	4,273.86	2,174.99	11,145.53	-
2018	358509	8/10/2017	4,476.81	Jul 2017 Reimbursable Expenses	150.44				458.60			407.48	3,460.29	4,476.81	-	
	359582	10/5/2017	9,665.73	Aug 2017 Reimbursable Expenses	548.06				523.45	9.00	425.00	1,433.39	6,726.83	9,665.73	-	
	360177	11/2/2017	2,965.85	Sep 2017 Reimbursable Expenses	116.31				389.45	239.88	295.00	(866.09)	2,791.30	2,965.85	-	
	TOTAL					17,108.39	814.81	-	-	-	1,371.50	248.88	720.00	974.78	12,978.42	17,108.39
GRAND TOTAL					29,099.74	3,739.91	-	300.00	-	2,756.34	607.92	1,219.48	5,248.64	15,227.45	29,099.74	-

Los Alamos County Council
Special Session
March 5, 2018
Item 5.A

ANDREA ROMERO CONSULTING, LLC

ATTACHMENT A-2

Fiscal Year	Check No.	Check Date	Check Amount	Invoice Description	RCLC Travel Policy Compliance Matrix								
					Evidence of Travel Pre Authorization	In State Travel Mileage	In State Per Diem Meals	Out State Per Diem Meals	Incidental Allowance	Airfare Itemized Receipt	Parking-Shuttle-Taxi	Registration Fees	Hotel Itemized Receipt
2016	349335	7/5/2016	845.82	FY16 Travel (June 2016) - Paid in FY17	Not Provided	mileage miscalculated	Not Claimed	Not Claimed	Not Claimed	n/a	n/a	Ok	n/a
2017	350195	8/11/2016	418.82	Jul 2016 Reimbursable Expenses	Not Provided	mileage miscalculated	Not Claimed	Not Claimed	Not Claimed	n/a	n/a	n/a	n/a
	350945	9/13/2016	1,281.82	Aug 2016 Reimbursable Expenses	Not Provided	Ok	Not Claimed	Not Claimed	Not Claimed	Ok	n/a	n/a	Reservation Confirmation Only, Not Itemized
	351635	10/11/2016	813.16	Sep 2016 Reimbursable Expenses	Not Provided	possible mileage duplication	Not Claimed	Not Claimed	Not Claimed	n/a	Ok	n/a	n/a
	352217	11/8/2016	505.56	Oct 2016 Reimbursable Expenses	Not Provided	possible mileage duplication	Not Claimed	Not Claimed	Not Claimed	n/a	Ok	n/a	n/a
	354391	2/23/2017	992.71	Jan 2017 Reimbursable Expenses	Not Provided	possible mileage duplication	Not Claimed	Not Claimed	Not Claimed	Receipt Not Provided	n/a	n/a	n/a
	354712	3/9/2017	2,651.59	Feb 2017 Reimbursable Expenses	Not Provided	possible mileage duplication	Not Claimed	Not Claimed	Not Claimed	n/a	Destination - Purpose Not Provided	n/a	Ok
	355158	3/30/2017	1,536.44	Feb 2017 Reimbursable Expenses	Not Provided	Ok	Not Claimed	Yes	Not Claimed	Yes	n/a	n/a	n/a
	356085	5/11/2017	1,578.16	Mar & Apr 2017 Reimbursable Expenses	Not Provided	possible mileage duplication	Not Claimed	Not Claimed	Not Claimed	n/a	Yes	n/a	n/a
	356853	6/8/2017	1,143.65	May 2017 Reimbursable Expenses	Not Provided	possible mileage duplication	Not Claimed	Not Claimed	Not Claimed	n/a	Yes	n/a	n/a
	358358	8/3/2017	218.62	Jun 2017 Reimbursable Expenses	Not Provided	possible mileage duplication	Not Claimed	Not Claimed	Not Claimed	n/a	n/a	n/a	n/a
TOTAL			11,145.53										
2018	358509	8/10/2017	4,476.81	Jul 2017 Reimbursable Expenses	Not Provided	mileage miscalculated	Not Claimed	Not Claimed	Not Claimed	Yes	n/a	n/a	Reservation Confirmation Only, Not Itemized
	359582	10/5/2017	9,665.73	Aug 2017 Reimbursable Expenses	Not Provided	possible mileage duplication	Not Claimed	Not Claimed	Not Claimed	Yes	Yes	n/a	Reservation Confirmation Only, Not Itemized
	360177	11/2/2017	2,965.85	Sep 2017 Reimbursable Expenses	Not Provided	possible mileage duplication	Not Claimed	Not Claimed	Not Claimed	Yes	Yes	No Receipt or Invoice Provided	n/a
TOTAL			17,108.39										
GRAND TOTAL			29,099.74										

ANDREA ROMERO CONSULTING, LLC

ANDREA ROMAN

Fiscal Year	Check No.	Check Date	Check Amount	Invoice Description	Reimbursement Type (Audited-Adjusted)								Actual Meals-Entertainment-Other	Adjusted Total	Difference: Due To / (Due From)	
					In State Travel Mileage	In State Per Diem Meals	Out State Per Diem Meals	Incidental Allowance	Airfare	Parking-Shuttle-Taxi	Registration Fees	Hotel - Lodging				
2016	349335	7/5/2016	845.82	FY16 Travel (June 2016) -Paid in FY17	230.58	50.00	-	8.00	-	-	525.00	-	28.08	841.66	(4.16)	
2017	350195	8/11/2016	418.82	Jul 2016 Reimbursable Expenses	338.45	-	-	-	-	-	-	-	17.10	355.55	(63.27)	
	350945	9/13/2016	1,281.82	Aug 2016 Reimbursable Expenses	111.89	50.00	-	8.00	404.36	-	-	765.57	-	1,339.82	58.00	
	351635	10/11/2016	818.16	Sep 2016 Reimbursable Expenses	448.95	50.00	360.00	56.00	-	159.66	-	37.48	35.23	1,147.32	329.16	
	352217	11/8/2016	505.56	Oct 2016 Reimbursable Expenses	319.57	-	-	-	-	35.37	-	-	75.18	430.12	(75.44)	
	354391	2/23/2017	992.71	Jan 2017 Reimbursable Expenses	385.63	-	-	-	-	-	(25.52)	-	-	360.11	(632.60)	
	354712	3/9/2017	2,651.59	Feb 2017 Reimbursable Expenses	281.40	-	420.00	56.00	-	135.01	-	833.56	39.67	1,765.64	(885.95)	
	355158	3/30/2017	1,536.44	Feb 2017 Reimbursable Expenses	58.85	-	480.00	64.00	916.62	40.07	-	1,453.60	-	3,013.14	1,476.70	
	356085	5/11/2017	1,578.16	Mar & Apr 2017 Reimbursable Expenses	477.97	-	-	-	-	20.00	-	833.56	162.88	1,494.41	(83.75)	
	356853	6/8/2017	1,143.65	May 2017 Reimbursable Expenses	220.73	-	300.00	40.00	-	103.88	400.00	913.92	-	1,978.53	834.88	
	358358	8/3/2017	218.62	Jun 2017 Reimbursable Expenses	93.73	-	-	-	-	-	-	-	124.89	218.62	-	
TOTAL				11,145.53	2,737.17	100.00	1,560.00	224.00	1,320.98	493.99	374.48	4,837.69	454.95	12,103.26	957.73	
														13,103.26	957.73	
2018	358509	8/10/2017	4,476.81	Jul 2017 Reimbursable Expenses	150.44	-	-	-	458.60	-	-	407.48	3,437.50	4,454.02	(22.79)	
	359582	10/5/2017	9,665.73	Aug 2017 Reimbursable Expenses	548.06	-	-	-	523.45	9.00	425.00	1,433.39	5,647.89	8,586.79	(1,078.94)	
	360177	11/2/2017	2,965.85	Sep 2017 Reimbursable Expenses	116.31	-	420.00	26.00	389.45	239.88	-	(866.09)	541.56	867.11	(2,098.74)	
TOTAL				17,108.39	814.81	-	420.00	26.00	1,371.50	248.88	425.00	974.78	9,626.95	13,907.92	(3,200.47)	
GRAND TOTAL					29,099.74	3,782.56	150.00	1,980.00	258.00	2,692.48	742.87	1,324.48	5,812.47	10,109.98	26,852.84	(2,246.90)

Los Alamos County Council
Special Session
March 5, 2018
Item 5.A

ANDREA ROMERO CONSULTING, LLC

ATTACHMENT A-4

	In State Travel Mileage	In State Per Diem Meals	Out State Per Diem Meals	Incidental Allowance	Airfare	Parking- Shuttle-Taxi	Registration Fees	Hotel - Lodging	Actual Meals- Entertainment- Other	TOTAL
SUMMARY OF CLAIMS AS APPROVED AND PAID	3,739.91	-	300.00	-	2,756.34	607.92	1,219.48	5,248.64	15,227.45	29,099.74
SUMMARY OF CLAIMS AS AUDITED AND ADJUSTED	3,782.56	150.00	1,980.00	258.00	2,692.48	742.87	1,324.48	5,812.47	10,109.98	26,852.84
DIFFERENCE	42.65	150.00	1,680.00	258.00	(63.86)	134.95	105.00	563.83	(5,117.47)	(\$2,246.90)

SUMMARY OF AUDIT ADJUSTMENTS	Disallow: \$16.19 from miscalculated mileage on Check#349335	Add: \$150.00- Not claimed, but eligible claim per travel policy.	Add: \$1,680.00- Not claimed, but eligible claim per travel policy.	Add: \$258.00- Not claimed, but eligible claim per travel policy.	Disallow: \$577.60 Check #354394 did not provide airfare receipt.	Add: \$40.07 claimed but not paid on Check #355158	Add: \$400.00 - Math error on ARC invoice. Claimed, but not paid on Check #356853.	Add: \$625.17 - Check# 355158 did not include approved claim. Disallow: \$61.34 Hotel Room Service Charges	Disallow: \$5,117.47- Actual expenses disallowed for meals [See Detail Schedule in Attachment A-5)
	Add: \$58.85 from missed claim on Check#355158 Observation: On several mileage claims, it appears that both ARC Staff may have traveled together to the same meeting/event and claimed mileage twice. If driving separately, claimant should specifically indicate so on	Per diem based on what is reasonably assumed a full day of events.	Per diem based on what is reasonably assumed a full day of events.	Per diem based on what is reasonably assumed a full day of events.	Add: \$513.74 Check# 355158 did not include approved claim.	Add: \$94.88 - Math error on ARC invoice. Claimed, but not paid on Check #356853.	Disallow: \$295.00 - No evidence of registration fee provided on Check #360177.		

ANDREA ROMERO CONSULTING, LLC**DETAILED SCHEDULE OF PREVIOUSLY PAID, BUT DISALLOWED CLAIMS - \$5,117.47****Check #349335 - \$45.96**

- \$31.19 - Actual Meal-Clafoutis-Meeting with Patrick Woerhle - No itemized receipt provided-actual meal expense reimbursement not supported by the Travel Policy
- \$14.77 - Lunch-El Parasol-Rio Arriba Leadership Summit - No itemized receipt provided-Actual Meal Expense Reimbursement not supported by the Travel Policy

Check #350195 - \$63.27

- \$37.75 - Lunch-La Cocina-with Mayor Alice-No itemized receipt provided-actual meal expense reimbursement not supported by the Travel Policy
- \$18.56 - Lunch-Blue Window Bistro-with Dave Lyons-No itemized receipt provided-actual meal expense reimbursement not supported by the Travel Policy
- \$6.96-Lunch - El Parasol-with Henry Roybal-Actual meal expense not supported by the Travel Policy

Check #351635 - \$95.73

- \$11.27 - Black Mesa Coffee Co.-Beverages and snacks not allowed by the Travel Policy
- \$9.35 - Dinner-Cibo Express-Actual meal expense not supported by the Travel Policy
- \$49.09 - Lunch-Gabriel's Restaurant-with Patrick W, LANL- No itemized receipt provided-actual meal expense reimbursement not supported by the Travel Policy
- \$26.02 - Dinner-Paper Dosa-with Brian Crone, Rep. Lujan- No itemized receipt provided-actual meal expense reimbursement not supported by the Travel Policy

Check #352217 - \$75.44

- \$10.82 - Party City Tablecloth for EM Solicitor Breakfast-covered by Contract Services Agreement
- \$35.59 - Lunch-La Posada-with Kathy Keith, LANL CPO-No itemized receipt provided-actual meal expense reimbursement not supported by the Travel Policy
- \$29.03 - Lunch-La Posada-with Justin Greene, review of CPO-No itemized receipt provided-actual meal expense reimbursement not supported by the Travel Policy

Check #354391 - \$55.00

- \$50.01 - Sprouts-RCLC Meeting Breakfast - No Receipt Provided
- \$4.99 - Whole Foods-RCLC Meeting Breakfast - No Receipt Provided

Check #354712 - \$1,357.95

- \$9.13 - Lunch-National Gallery of Art-Actual meal expense not supported by the Travel Policy
- \$8.57 - Breakfast-Comida Buena, Abq Int'l Airport-Actual meal expense not supported by the Travel Policy
- \$796.25 - Dinner-Casa Luca-RCLC/ECA group meal-No itemized receipt provided-actual meal expense reimbursement not supported by the Travel Policy
- \$8.80 - Lunch-Amsterdam Falafelshop-No itemized receipt provided-actual meal expense reimbursement not supported by the Travel Policy
- \$50.00 - Dinner -Chaplins Restaurant-No itemized receipt provided-actual meal expense reimbursement not supported by the Travel Policy
- \$1.70 - Coffee-Sodexo-Beverages and snacks not allowed by the Travel Policy
- \$9.32 - Breakfast-West Wing Café-Actual meal expense not supported by the Travel Policy
- \$131.07 - Lunch-Thunder Grill-RCLC group meal-No itemized receipt provided-actual meal expense reimbursement not supported by the Travel Policy
- \$197.12 - Dinner-Momofuku CCDC-RCLC group meal-No itemized receipt provided-actual meal expense reimbursement not supported by the Travel Policy
- \$35.00 - Dinner-Hank's Oyster-No itemized receipt provided-actual meal expense reimbursement not supported by the Travel Policy
- \$9.13 - Lunch-National Gallery of Art Café-Duplicate Claim-Actual meal expense not supported by the Travel Policy
- \$8.80 - Lunch-Falafelshop-Actual meal expense not supported by the Travel Policy
- \$5.09 - Snack-Uncommon Café-Beverages and snacks not allowed by the Travel Policy
- \$44.68 - Dinner-Art & Soul Restaurant-No itemized receipt provided-actual meal expense reimbursement not supported by the Travel Policy
- \$9.66 - Breakfast-West Wing Café-Actual meal expense not supported by the Travel Policy
- \$1.70 - Coffee-Sodexo Cafeteria-Actual meal expense not supported by the Travel Policy
- \$4.00 - Tea-Art Bar-Actual meal expense not supported by the Travel Policy
- \$18.40 - Dinner-Hank's Oyster Bar-No itemized receipt provided-actual meal expense reimbursement not supported by the Travel Policy
- \$9.53 - Lunch-TGI Friday's-No itemized receipt provided-actual meal expense reimbursement not supported by the Travel Policy

Check #356085 - \$72.65

- \$46.34 - Lunch-Gabriel's Restaurant-with Patrick Woerhle LANL-No itemized receipt provided-actual meal expense reimbursement not supported by the Travel Policy
- \$26.31 - Lunch-La CocinaRestaurant-with Rosemary Maestas, LANL-No itemized receipt provided-actual meal expense reimbursement not supported by the Travel Policy

Check #358509 - \$22.79

- \$22.79 - Lunch-Gabriel's Restaurant-Santa Fe lunch with Patrick Woerhle-No itemized receipt provided-actual meal expense reimbursement not supported by the Travel Policy

Check #359582 - \$1,078.94

- \$286.78 - Dinner-Bull Ring-meeting w Mayor Gonzales, Harris Walker(NSNA)-No itemized receipt provided-actual meal expense reimbursement not supported by the Travel Policy
- \$57.53 - Vino Volo-travel to WA-No itemized receipt provided-actual meal expense reimbursement not supported by the Travel Policy
- \$10.28 - Tailwind Concessions-meal travel to Abq-Actual meal expense not supported by the Travel Policy
- \$307.00 - MLB.com Nationals Game in DC (12 tickets)-Entertainment expense reimbursement not supported by the Travel Policy
- \$396.26 - Dinner-El Parasol EM & Board members-No itemized receipt provided-actual meal expense reimbursement not supported by the Travel Policy
- \$21.09 - Lunch-SF Bar & Grill-lunch w Patrick Woerhle-No itemized receipt provided-actual meal expense reimbursement not supported by the Travel Policy

Check #360177 - \$2,249.74

- \$1,850.95 - Dinner-Casa Luca 16 person RCLC Dinner-purchase of alcohol disallowed-actual meal expense reimbursement not supported by the Travel Policy
- \$205.79 - The Printers of Santa Fe - No receipt provided
- \$52.00 - Dinner-Jaleo-meal in DC-No itemized receipt provided-actual meal expense reimbursement not supported by the Travel Policy
- \$93.00 - Lunch-The Alibi-DC travel lunch mtg-No itemized receipt provided-Image of receipt truncated-actual meal expense reimbursement not supported by the Travel Policy
- \$18.00 - Dinner- National Park VA Country Stadium-No itemized receipt provided-actual meal expense reimbursement not supported by the Travel Policy
- \$15.00 - Breakfast- Sky Canyon-Dallas (headed to DC)-No receipt provided-No itemized receipt provided-actual meal expense reimbursement not supported by the Travel Policy
- \$15.00 - Breakfast-Chili's-(1/2 receipt + tip)-Actual meal expense not supported by the Travel Policy

DETAILED SCHEDULE OF DISALLOWED CLAIMS THAT WERE NOT PAID EITHER DUE TO LAC PROCESSING ERROR OR ARC CALCULATION ERROR:**Check #355158 - \$79.21**

- \$79.21 - Food (see attached receipts)-Claim was missed by Los Alamos County when processing-Receipts do not total \$79.21-Actual meal expense not supported by the Travel Policy

Check #356853 - \$49.56

- \$20.94 - Lunch-Capitol Hill Crab Cake-Claim was presented but miscalculated by ARC-Actual meal expense not supported by the Travel Policy
- \$12.80 - Dinner-Dirty Habit, DC-Claim was presented but miscalculated by ARC-No itemized receipt provided-actual meal expense reimbursement not supported by the Travel Policy
- \$15.82 - Breakfast-The Range Café-Claim was presented but miscalculated by ARC-No itemized receipt provided-actual meal expense reimbursement not supported by the Travel Policy

Los Alamos County Council
Special Session
March 5, 2018
Item 5.A

ALICE LUCERO

ATTACHMENT B-1

ATTACHMENT B-1

Fiscal Year	Check No.	Check Date	Check Amount	Invoice Description	Reimbursement Type (As Approved and Paid)									Check Total	Check Difference	
					In State Travel Mileage	In State Per Diem Meals	Out State Per Diem Meals	Incidental Allowance	Airfare	Parking-Shuttle-Taxi	Registration Fees	Hotel - Lodging	Actual Meals-Entertainment-Other			
2017	356128	5/11/2017	1,619.55	Board Reimbursement Expenses-Nov 2016	101.65				1,088.46	44.00		365.14	20.30	1,619.55	-	
2018	360193	11/2/2017	2,393.88	Board Reimbursement Expenses-Sep 2017					995.16	61.70	-	1,095.60	241.42	2,393.88	-	
GRAND TOTAL					4,013.43	101.65	-	-	-	2,083.62	105.70	-	1,460.74	261.72	4,013.43	-

ALICE LUCERO

RCLC Travel Policy Compliance Matrix

Fiscal Year	Check No.	Check Date	Check Amount	Invoice Description	Evidence of Travel Pre Authorization	In State Travel Mileage	In State Per Diem Meals	Out State Per Diem Meals	Incidental Allowance	Airfare Itemized Receipt	Parking / Shuttle / Taxi	Registration Fees	Hotel Itemized Receipt
2017	356128	5/11/2017	1,619.55	Board Reimbursement Expenses-Nov 2016	Not Provided	ok	Not Claimed	Not Claimed	Not Claimed	Only provided copy of credit card transaction. No itemized airline receipt. Not able to audit whether traveling first class or coach	ok	n/a	ok
2018	360193	11/2/2017	2,393.88	Board Reimbursement Expenses-Sep 2017	Not Provided	\$104.86 in mileage was claimed but not included in check amount	Not Claimed	Not Claimed	Not Claimed	Itemized receipt provided which includes upgrade to business select seating	n/a	n/a	Reservation confirmation only, not itemized
GRAND TOTAL			4,013.43										

ALICE LUCERO
ATTACHMENT B-3

Fiscal Year	Check No.	Check Date	Check Amount	Invoice Description	Reimbursement Type (Audited-Adjusted)								Actual Meals-Entertainment-Other	Adjusted Total	Difference: Due To / (Due From)
					In State Travel Mileage	In State Per Diem Meals	Out State Per Diem Meals	Incidental Allowance	Airfare	Parking-Shuttle-Taxi	Registration Fees	Hotel - Lodging			
2017	356128	5/11/2017	1,619.55	Board Reimbursement Expenses-Nov 2016	101.65		240.00	32.00	1,088.46	44.00		365.14		1,871.25	251.70
2018	360193	11/2/2017	2,393.88	Board Reimbursement Expenses-Sep 2017	104.86		300.00	40.00	995.16	51.70	-	1,062.00		2,553.72	159.84
GRAND TOTAL			4,013.43		206.51	-	540.00	72.00	2,083.62	95.70	-	1,427.14	-	4,424.97	411.54

ALICE LUCERO										ATTACHMENT B-4
	In State Travel Mileage	In State Per Diem Meals	Out State Per Diem Meals	Incidental Allowance	Airfare	Parking- Shuttle-Taxi	Registration Fees	Hotel - Lodging	Actual Meals- Entertainment- Other	TOTAL
SUMMARY OF CLAIMS AS APPROVED AND PAID	101.65	-	-	-	2,083.62	105.70	-	1,460.74	261.72	4,013.43
SUMMARY OF CLAIMS AS AUDITED AND ADJUSTED	206.51	-	540.00	72.00	2,083.62	95.70	-	1,427.14	-	4,424.97
DIFFERENCE	104.86	-	540.00	72.00	-	(10.00)	-	(33.60)	(261.72)	411.54
SUMMARY OF AUDIT ADJUSTMENTS	Add: \$104.86 from missed claim on Check# 360193		Add: \$540.00- Not Claimed, but eligible claim per travel policy. Per diem based on what is reasonably assumed a full day of travel.	Add: \$72.00- Not Claimed, but eligible claim per travel policy. Per diem based on what is reasonably assumed a full day of travel.		Disallow: \$10.00 for Taxi to Dinner.		Disallow: \$33.60 Hotel Room Service Charges	Disallow: \$261.72- Actual expenses disallowed for meals (see detail schedule in Attachment B-5)	

Los Alamos County Council
Special Session
March 5, 2018
Item 5.A

DETAILED SCHEDULE OF PREVIOUSLY PAID, BUT DISALLOWED CLAIMS - \$261.72**Check #356128-\$20.30**

\$13.39-Water-Snack-Grove Smoothie King-Beverages and snacks not allowed by the Travel Policy

\$6.91-Water-Snack-Comida Buena-Beverages and snacks not allowed by the Travel Policy

Check #360193-\$241.42

\$86.56-Dinner-Clydes Mark Center-No itemized receipt provided-actual meal expense reimbursement not supported by the Travel Policy

\$100.00-Dinner-Finn & Porter-No itemized receipt provided-actual meal expense reimbursement not supported by the Travel Policy

\$21.16-Breakfast-Comida Buena-Actual meal expense not supported by the Travel Policy

\$22.38-Pizza Vino-Airport-Actual meal expense not supported by the Travel Policy

\$11.32-Dinner-Popeye's-Actual meal expense not supported by the Travel Policy

CITY OF SANTA FE

ATTACHMENT C-1

Fiscal Year	Check No.	Check Date	Check Amount	Invoice Description	Reimbursement Type (As Approved and Paid)								Check Total	Check Difference	
					In State Travel Mileage	In State Per Diem Meals	Out State Per Diem Meals	Incidental Allowance	Airfare	Parking-Shuttle-Taxi	Registration Fees	Hotel - Lodging			Actual Meals-Entertainment-Other
2017	350959	9/13/2016	1,105.61	Board Reimbursement Expenses-May 2016-Peter Ives	64.80					38.90		948.06	53.85	1,105.61	-
2018	360226	11/6/2017	2,471.62	Board Reimbursement Expenses-Sep 2017-Javier Gonzales					1,748.09	298.53	425.00			2,471.62	-
	360425	11/16/2017	1,060.45	Board Reimbursement Expenses-Sep 2017-Javier Gonzales								1,060.45		1,060.45	-
GRAND TOTAL				4,637.68	64.80	-	-	-	1,748.09	337.43	425.00	2,008.51	53.85	4,637.68	-

Los Alamos County Council
Special Session
March 5, 2018
Item 5.A

CITY OF SANTA FE

ATTACHMENT C-2

Fiscal Year	Check No.	Check Date	Check Amount	Invoice Description	RCLC Travel Policy Compliance Matrix								
					Evidence of Travel Pre Authorization	In State Travel Mileage	In State Per Diem Meals	Out State Per Diem Meals	Incidental Allowance	Airfare Itemized Receipt	Parking-Shuttle-Taxi	Registration Fees	Hotel Itemized Receipt
2017	350959	9/13/2016	1,105.61	Board Reimbursement Expenses-May 2016-Peter Ives	Not Provided	ok	n/a	Not Claimed	Not Claimed	n/a	No receipts provided, only a copy of bank statement showing actual charge	n/a	ok
2018	360226	11/6/2017	2,471.62	Board Reimbursement Expenses-Sep 2017-Javier Gonzales	Not Provided	n/a	n/a	n/a	n/a	Airline ticket was upgraded to first class. Justification of upgrade documented and attached as supporting documentation	Receipts provided, but no explanation of destination. Unable to audit if travel is related to locations of personal interest.	ok	Hotel receipt was attached but was missed for payment
	360425	11/16/2017	1,060.45	Board Reimbursement Expenses-Sep 2017-Javier Gonzales	n/a	n/a	n/a	Not Claimed	Not Claimed	n/a	n/a	n/a	Paid hotel that was not paid on previous invoice. Itemized receipt includes restaurant dining or room service charges
GRAND TOTAL			4,637.68										

CITY OF SANTA FE

Fiscal Year	Check No.	Check Date	Check Amount	Invoice Description	Reimbursement Type (Audited-Adjusted)								Actual Meals-Entertainment-Other	Adjusted Total	Difference: Due To / (Due From)
					In State Travel Mileage	In State Per Diem Meals	Out State Per Diem Meals	Incidental Allowance	Airfare	Parking-Shuttle-Taxi	Registration Fees	Hotel - Lodging			
2017	350959	9/13/2016	1,105.61	Board Reimbursement Expenses-May 2016-Peter Ives	64.80		240.00	32.00		38.90		948.06		1,323.76	218.15
2018	360226	11/6/2017	2,471.62	Board Reimbursement Expenses-Sep 2017-Javier Gonzales					1,748.09	298.53	425.00			2,471.62	-
	360425	11/16/2017	1,060.45	Board Reimbursement Expenses-Sep 2017-Javier Gonzales			240.00	32.00				995.73		1,267.73	207.28
GRAND TOTAL				4,637.68	64.80	-	480.00	64.00	1,748.09	337.43	425.00	1,943.79	-	5,063.11	425.43

Los Alamos County Council
Special Session
March 5, 2018
Item 5.A

CITY OF SANTA FE

ATTACHMENT C-4

	In State Travel Mileage	In State Per Diem Meals	Out State Per Diem Meals	Incidental Allowance	Airfare	Parking- Shuttle-Taxi	Registration Fees	Hotel - Lodging	Actual Meals- Entertainment- Other	TOTAL
SUMMARY OF CLAIMS AS APPROVED AND PAID	64.80	-	-	-	1,748.09	337.43	425.00	2,008.51	53.85	4,637.68
SUMMARY OF CLAIMS AS AUDITED AND ADJUSTED	64.80	-	480.00	64.00	1,748.09	337.43	425.00	1,943.79	-	5,063.11
DIFFERENCE	-	-	480.00	64.00	-	-	-	(64.72)	(53.85)	\$425.43

SUMMARY OF AUDIT
ADJUSTMENTS

Add:
\$480.00
Not
claimed,
but eligible
claim per
travel
policy. Per
diem based
on what is
reasonably
assumed a
full day of
events.

Add:
\$64.00
Not claimed,
but eligible
claim per
travel policy.
Per diem
based on
what is
reasonably
assumed a
full day of
events.

Disallow:
\$64.72
Hotel Room
Service
Charges for
Javier
Gonzales

Disallow:
\$53.85-
Actual expenses
disallowed for
actual meals
(see detail
schedule
Attachment C-5)

CITY OF SANTA FE

DETAILED SCHEDULE OF PREVIOUSLY PAID, BUT DISALLOWED CLAIMS - \$53.85

Check #350959-\$53.85

\$21.10 - Brookland Pint-No itemized receipt provided-actual meal expense reimbursement not supported by the Travel Policy

\$14.05 - Le Pain Quotidien-No itemized receipt provided-actual meal expense reimbursement not supported by the Travel Policy

\$18.70 - Sakana-No Itemized Receipt Provided-No itemized receipt provided-actual meal expense reimbursement not supported by the Travel Policy

Los Alamos County Council
Special Session
March 5, 2018
Item 5.A

Minutes

County Council – Regular Session

*David Izraelevitz, Council Chair; Christine Chandler, Council Vice Chair;
James Chrobocinski, Antonio Maggiore, Susan O'Leary,
Rick Reiss, and Pete Sheehey, Councilors*

Tuesday, March 6, 2018

6:00 PM

Council Chambers-1000 Central Avenue

TELEvised

COUNCIL REGULAR SESSION AND A JOINT SPECIAL SESSION WITH THE BOARD OF PUBLIC UTILITIES

1. OPENING/ROLL CALL

The Council Vice-Chair, Christine Chandler, called the meeting to order at 6:01 p.m.

The following Councilors were in attendance:

Present: 5 - Councilor Chandler, Councilor Maggiore, Councilor O'Leary, Councilor Reiss,
and Councilor Sheehey

Absent: 2 - Councilor Izraelevitz and Councilor Chrobocinski

The following Board of Public Utilities members were in attendance:

Present: 5 - Jeff Johnson, Carrie Walker, Stephen Mclin, Kathleen Taylor, and
Paul Frederickson

2. PLEDGE OF ALLEGIANCE

Led by: All

3. STATEMENT REGARDING CLOSED SESSION

A motion was made by Councilor Sheehey, seconded by Councilor Maggiore, that Council approve the following statement for inclusion in the minutes: "The matters discussed in the closed session held on March 6, 2018 that began at 5:00 p.m. were limited only to those topics specified in the notice of the closed session, and no action was taken on any matter in that closed session."

The motion passed by acclamation with the following vote:

Yes: 5 - Councilor Chandler, Councilor Maggiore, Councilor O'Leary, Councilor Reiss,
and Councilor Sheehey

Absent: 2 - Councilor Izraelevitz and Councilor Chrobocinski

4. PUBLIC COMMENT

Ms. Peggy Pendergast, 149 Manhattan Loop, bid farewell to Los Alamos.

5. COUNTY COUNCIL-JOINT SPECIAL SESSION WITH THE BOARD OF PUBLIC UTILITIES

6. BUSINESS

A. Joint Board of Public Utilities & Council Meeting-Discussion on the Carbon Free Power Project

Mr. Timothy Glasco, Utilities Manager, spoke.

Ms. Jackie Flowers, Chairman of UAMPS (Utah Associated Municipal Power Systems) Board of Directors, City of Idaho Falls General Manager, spoke.

Mr. Steve Cummins, Deputy Utilities Manager, spoke.

Mr. Jordan Garcia, Power System Supervisor, spoke.

Mr. Mason Baker, UAMPS (Utah Associated Municipal Power Systems) General Counsel, spoke

Mr. Richard Virtue, General Counsel for Los Alamos County, spoke.

Mr. Chris Colbert, NuScale Chief Strategy Officer, spoke.

Public Comment:

Mr. Robert Gibson, 1456 Camino Redondo, spoke.

No Action Taken.

RECESS

Councilor Chandler called for a recess at 8:17 p.m. The meeting reconvened at 8:29 p.m.

7. ADJOURNMENT OF JOINT SPECIAL SESSION/COUNCIL REGULAR SESSION

The joint special session adjourned at 8:48 p.m.

8. APPROVAL OF AGENDA

A motion was made by Councilor Sheehey, seconded by Councilor Maggiore, that the agenda be approved as presented.

The motion passed by acclamation with the following vote:

Yes: 5 - Councilor Chandler, Councilor Maggiore, Councilor O'Leary, Councilor Reiss, and Councilor Sheehey

Absent: 2 - Councilor Izraelevitz and Councilor Chrobocinski

9. PUBLIC COMMENT FOR ITEMS ON CONSENT AGENDA

None.

10. CONSENT AGENDA

Consent Motion:

A motion was made by Councilor Sheehey, seconded by Councilor O'Leary, that Council approve the items on the Consent Agenda, as presented and that the motions contained in the staff reports be included for the record.

- A.** Approval of Amendment No. 1 Memorandum of Agreement Between the Incorporated County of Los Alamos and the Los Alamos Public School Board (MOA15-4213-A1)

I move to approve the Amendment No. 1 Memorandum of Agreement (MOA15-4213-A1) between the Incorporated County of Los Alamos and the Los Alamos Public School Board.

- B.** A Recommendation to Council For New Board of Adjustment Members to Replace Board Members Jaret McDonald, and Amy Woods

I nominate Jean Dewart and Craig Martin to fill two (2) vacancies on the Board of Adjustment and move that Council appoint these two nominees to the vacant positions.

Approval of the Consent Agenda:

Yes: 5 - Councilor Chandler, Councilor Maggiore, Councilor O'Leary, Councilor Reiss, and Councilor Sheehey

Absent: 2 - Councilor Izraelevitz and Councilor Chrobocinski

11. INTRODUCTION OF ORDINANCE(S)

- A.** Incorporated County of Los Alamos Ordinance No. 681, an ordinance amending Section 6 of Incorporated County of Los Alamos Ordinance No. 534 to extend to January 1, 2024, the time in which an election may be held to reauthorize the Regional Gross Receipts Tax

Councilor O'Leary introduced, without prejudice, Incorporated County of Los Alamos Ordinance No. 681, an ordinance amending Section 6 of Incorporated County of Los Alamos Ordinance No. 534 to extend to January 1, 2024, the time in which an election may be held to reauthorize the Regional Gross Receipts Tax, and ask staff to assure that it is published as provided in the County Charter.

12. COUNCIL BUSINESS

A. Appointments

1) Board/Commission Appointment-Historic Preservation Advisory Board

A motion was made by Councilor Reiss to nominate Jordan Jarrett to fill one vacancy on the Historic Preservation Advisory Board to fill a term which began on May 2, 2017 and ends on May 5, 2020.

Councilor Chandler called for a roll call vote to appoint a member to the Historic Preservation Advisory Board.

Councilor's Chandler, Maggiore, O'Leary, Sheehey, and Reiss voted for:
Jordan Jarrett

After a roll call vote, Jordan Jarrett, was appointed to the Historic Preservation Advisory Board to fill a term which began on May 2, 2017 and ends on May 5, 2020.

2) Board/Commission Appointment-Parks & Recreation Board

A motion was made by Councilor Sheehey to nominate Stephanie Nakhleh (incumbent), Donald Ulrich (new applicant), Dianne Wilburn (new applicant), Christina Olds (new applicant), Evan Rose (new applicant), Lisa Reader (new applicant), and Ramiro Pereyra (new applicant), to fill four vacancies on the Parks and Recreation Board and move that Council appoint four nominees to the vacant position(s) as follows:

By roll call vote, Councilors vote for four nominees and the four with the highest vote total of four or more be appointed to fill terms beginning on December 1, 2017 and ending on November 30, 2019.

Councilor Chandler called for a roll call vote to appoint members to the Parks & Recreation Board.

Councilor's Chandler, Maggiore, O'Leary, Sheehey, and Reiss voted for:
Stephanie Nakhleh

Councilor's Chandler, Maggiore, O'Leary, Sheehey, and Reiss voted for:
Donald Ulrich

Councilor's O'Leary, Sheehey and Reiss voted for:
Diane Wilburn

Councilor's Chandler and Maggiore voted for:
Christina Olds

Councilor's Chandler, Maggiore, O'Leary, Sheehey, and Reiss voted for:
Ramiro Pereyra

After a roll call vote, Stephanie Nakhleh, Donald Ulrich, and Ramiro Pereyra were appointed to the Parks & Recreation Board to fill terms beginning on December 1, 2017 and ending on November 30, 2019.

Council will have to reconvene at the next Council Meeting to do a roll call vote for the fourth board position, there was not a candidate that received a vote of 4 or more in order to be appointed.

3) Board/Commission Appointment(s)-Environmental Sustainability Board

A motion was made by Councilor Maggiore to nominate Lisa C. Bakosi, Warren Mazanec, Dorothy Brown, Thomas Gerike, and Donald Ulrich to fill two full term vacant positions which will begin on August 1, 2018 and end on July 31, 2020; and one partial term position which begins August 1, 2018 and ends July 31, 2018.

By roll call vote, Councilors vote for three (3) nominees and the two (2) with the highest vote totals of four or more will be appointed to fill the two (2) full terms which will expire on February 28, 2020. The next highest nominee with a vote of four or more will be appointed to a partial term ending July 31, 2018.

Councilor Chandler called for a roll call vote to appoint members to the Environmental Sustainability Board.

Councilor's Chandler, Maggiore, O'Leary, Sheehey, and Reiss voted for:
Lisa C. Bakosi

Councilor's Chandler, Maggiore, O'Leary, Sheehey, and Reiss voted for:
Warren Mazanec

Councilor's Chandler, Maggiore, O'Leary, Sheehey, and Reiss voted for:
Dorothy Brown

After a roll call vote Warren Mazanec and Dorothy Brown were appointed to the Environmental Sustainability Board to fill two full term vacant positions which will begin on August 1, 2018 and end on July 31, 2020.

A motion was made by Councilor Reiss, seconded by Councilor Sheehey, that Council accept the recommendation of the interview committee to make the current vacant term be filled by Lisa C. Bakosi.

The motion passed with the following vote:

Yes: 5 - Councilor Chandler, Councilor Maggiore, Councilor O'Leary, Councilor Reiss, and Councilor Sheehey

Absent: 2 - Councilor Izraelevitz and Councilor Chrobocinski

Lisa C. Bakosi was appointed to the Environmental Sustainability Board to fill one partial term position which begins August 1, 2018 and ends July 31, 2018.

B. Board, Commission and Committee Liaison Reports

Councilor O'Leary reported on the Transportation Board.
Councilor Reiss reported on the Energy Communities Alliance.
Councilor Chandler reported on the State Legislative Committee.

C. County Manager's Report

County Manager Harry Burgess reported on a meeting regarding NEPA (National Environmental Policy Act), the Governor signing bills, and the budget that will be presented to Council.

D. Council Chair Report

None.

E. General Council Business

None.

F. Approval of Councilor Expenses

None.

G. Preview of Upcoming Agenda Items

Councilor Maggiore requested that an item relating to a NCRTD (North Central Regional Transit District) resolution in support of train controls be placed on an upcoming agenda.

13. COUNCILOR COMMENTS

None.

14. PUBLIC COMMENT

None.

15. ADJOURNMENT

The meeting adjourned at 9:24 p.m.

INCORPORATED COUNTY OF LOS ALAMOS

David Izraelevitz, Council Chair

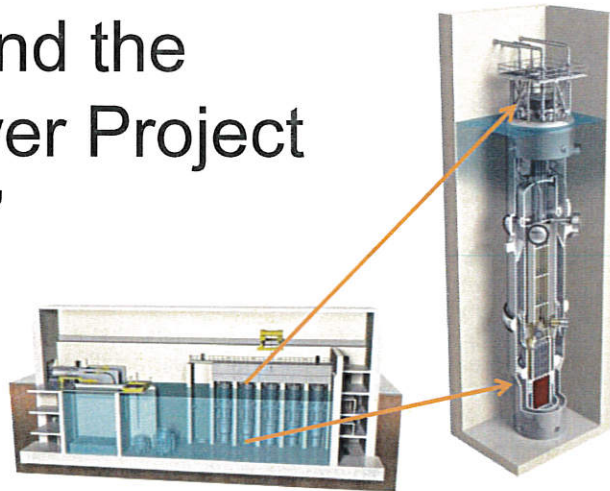
Attest:

Naomi D. Maestas, County Clerk

Meeting Transcribed by: Victoria L. Martinez, Deputy Clerk

Los Alamos and the Carbon Free Power Project “Option”

March 6, 2018
Joint Board of Public Utilities and
County Council
Informational Meeting



LOS ALAMOS

Agenda Topics Update

- UAMPS – A Team Approach by Jackie Flowers
- IRP Summary
- Why Nuclear Power
- Power Generation diversified portfolio Option
- High Level Cost Breakdown
- First-Of-A-Kind Risk Management
- Avoiding the pitfalls of Nuclear Power Plant Construction
- Engineering, Procurement and Construction (EPC) Contracts
- Key Takeaways

LOS ALAMOS

IRP Summary

IRP considered the following metrics in the analysis:

Cost (LCOE), Risk, Environmental, Operational (Transmission and Largest Contingency Risk, Control Risk, Development Risk and Weather Dependent Risk)

Preferred Resource Plan:

- Solar with Storage built onsite. The firming mechanism could be either battery storage or onsite RICE units.
- If the Carbon Free Power Project (SMNR) costs can be capped and development risk can be mitigated, it could be considered especially in the event that local land becomes unavailable for the amount of solar needed to achieve renewable goals.

Capital Investments:

- The current market outlook does not reward building portfolios with excess capacity above load that would be sold into the market.
- A phased approach to purchasing some share of its needs in the market and add smaller and incremental capacity resources on a as needed basis provides overall lower cost benefits of LAC and preserves the flexibility in the face of future uncertainties.

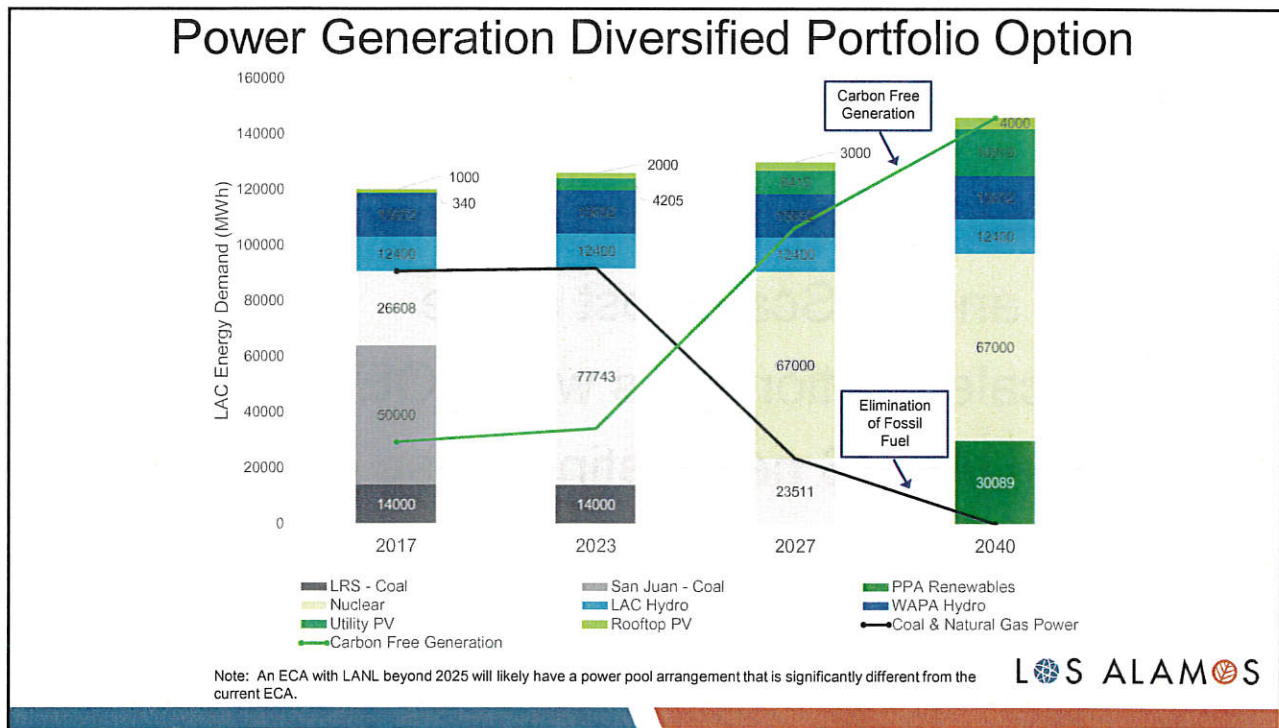
LOS ALAMOS

Why Nuclear Power?

- Carbon free power generation
- 95% capacity factor
- Dispatchable
- Marketable Resource

With more and more renewable energy generation resources on the grid, we believe the greater the need for clean base load power during periods of intermittency.

LOS ALAMOS



Los Alamos Cost Exposure

High Level Cost Breakdown

Budget & Plan of Finance (Section 601)

Estimated Costs to Completion of Development:

Los Alamos:

Fully Subscribed (8 MW) 1.3333%

	100% Gross Cost	Los Alamos Net of Cost Share	Start	Finish
Through March 2018	\$ 4,596,969	\$ 148,927	April 2017	March 2018
Licensing Period - 1st Phase (Maximum)	\$ 6,000,000	\$ 80,000	April 2018	March 2019
Licensing Period - 1st Phase (Remaining)	\$ 83,499,764	\$ 877,908	April 2019	May 2020
Licensing Period - 2nd Phase (Preliminary)	\$ 496,303,067	\$ 6,617,374	June 2020	June 2023
	\$ 587,329,857	\$ 7,651,181	April 2017	June 2023

(ii) Acquisition & Construction Preliminary Estimated Costs:

	Preliminary 100% Gross Cost	Preliminary Los Alamos Net of Cost Share	Start	Finish
	\$ 4,237,666,633	\$ 56,912,174	July 2023	Nov 2027

NOTE: Dates shown in red are all decision points by BPU and CC

LOS ALAMOS

First-Of-A-Kind Risk Management

- Phased approach with off ramps
- DOE and NuScale cost share
- NuScale relationships with DOE & NRC
- DOE/UAMPS negotiating lease of first two modules

LOS ALAMOS

Avoiding the pitfalls of Nuclear Power Plant Construction

- Known Issues:
 1. Percentage of Engineering Design Complete Before Committing to Construction
 - AP1000 Engineering Design Percentage Complete=Low double digits
 - UAMPS will require > 85% engineering design complete before committing to construction
 - Constructability of Design:
 - » NuScale/Fluor working with potential vendors now to daylight potential constructability issues
 2. Owner's Engineering Reviews
 - AP1000 utility owners did not have external experts review AP1000 designs
 - UAMPS will have an external owner's engineer review NuScale/Fluor designs during the cost estimating process laid out in the EPC Development Agreement
 3. Integrated Project Schedule
 - AP1000 EPC Consortium (Westinghouse & CB & I) did not have an integrated projected schedule to coordinate their respective scopes of work
 - UAMPS will have an experienced nuclear EPC Contractor in Fluor that will have an integrated project schedule with NuScale
 4. Owner's Project Management
 - AP1000 utility owners did not have adequate owner's project management to address schedule/cost overrun issues
 - UAMPS plans to have in house and external owner's project management if there a decision to proceed to construction

LOS ALAMOS

Engineering, Procurement, and Construction Contracts

- Step up provision upon participant default
 - Capped at 25%; No Participant can have an Entitlement Share greater than 25% of the Project
 - No participant defaults in the history of UAMPS' projects (since 1980)
- Cost impacts of construction delays
 - Accounted for in predetermined schedule delay penalties caused by EPC Contractor in Final EPC Contract
- Fluor Corporation Parental Guarantee
 - Will apply to NuScale's reimbursement obligations if there is a failure of the Economic Competitiveness Test under the EPC Development Agreement (DA)
 - Parental Guarantees will be in final EPC Contract to cover Fluor Power and NuScale Power's contractual obligations
- Transition from EPC DA to Final EPC Contract
 - Price Target of \$65/MWh (2017\$) and Economic Competitiveness Test will go away upon Fluor/NuScale delivering a Class I cost estimate that is acceptable to UAMPS
 - UAMPS will have to satisfy itself that final EPC terms ensure an LCOE of less than or equal to the Price Target
 - UAMPS will utilize owner's engineer and Energy Northwest as the potential operator to assist in this evaluation



Key Takeaways

- In approving the Power Sales Contract, LAC is only committing until the maximum cap on the Budget and Plan of Finance is increased above the \$6M cap (anticipated to occur in Q1 2019)
 - While under the \$6M cap, the UAMPS participants have the right to decide as the Project Management Committee to terminate further CFPP development and receive a 100% reimbursement of UAMPS' out of pocket costs associated with the \$6M budget
 - Prior to amending the \$6M cap, additional cost share and/or additional subscription in the project will need to be secured. Monthly progress updates on subscription and cost share will be provided to the Project Management Committee.
 - Each Participant will have an option to withdraw from the Project, upon the Project Management Committee amending the Budget and Plan of Finance deciding to increase the \$6M max cap
 - If LAC exercises this right, their maximum exposure would be \$80,000. It could be less assuming that another entity picks up its cost share responsibility, which is reasonable to assume given that the project is moving forward. Otherwise, the project is not moving forward and the participants will recoup 100% of the cost share of the \$6M budget.
- Thru March of 2018, gross expenditures in developing the CFPP are approximately \$4.5M; UAMPS Participants' in the CFPP net out of pocket exposure to this \$4.5M after cost sharing from DOE and NuScale has been less than \$1.1M [LAC commitment approx. \$30k]
 - UAMPS Project Management Committee is prudently managing the expenditure of the Project and will not seek an amendment to the \$6M budget through the end of the March of 2019 until it is prudent to do so upon there being additional cost share and/or subscription
- The \$4.2B includes interest of \$583 M using a conservative interest calculation.



Key Takeaways

- UAMPS on behalf of their members will continue to mitigate the risks
- UAMPS will continue to seek cost sharing and plant subscription
- By March 2019, we expect more information will be available to make a more informed decision on continuing Licensing Phase 1
- LAC will have more clarity on a post 2025 Electric Coordination Agreement
- LAC will update to the IRP prior to all critical decisions on generation resources

Minutes

County Council – Regular Session

*David Izraelevitz, Council Chair; Christine Chandler, Council Vice Chair;
James Chrobocinski, Antonio Maggiore, Susan O'Leary,
Rick Reiss, and Pete Sheehey, Councilors*

Tuesday, March 20, 2018

6:00 PM

Council Chambers-1000 Central Avenue

TELEvised

1. **OPENING/ROLL CALL**

The Council Vice-Chair, Christine Chandler, called the meeting to order at 6:01 p.m.

The following Councilors were in attendance:

Present: 6 - Councilor Chandler, Councilor Chrobocinski, Councilor Maggiore,
Councilor O'Leary, Councilor Reiss, and Councilor Sheehey

Absent: 1 - Councilor Izraelevitz

2. **PLEDGE OF ALLEGIANCE**

Led by: All

3. **PUBLIC COMMENT**

Ms. Troy Lewis, 974 Alamo Road, thanked Council for supporting the Teen Center.

Ms. Myra Kuropatwinski, 937 Capulin, thanked Council for supporting the Teen Center.

Mr. Ignatius Kuropatwinski, 937 Capulin, thanked Council for supporting the Teen Center.

Mr. Maxwell Goettee, 57 Valle Vista, thanked Council for supporting the Teen Center.

Ms. Helen Milenski, 1651 36th Street, expressed concern with the length of time for resolving code enforcement issues and commended Ms. Tamara Baer relative to the sign ordinance.

Mr. Mark Voss, 256 Canada Way, expressed concern with the length of time for resolving code enforcement issues.

4. **APPROVAL OF AGENDA**

A motion was made by Councilor Maggiore, seconded by Councilor Chrobocinski, that the agenda be approved as presented.

The motion passed by acclamation with the following vote:

Yes: 6 - Councilor Chandler, Councilor Chrobocinski, Councilor Maggiore,
Councilor O'Leary, Councilor Reiss, and Councilor Sheehey

Absent: 1 - Councilor Izraelevitz

5. PRESENTATIONS, PROCLAMATIONS AND RECOGNITIONS

A. Briefing to Council by County Lobbyist Scott Scanland Providing an Overview of the 2018 Legislative Session

Mr. Scott Scanland, County Lobbyist, presented.

No action taken.

B. Presentation of 2018 Ballfield Assessment at Overlook Park and North Mesa Sports Complex

Mr. Brian Brogan, Community Development Director, presented.

Ms. Stephanie Nakhleh, Parks and Recreation Board Chairperson, presented.

Public Comment:

Mr. Frank Montoya, 45th Street, spoke.

No action taken.

6. PUBLIC COMMENT FOR ITEMS ON CONSENT AGENDA

None.

7. CONSENT AGENDA

Consent Motion:

A motion was made by Councilor Reiss, seconded by Councilor Maggiore, that Council approve the items on the Consent Agenda, as presented and that the motions contained in the staff reports be included for the record.

A. Incorporated County of Los Alamos Resolution No. 18-05, a Resolution for Support of Fiber Connection Line Through National Forest Property

I move that Council adopt Incorporated County of Los Alamos Resolution No. 18-05, A RESOLUTION URGING THE UNITED STATES FOREST SERVICE TO CONDUCT AN ENVIRONMENTAL STUDY AND GRANT CENTURYLINK A PERMIT TO BEGIN CONSTRUCTION OF AN ALTERNATIVE FIBER-OPTIC PATH FOR THE BENEFIT OF THE INCORPORATED COUNTY OF LOS ALAMOS, ITS RESIDENTS, AND THE LOS ALAMOS NATIONAL LABORATORY.

B. Approval of Revisions to the following Personnel Rules:

1. Rule 309 - Re-employment
2. Rule 311.2 - Non-Exempt Employees Overtime Compensation
3. Rule 312 - Exempt Employees Overtime Compensation
4. Rule 315 - Night Differential Pay
5. Rule 703 - Annual Leave
6. Rule 709 - Sick Leave Accruals

I move that Council approve the revisions to Personnel Rules and Regulations 309, 311.2, 312, 315, 703 and 709 as set out herein.

- C. Approval of Easement No. M18NA70208 Granted by the Department of Energy National Nuclear Security Administration to the Incorporated County of Los Alamos for the Purpose of the Canyon Rim Trail Phase 3 Project

I move that Council approve Easement No. M18NA70208 Granted by the Department of Energy National Nuclear Security Administration to the Incorporated County of Los Alamos for the Purpose of the Canyon Rim Trail Phase 3 Project.

- D. Approval of Easement No. M18NA70207 Granted by the Department of Energy National Nuclear Security Administration to the Incorporated County of Los Alamos for the Purpose of a Bus Stop on East Jemez Road

I move that Council approve Easement No. M18NA70207 Granted by the Department of Energy National Nuclear Security Administration to the Incorporated County of Los Alamos for the Purpose of a Bus Stop on East Jemez Road.

- E. 2018 Annual Road Mileage Certification for the New Mexico Department of Transportation

I move that Council certify the 2018 Road Mileage Certification as presented and authorize submittal to the New Mexico Department of Transportation.

- F. Approval to purchase Fire Mobile Data Terminals and associated mounting and peripheral equipment in the amount of \$283,266

I move that Council approve the request to purchase Fire Mobile Data Terminals (MDTs) and associated mounting equipment and peripherals in the amount of \$283,266.

- G. Vacation of Easement Lot 149A, North Community No. 1

I move that Council approve the vacation of easement within Lot 149A, North Community No. 1.

- H. Consideration of Budget Revision 2018-13 Fire Marshal Grant

I move that Council approve Budget Revision 2018-13 as summarized on attachment A and that the attachment be made a part of the minutes of this meeting.

- I. County Council Minutes for February 13, 2018 and February 27, 2018

I move that Council approve the County Council Minutes for February 13, 2018 and February 27, 2018.

- J. Approval to allow the County to submit a grant application to the New Mexico Environment Department (NMED) Solid Waste Bureau for FY19 Recycling and Illegal Dumping (RAID) grant program for an estimated total amount of \$276,488.00 to fund roll carts for the yard trimming curbside collection program and recycle roll carts

I move to allow the County to submit a grant application to NMED for FY19 Recycling and Illegal Dumping (RAID) Grant for the amount of \$276,488.00 to fund roll carts for the yard trimming curbside collection program and recycle roll carts.

- K.** Approval to Submit a Letter of Intent to the New Mexico Department of Transportation in Support of the 20th Street Signalization Project for Funding Assistance through the Municipal Arterial Program (MAP) in the Amount of \$400,000

I move that the County Council approve the County Manager Submitting a Letter of Intent to the New Mexico Department of Transportation in Support of the 20th Street Signalization Project for Funding Assistance through the Municipal Arterial Program (MAP) in the Amount of \$400,000.

Approval of Consent Agenda:

The motion passed with the following vote:

Yes: 6 - Councilor Chandler, Councilor Chrobocinski, Councilor Maggiore, Councilor O'Leary, Councilor Reiss, and Councilor Sheehy

Absent: 1 - Councilor Izraelevitz

8. INTRODUCTION OF ORDINANCE(S)

- A.** Incorporated County of Los Alamos Code Ordinance No. 02-283, an ordinance amending Chapter 8, Article III of the Los Alamos County Code of Ordinances to clarify membership eligibility and duties and responsibilities assigned to the Historic Preservation Advisory Board

Councilor Maggiore asked that a spelling error in item 6 be corrected to read "complementary."

Councilor Maggiore introduced, without prejudice, Incorporated County of Los Alamos Code Ordinance No. 02-283, an ordinance amending Chapter 8, Article III of the Los Alamos County Code of Ordinances to clarify membership eligibility and duties and responsibilities assigned to the Historic Preservation Advisory Board and ask the staff to assure that it is published as provided in the County Charter.

9. PUBLIC HEARING(S)

- A.** Incorporated County of Los Alamos Ordinance No. 675 An Ordinance Adopting An Economic Development Project For Public Support From The State of New Mexico For The Benefit Of UbiQD, Inc. A New Mexico Corporation

Ms. Joanie Ahlers, Economic Development Administrator, spoke.
Dr. Hunter McDaniels, CEO UBIQD, spoke.

Public Comment:

Ms. Therese Rivera, State of New Mexico Economic Development Program, spoke.

A motion was made by Councilor Sheehey, seconded by Chrobocinski, that Council adopt Incorporated County of Los Alamos Ordinance No. 675 An Ordinance Adopting An Economic Development Project For Public Support Of UbiQD, Inc. A New Mexico Corporation; and further moved that the Ordinance be published in summary form.

The motion passed with the following vote:

Yes: 6 - Councilor Chandler, Councilor Chrobocinski, Councilor Maggiore,
Councilor O'Leary, Councilor Reiss, and Councilor Sheehey

Absent: 1 - Councilor Izraelevitz

10. BUSINESS

- A. Three Recommendations from the Art in Public Places Board: 1) Acceptance of a Cash Donation from Charles Bowman to Purchase a Kinetic Wind Sculpture in Honor of His Late Wife, Nona Bowman and Approval of Project Budget; 2) Disposal of Artwork from the Public Collection; 3) Acceptance of an Artwork Donation from Valentina Devine

Ms. Libby Carlsten, Community Service Department, spoke.
Mr. Jeremy Smith, Art in Public Places Chair, spoke.
Ms. Britton Donharl, Art in Public Places Board Member, spoke.
Mr. Harry Burgess, County Manager, spoke.

Public Comment:
None.

A motion was made by Councilor Chrobocinski, seconded by Maggiore, that Council accept a cash donation from Charles Bowman for the purchase of a Kinetic Wind Sculpture from the Mark White Gallery in Santa Fe; and further moved approval of an Art in Public Places project budget of up to \$25,000 to purchase two additional wind sculptures to create a coordinated grouping plus cover delivery, installation, plaques, a dedication event, lighting and contingency funding. The location of the wind sculptures will be determined at a later date by the APPB (Art in Public Places Board) and appropriate County staff in consultation with Mr. Bowman; and further moved that Council approve the disposal of "Inside Out" and APP funding of up to \$100 to pack and ship the artwork back to the artist; and further moved that Council accept the donation offer from Valentina Devine of "Berlin," a 10 ft. by 10 ft. knitted fiber piece currently installed in the Mesa Public Library.

The motion passed with the following vote:

Yes: 6 - Councilor Chandler, Councilor Chrobocinski, Councilor Maggiore,
Councilor O'Leary, Councilor Reiss, and Councilor Sheehey

Absent: 1 - Councilor Izraelevitz

RECESS

Councilor Chandler called for a recess at 8:03 p.m. The meeting reconvened at 8:15 p.m.

B. Mirador (A-19) Proposed Public Improvement District

Mr. Paul Andrus, Public Works Director, spoke.

Mr. Adam Thorne, Mirador, spoke.

Mr. Harry Burgess, County Manager, spoke.

No action taken.

11. COUNCIL BUSINESS

A. Appointments

1) Board/Commission Appointment-Parks & Recreation Board

A motion was made by Councilor Maggiore to nominate Dianne Wilburn, Christina Olds, Evan Rose, and Lisa Reader to fill one vacancy on the Parks and Recreation Board and move that Council appoint one nominee to the vacant position as follows:

By roll call vote, Councilors vote for one nominee and the one with the highest vote total of four or more be appointed to fill a term beginning on December 1, 2017 and ending on November 30, 2019.

Councilor Chandler called for a roll call vote to appoint a member to the Parks & Recreation Board.

Councilor's Chrobocinski, Maggiore, O'Leary, Sheehey, and Reiss voted for:
Dianne Wilburn

Councilor Chandler voted for:
Christina Olds

After a roll call vote, Dianne Wilburn was appointed to the Parks & Recreation Board to fill the term beginning on December 1, 2017 and ending on November 30, 2019.

B. Board, Commission and Committee Liaison Reports

Councilor Chandler reported that there is a meeting on April 10th with Utilities to discuss small nuclear reactors.

C. County Manager's Report

- 1) County Manager Harry Burgess reported on the July 1, 2018 implementation of PRISM (Planning Resource Integration + Systems Management), Mr. Harry Burgess, Mr. Dino Sgambellone, Chief of Police and several of the Police staff will be attending a conference regarding the Police Department CALEA (Commission on Accreditation for Law Enforcement) application, efforts to secure Pajarito Cliff side buildings has been implemented, RFP for kiddie pool and splash pad due tomorrow and RFP for Golf Course due next week, RFP will be issued for ice rink when shade study is complete, Wildfire Conference will be in town and he will forward email to Councilors with information, final plat for Mirador Subdivision will be presented to Planning And Zoning next week, there is public meeting tomorrow regarding The Hill Development at the Golf Course, the Mesa Public Library will be advertised this Sunday, Discovery Actions team will have a public meeting April 10th at Fuller Lodge from 11 am-12 pm , and a review of the Flow Trail RFP responses is being done and a recommendation is forthcoming.

D. Council Chair Report

None.

E. General Council Business

None.

F. Approval of Councilor Expenses

None.

G. Preview of Upcoming Agenda Items

Councilor O'Leary noted she had previously requested an item regarding the Kroger space be placed on the May 15 work session.

Councilor Chrobocinski requested that an item regarding the disposition of 1010 Central be placed on a future agenda.

Councilor Maggiore advised that the code enforcement issues will be on April 3rd meeting.

Councilor Chandler requested that an item regarding the Public Health Office be placed on the April 3rd agenda.

12. COUNCILOR COMMENTS

None.

13. PUBLIC COMMENT

None.

14. ADJOURNMENT

The meeting adjourned at 10:05 p.m.

INCORPORATED COUNTY OF LOS ALAMOS

David Izraelevitz, Council Chair

Attest:

Naomi D. Maestas, County Clerk

Meeting Transcribed by: Victoria L. Martinez, Deputy Clerk

Budget Revision 2018-13 Fire Marshal Grant

Council Meeting Date: March 20, 2018

	Fund/Dept	Brass Org	Revenue (decrease)	Expenditures (decrease)	Transfers In(Out)	Fund Balance (decrease)
1	Fire Marshal Fund	144-641510 3425 8369	\$ 177	\$ (9,564)		\$ 9,387
<p>Description: The purpose of this budget revision is to decrease the expenditure budget by \$9,564 and increase the revenue budget by \$177 for the Fire Marshal Fund. This revision is based on receipt of actual grant agreement for FY2018.</p> <p>Fiscal Impact: The net fiscal impact to the Fire Marshal Fund is an increase to revenue of \$177 and a decrease in expenditures of \$9,564.</p>						

Los Alamos County Council
Regular Meeting
March 20, 2018
Item 7 H

INCORPORATED COUNTY OF LOS ALAMOS CODE ORDINANCE NO. 02-283

AN ORDINANCE AMENDING CHAPTER 8, ARTICLE III OF THE LOS ALAMOS COUNTY CODE OF ORDINANCES TO CLARIFY MEMBERSHIP ELIGIBILITY AND DUTIES AND RESPONSIBILITIES ASSIGNED TO THE HISTORIC PRESERVATION ADVISORY BOARD

WHEREAS, Section 305 of the Charter of the Incorporated County of Los Alamos ("County"), provides that the County Council may by ordinance create standing boards and commissions; and

WHEREAS, on May 2, 2017, County Council adopted Code Ordinance No. 02-271, which changed the name of the Historic Preservation Advisory Board ("Board") and adjusted membership and term years to enhance the functionality of the Board; and

WHEREAS, County is pursuing the designation of a Certified Local Government ("CLG") in a Historic Preservation program of the State of New Mexico, which provides a process enabling County to participate in the national historic preservation partnership and benefit from the technical expertise and grant opportunities offered through the New Mexico State Historic Preservation Division ("NMHPD"); and

WHEREAS, CLG designation and partnership with NMHPD expands County's involvement in preservation issues and participation in grant opportunities for *archaeological* and architectural surveys of buildings, landmarks, trails, districts, etc., for historic preservation designation and maintenance and preservation projects; and

WHEREAS, the emphasis on historic preservation activities supports County Council's goal and priority in Economic Vitality – Build the local tourism economy, and Quality of Life – Implement a comprehensive range of recreational and cultural amenities that enhance the Los Alamos community; and

WHEREAS, the Code Ordinance No. 02-271 is hereby revised to include language required for CLG eligibility.

NOW THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE INCORPORATED COUNTY OF LOS ALAMOS, as follows:

Section 1. Section 8-52 of Article III, of Chapter 8 is hereby amended as follows:

Sec. 8-52. - Membership, terms and qualifications.

The historic preservation advisory board shall be composed of five (5) citizens, all of whom have a demonstrated positive interest, competence or knowledge in the competent and informed in the historic, architectural, and cultural traditions of the community. The county shall use its best efforts to ensure that two (2) members of the five are professionals whom meet the professional qualifications standards set forth in 36 CFR 61 as may be amended. Members shall be appointed for staggered terms of three (3) years. Vacancies on the board shall be filled within ninety (90) days through recruitments published in local newspapers and public service announcements.

Section 2. Section 8-53, of Article III, of Chapter 8, is hereby amended as follows:

Sec. 8-53. - Duties and responsibilities.

The historic preservation advisory board shall serve in an advisory capacity to the county council and shall have the following functions, responsibilities and duties:

- (1) Inspections, investigations and recommendations regarding any sites, buildings, structures or areas within the county which the historic preservation advisory board has reason to believe are or will become important historic, architectural or cultural landmarks; and

Los Alamos County Council
Regular Meeting
March 20, 2018
Item 8 A

- (2) Making of recommendations to the county council regarding:
 - a. Policies for the use and management of Fuller Lodge, including: user fees, charges, control of events during which alcoholic beverages are served, security, replacement of fixtures and furnishings, and maintenance of Fuller Lodge;
 - b. Compliance with all federal, state and county laws, regulations, codes, ordinances and resolutions applicable to Fuller Lodge and other important historic, architectural or cultural landmarks owned or controlled by the county;
 - c. Use of proceeds from grants or any historic building improvement tax approved by voters of the county at any general election or special election called for that purpose following the adoption of a resolution pursuant to the Historic Building Improvements Act, NMSA 1978, §§ 4-55b-1 to 4-55b-5 (1993 Supp.);
- (3) Make such recommendations as reasonably necessary on historic preservation issues to the planning and zoning commission, ~~variance board~~ **board of adjustment**, and county council, including but not limited to, site plans and variance requests in historic districts.
- (4) Provide citizen input to staff and council on ways and means for improving the county's historic preservation program. For this purpose, the board shall gather public input in ways appropriate to the circumstances, which may include public hearings dedicated to specific topics.
- (5)
 - a. ~~Recommend ways to involve and educate the community on historic preservation issues. The board will hold regular **meetings each month**. The agenda will be posted for public information in the local newspaper, on the county bulletin board of legal public postings, and on the county web page site. The minutes will be posted **or made available** for public review after approval by the board on the county web site. The agenda will be provided to the State Historic Preservation Division.~~
 - b. One regular meeting may be set aside each year for informational or educational purposes pertaining to the work and functions of the HPAB. The NM Historic Preservation Division staff are invited to attend all meetings.
 - c. The board shall call for special meetings as required to review an application for Historic Property Alteration within 10 days of receiving the request. Also, the board shall call for special meetings within 40 days of receiving an application for new construction **over 200 square feet in gross floor area, or the relocation or demolition of a historic property.** The final recommendation from HPAB will be presented to the county's Planning and Zoning **Board Commission**.
- (6) ~~Such other activities, duties and responsibilities related to Fuller Lodge or the historic districts as may be assigned by the county council. The HPAB shall undertake ongoing survey and research efforts to identify historic, architectural, and archaeological resources within the community. As part of the survey, the Board shall review and evaluate prior surveys and studies. Surveys shall be completed according to guidelines established by the Survey Standards in NMCA Title 4, Chapter 10, Part 10.13, as may be amended. The survey shall be coordinated with and **compleimentary** to the New Mexico Cultural Resources Information System (NMCHRIS) which is the State Historic Preservation Division's archaeological records management and historic cultural properties inventory system. Survey and inventory documents shall be maintained and shall be open to the public. The survey shall be updated at least every ten years **or** in accordance with state law.~~
- (7) Review proposed nominations for listing in the National Register of Historic Places. The HPAB shall review and comment to the State Historic Preservation Officer on all proposed nominations for listing in the National Register for properties within the boundaries of the county. When the HPAB considers a National Register nomination which is normally

evaluated by professional in a specific discipline and that discipline is not represented on the board, the board shall **seek** expertise in that area before rendering its decision.

- (8) Notice of public hearings, substantially in the same form as set forth in subsection (b)(1) of Chapter 16-192, shall be posted in a conspicuous place at the county municipal building at least ten days prior to the public hearing.
- (9) Such other activities, duties, and responsibilities related to Fuller Lodge or the historic districts **or properties** as may be assigned by county council.

Section 3. Effective Date. This Ordinance shall become effective thirty (30) days after notice is published following its adoption.

Section 4. Severability. Should any section, paragraph, clause or provision of this ordinance, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this ordinance.

Section 5. Repealer. All ordinances or resolutions, or parts thereof, inconsistent herewith are hereby repealed only to the extent of such inconsistency. This repealer shall not be construed to revive any ordinance or resolution, or part thereof, heretofore repealed.

ADOPTED this 3rd day of April, 2018.

**COUNCIL OF THE INCORPORATED
COUNTY OF LOS ALAMOS**

David Izraelevitz, Council Chair

ATTEST: (Seal)

Naomi D. Maestas
Los Alamos County Clerk



County of Los Alamos

Staff Report

April 03, 2018

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.: F.

Index (Council Goals): * 2018 Council Goal – Economic Vitality – Build the Local Tourism Economy

Presenters: Linda Matteson, Assistant to the County Manager

Legislative File: 10591-18

Title

Approval of the Tourism Implementation Task Force Charter

Recommended Action

I move to approve the Tourism Implementation Task Force Charter and direct staff to begin recruitment of members.

County Manager's Recommendation

The County Manager recommends that Council approve the Tourism Implementation Task Force Charter as requested.

Body

As part of Council's action on February 27, 2018 to accept the Los Alamos Tourism Strategic Plan, the Tourism Implementation Task Force was formed and staff was directed to bring back a charter for the task force. This task force was modeled after the White Rock Master Plan Implementation committee and will provide guidance and expertise to the Council and County staff on implementation issues. This item asks Council to consider the attached draft charter and recommended process for recruitment of task force members.

This charter defines the purpose, scope of work, representation, and member term among other items. The highlights of this new Task Force are:

- Task Force is initially chartered for two years.
- Task Force will be comprised of various tourism stakeholders including the community-at-large, Business community and assets/attractions
- Total number of members not to exceed eleven (11) members
- Task Force will also include representatives from Historic Preservation, Lodgers' Tax Advisory, and Parks/Recreation Boards
- Members will be initially appointed for a two year term
- The Assistant to the County Manager will be the staff liaison to this Task Force

If this charter is approved, then staff will begin recruitment process by advertising the openings of the Task Force via multiple media. All members of the former Tourism Work Group will be invited and encouraged to apply for this committee. Similar to other Boards and Commissions, once all the letters of interest have been received, a selection team consisting of one or two Councilors and staff liaison for the Task Force will review the letters of interest and provide recommendations for membership to Council. The appointment of task force members will be brought back for Council consideration and approval in May

Alternatives

Council could not approve this charter and ask staff to bring back a revised version of the Charter.

Fiscal and Staff Impact/Planned Item

There is no fiscal or staff impact due to this item.

Attachments

A - Tourism Implementation Task Force Charter



Tourism Implementation Task Force Charter

I. Purpose

The Tourism Implementation Task Force (“Task Force”) was created through an action of the County Council on February 27, 2018 when the Council formally accepted the Los Alamos County Tourism Strategic Plan. The Task Force serves as an advisory body to the County Council for the purpose of building the tourism economy as a way to economic development through implementation of the principles, objectives and associated actions as provided in the Tourism Strategic Plan. The Task Force provides guidance and serves as a resource to the County Council and staff in the formulation, development, championing and execution of specific actions and projects. The committee will also serve a valuable role in communicating implementation of the Tourism Strategic Plan recommendations to the general public and County Council.

II. Scope of Work

The Tourism Strategic Plan is a practical roadmap detailing the strategies and actions needed to develop the tourism economy while improving community quality for residents, businesses and LANL. The Task Force’s mission is to be primary stakeholder group that helps to lead this economic development effort and works closely with Staff and other members of the community. The Task Force will also advise staff in the process of implementing the recommended tactics and actions delineated in the Tourism Strategic Plan. The Task Force will advocate for the promotion of tourism as an economic driver for the County. Meetings of the Task Force will also serve as a venue for communicating and receiving information from the general public on plan implementation.

The Task Force will initially be chartered for two years.

III. Task Force Representation

The Task Force will be comprised of volunteers representing the various tourism stakeholders within the County including: the community-at-large, Business Community (Retail, Hospitality, and Service), and assets/attractions such as Los Alamos History Museum, Nature Center, Pajarito Mountain and Bradbury Science Museum. Historic Preservation, Lodgers’ Tax Advisory, and Parks/Recreation Boards shall select one member from their board to serve on the Task Force and also select an alternate to attend meetings in case the member cannot attend. The total number of members shall not exceed eleven (11) persons including the representatives from Council Advisory Boards.

Committee members will be individually appointed by the County Council.

IV. Member Term

The initial term of all task force members will be two years. At that point in time, the charter and membership will be evaluated for possible renewals.

V. Quorum

A quorum of the committee is defined as a simple majority of the appointed committee members. Committee actions can be taken and considered valid only if a quorum has been established at the meeting. Information can be shared during a meeting even if a quorum is not established.

VI. Resources

The County will provide a staff project manager responsible for coordinating the committee in its exploration and development of implementation actions including meeting logistics and other needs. Other County staff will be available based upon identified needs or specific topics of discussion but all staff members will be non-voting members of the Task Force.

VII. Meetings

Meeting dates and frequency will be established by the Task Force and staff. All meetings will be open to the public. Meetings will also serve as a venue for communicating and receiving information from and to the general public on project implementation.

VIII. Subcommittees

The existing Manhattan Project National Historical Park (MAPR) subcommittee is being transitioned over to this Task Force. This subcommittee will focus on the issues that must be addressed to support the implementation of the new national park.

The Task Force may form any additional subcommittees it deems appropriate but all recommendations to the Council should be that of the full committee, as indicated by a majority vote of the committee members. The subcommittees may include persons not otherwise identified as a member of the committee, however subcommittee membership does not convey an ability to vote on any recommendations.



County of Los Alamos

Staff Report

April 03, 2018

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.: G.

Index (Council Goals): * 2018 Council Goal – Quality of Life – Mobility – Maintain and Improve Transportation and Mobility

Presenters: Philo Shelton, Public Works Director

Legislative File: 10647-18

Title

Approval of the North Central Regional Transit District Intergovernmental Contract.

..Recommended Motion

I move that Council approve the North Central Regional Transit District Intergovernmental Contract Agreement, that is an update with addition of Village of Chama to this contract thereby confirming and awarding the membership and voting rights of all the members listed in this agreement.

County Manager's Recommendation

The County Manager recommends that Council approve the motion as presented.

Body

The Village of Chama has recently joined North Central Regional Transit District (NCRTD). NCRTD has requested all fifteen of its current members to execute the Intergovernmental Contract (IGC). The agreement is the fundamental link between its members and confirms the roles and responsibilities of all Members within the structure provided for under the Regional Transit District Act. The Board has consistently demonstrated the ability to form a true consensus among city, county and tribal governments throughout the region.

The success of this regional cooperation should be a point of pride for each and every member. In order to ensure that the NCRTD continues its success they request that each member take the IGC to its respective governing body, obtain approval and then return a signed copy to NCRTD. This will ensure that all fifteen members confirm their willingness to go forward with their participation in the District. In addition to confirming the membership, the 2017 IGC will make adjustments to the voting strength of the members matrix. The change includes adding a voting unit for the Village of Chama. Los Alamos voting units remain the same at three units out of a new total of 35 voting units. The voting strength analysis is attached as Appendix B.

Alternatives Council could choose not to approve this update to this contract, however, it would not allow Village of Chama to be a voting member.

Attachments

- A - NCRTD 2017 IGC - Red Line Version
- B - NCRTD Voting Strength Analysis

NORTH CENTRAL REGIONAL TRANSIT DISTRICT

AMENDED INTERGOVERNMENTAL CONTRACT

**APPROVED
BY
NCRTD BOARD
November 3, 2017**

Deleted: 7

Deleted: 4

**NORTH CENTRAL REGIONAL TRANSIT DISTRICT
INTERGOVERNMENTAL CONTRACT**

By and among:

**VILLAGE OF CHAMA
TOWN OF EDGEWOOD
CITY OF ESPAÑOLA
COUNTY OF LOS ALAMOS
PUEBLO OF NAMBE
PUEBLO OF OHKAY OWINGEH
PUEBLO OF POJOAQUE
COUNTY OF RÍO ARRIBA
PUEBLO OF SAN ILDEFONSO
PUEBLO OF SANTA CLARA
CITY OF SANTA FE
COUNTY OF SANTA FE
COUNTY OF TAOS
TOWN OF TAOS
AND
PUEBLO OF TESUQUE**

Dated as of November 3rd, 2017.

**Providing for the creation and operation of
the “North Central Regional Transit District” as a Regional Transit District
pursuant to the New Mexico Regional Transit District Act,
Chapter 73, Article 25, Sections 1-18, NMSA 1978 (2003)**

Deleted: 7th

Deleted: 4

ARTICLE	PAGE
ARTICLE I <i>DEFINITIONS</i>	1
ARTICLE II <i>NAME AND PURPOSE OF THE DISTRICT AND THE REGIONAL TRANSIT SYSTEMS TO BE PROVIDED</i>	3
ARTICLE III <i>BOUNDARIES</i>	4
ARTICLE IV <i>CONTRACT</i>	4
ARTICLE V <i>POWERS</i>	5
ARTICLE VI <i>BOARD OF DIRECTORS</i>	6
ARTICLE VII <i>DIRECTORS</i>	7
ARTICLE VIII <i>OFFICERS</i>	8
ARTICLE IX <i>VOTING REQUIREMENTS</i>	10
ARTICLE X <i>ASSETS OF THE DISTRICT</i>	10
ARTICLE XI <i>ADDING AND WITHDRAWING TERRITORY</i>	10
SIGNATURE PAGES	15
APPENDICES	
APPENDIX A DETERMINATION OF BOUNDARIES OF THE DISTRICT	30
APPENDIX B VOTING STRENGTH ANALYSIS	31

Deleted: 28

Deleted: 29

**NORTH CENTRAL REGIONAL TRANSIT DISTRICT
INTERGOVERNMENTAL CONTRACT**

THIS NORTH CENTRAL REGIONAL TRANSIT DISTRICT

INTERGOVERNMENTAL CONTRACT (hereinafter, this “Contract”) is entered into as of the date indicated on page 2 of this Contract by and among the VILLAGE OF CHAMA, TOWN OF EDGEWOOD, CITY OF ESPAÑOLA, COUNTY OF LOS ALAMOS, PUEBLO OF NAMBÉ, PUEBLO OF OHKAY OWINGEH, PUEBLO OF POJOAQUE, COUNTY OF RÍO ARRIBA, PUEBLO OF SAN ILDEFONSO, PUEBLO OF SANTA CLARA, CITY OF SANTA FE, COUNTY OF SANTA FE, COUNTY OF TAOS, THE TOWN OF TAOS, AND PUEBLO OF TESUQUE.

Formatted: Font: Bold

RECITALS

WHEREAS, pursuant to the Regional Transit District Act, Chapter 73, Article 25, Sections 1-18, NMSA 1978, (hereinafter the “Act”), New Mexico governmental units are authorized to establish, by contract, regional transit districts, which, upon the satisfaction of the conditions set forth in Article II hereof, are authorized to finance, construct, operate, maintain, and promote regional transit systems; and

WHEREAS, governmental units may contract with one another to provide any function, service, or facility lawfully authorized to each of the contracting units and any such contract may provide for the joint exercise of the function, service, or facility, including the establishment of a separate legal entity to do so; and

WHEREAS, the Initial Members were governmental units located in North Central New Mexico, which desire to form a regional transit district pursuant to the Act for the purpose of financing, Constructing, operating, maintaining, and promoting regional transit systems; and

WHEREAS, transit services promote independent living for the frail, the elderly, the disabled, and those without access to automobiles by providing essential links to a variety of medical, social, and other services, and the region recognizes the need to improve mobility options for this growing segment of the population; and

WHEREAS, the Initial Members began working together on the goal of forming a regional transit district in the Spring of 2003; and

WHEREAS, the Initial Members formed a working group in September 2003, which has met regularly to consider the interests of the Initial Members; and

WHEREAS, the working group has specified the terms of this Contract and other necessary documents based on comments received from and extensive discussions with the Governing Bodies of each of the Initial Members; and

WHEREAS, the Initial Members have duly voted for and approved the addition of new members whose Governmental Units are within the boundaries of the district; and

WHEREAS, new members have been added since the formation of the NCRTD in 2004 whose memberships and voting rights should be acknowledged and ratified by a novation of this Contract.

AGREEMENT

NOW, THEREFORE, for and in consideration of the mutual covenants set forth below, the Initial Members along with the new members hereby agree to a novation of this Contract

thereby confirming and amending the membership and voting rights of all the members listed herein as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions from the Act. The following terms shall, when capitalized, have the meanings assigned to them in Section 73-25-3 of the Act:

"*Board*" means the board of directors of a district;

"*Bond*" means a revenue bond;

"*Combination*" means two or more governmental units that exercise joint authority;

"*Commission*" means the New Mexico state transportation commission;

"*Construct*", "*Constructing*", or "*Construction*" means the planning, designing, engineering, acquisition, installation, construction, or reconstruction of a regional transit system;

"*District*" means a regional transit district that is a political subdivision of the state created pursuant to the Act;

"*Governmental Unit*" means the state, a county or a municipality of the state, or an Indian nation, tribe or pueblo located within the boundaries of the state;

"*Regional Transit System*" means a property, improvement, or system designed to be compatible with established state and local transportation plans that transports or conveys passengers within a region by means of a high-occupancy vehicle, including an automobile, truck, bus, van, or railcar; and

"*Revenues*" means tolls, fees, rates, charges, assessments, grants, contributions, or other income and revenues received by the district.

Section 1.02. Other Definitions. The following terms shall, when capitalized, have the following meanings:

"*Act*" is defined in the Recitals hereto.

"*Advisory Committee*" means two or more persons appointed by the Board, pursuant to Article VI, Section 3 hereof, for the purpose of providing advice to the Board and includes the Citizen Advisory Committee.

"*Boundaries*" means the boundaries of the District determined in accordance with Appendix A hereto, as such Appendix and term may be amended from time-to-time in accordance with Articles IX and XI hereof.

"*Citizen Advisory Committee*" means the special Advisory Committee described as such in Article III, Section 3 hereof.

"*Contract*" means this North Central Transit District Intergovernmental Contract, as amended from time to time in accordance with the terms hereof.

"*Director*" means any person appointed as a Director pursuant to Article 4 hereof.

Whenever the person appointed as a Member's Director pursuant to Article 4 hereof is absent from a Board meeting, the term "Director" shall mean the Official Designee, if any, appointed by such Member pursuant to Article 4 hereof.

“*Governing Body*” means, when used with respect to a Member, the city council, board of trustees, board of commissioners, pueblo council, or other legislative body, as appropriate, of such Member.

“*Initial Boundaries*” means the Boundaries of the District on the date the District is originally certified pursuant to Article II hereof, as such Initial Boundaries are determined in accordance with Appendix A hereto.

“*Initial Members*” means the initial signatories who become Members on the date on which the District is originally certified pursuant to Section 2 hereof.

“*Member*” means the Initial Members and any Governmental Unit that becomes a member of the District pursuant to Article XI hereof.

“*NCRTD*” is defined in the Recitals hereto.

“*Officer*” means the Chair, Vice Chair, Secretary, or Treasurer of the District, and any subordinate officer or agent appointed and designated as an officer of the District by the Board.

“*Official Designee*” means any person appointed as an official designee, pursuant to Article VII hereof.

“*Regional Transit Services*” means the transit services described in Appendix D.

ARTICLE II

NAME AND PURPOSE OF THE DISTRICT AND THE REGIONAL TRANSIT SYSTEMS TO BE PROVIDED

Section 2.01. Name. The name of this transit district is the North Central Regional Transit District (hereinafter, “the District”).

Section 2.02. Purpose. The purpose of the District, being a multimodal public transit district formed pursuant to the Act, recognizes as its purpose to finance, Construct, operate, maintain, and promote an efficient, sustainable, and regional multi-modal transportation system at any location or locations, subject to compliance with the Act.

Section 2.03. Members. Membership in the District is open to Governmental Units within or containing the boundaries of Los Alamos, Río Arriba, Taos or Santa Fe Counties. Members may be added or deleted pursuant to Section 73-25-17 of the Act and Article XI hereof.

Section 2.04. Establishment. The North Central Regional Transit District shall be established as a separate political subdivision and body corporate of the State pursuant to the Act and as a separate legal entity created by a contract among the Initial Members, effective upon satisfaction of the following conditions:

- (a) Each Initial Member and new member has held at least one public hearing on the subject of this Contract in accordance with Section 73-25-4 of the Act including relevant attention to requirements for public notice; and
- (b) Each Initial Member has executed the original Contract.

Section 2.05. Regional Transit Systems to Be Provided.

The NCRTD will provide, but not be limited to, the type of regional transit services described in Appendix D, “Regional Transit Mobility Concept for the North Central Regional Transit District.”

Section 2.06. Specific Responsibilities. In addition to the general powers described in Article V hereof, the District shall have the responsibilities described in this Section and shall

have all powers necessary to carry out such responsibilities, subject to the availability of funds and, to the extent required by law, annual appropriation of funds by the Board. The description of specific responsibilities and powers in this Section shall not, however, limit the general powers of the District described in Article V hereof.

- (a) **Regional Transit Planning.** The District shall work in coordination with the New Mexico Department of Transportation (NMDOT), Regional Planning Organizations (RPOs), and Metropolitan Planning Organizations (MPOs) to provide regional transit planning services needed to plan and direct the Regional Transit Services of the District, to pursue state and federal funding, and to coordinate overall transportation policy within the area in which it provides Regional Transit Services.
- (b) **Regional Transit Services.** The District shall use its best efforts to provide the Regional Transit Services described in Appendix D hereto.
- (c) **Contract Transit Services.** The District may enter into contracts with any Member or other Person for the provision of transit services in the manner and subject to the terms of such contracts.
- (d) **Local Service.** The District may fund Regional Transit Services that serve the residents and businesses of a Member (as distinguished from regional services) but, except as otherwise specifically provided herein, only pursuant to an agreement in which such Member pays the District for the services provided on the same fully allocated cost basis used to determine costs of District services throughout the District's service area.

ARTICLE III BOUNDARIES

Section 3.01. Original Boundaries. Membership in transit districts is open to Governmental Units, which means the State, a County or Municipality of the State, or an Indian Nation, Tribe, or Pueblo located within the boundaries of the State. The North Central Regional Transit District may include any Governmental Unit within or containing the boundaries of Los Alamos, Río Arriba, Taos or Santa Fe Counties, as described in Appendix A.

Section 3.02. Amendments to Boundaries. The original boundaries of the NCRTD may be amended according to the process described in Article XI of this Contract.

ARTICLE IV CONTRACT

Section 4.01. Effective Date. The term of the original Contract began when the New Mexico State Transportation Commission certified the creation of the District.

Section 4.02. Termination. The term of this Contract shall end when all the current Members agree in writing to terminate this Contract; provided, however, that this Contract may not be terminated so long as the District has any Bonds outstanding.

Section 4.03. Amendments. Any amendment to the Contract shall be made only by the execution in writing of each of the governmental units that entered into the Contract.

Section 4.04. Parties of Interest. Nothing expressed or implied herein is intended or shall be construed to confer upon any Person other than the Members any right, remedy or claim

under or by reason of this Contract; this Contract being intended for the sole and exclusive benefit of the Members.

Section 4.05. No Personal Liability. No covenant or agreement contained in this Contract or any resolution or Bylaw issued by the Board shall be deemed to be the covenant or agreement of an elected or appointed official, officer, agent, servant or employee of any Member in his or her individual capacity.

Section 4.06. Tort Claims. In accordance with the requirements and limitations of liability set forth in the New Mexico Tort Claims Act, NMSA 1978, Sections 41-4-1 through 41-4-27, the District shall cover every risk for which immunity has been waived under the provisions of the Tort Claims Act.

Section 4.07. Notices. Except as otherwise provided in this Contract, all notices, certificates, requests, requisitions, or other communications by the District, any Member, any Director, any Official Designee, any Officer, or any member of a Committee to any other such person pursuant to this Contract shall be in writing; shall be sufficiently given, and shall be deemed given when actually received:

- (a) In the case of the District and Officers of the District, at the last address designated by the District for such purpose; and
- (b) In the case of such other persons, at the last address specified by them in writing to the Secretary of the District.

Unless a certain number of days is specified, notice shall be given within a reasonable period of time.

Section 4.08. Assignment. None of the rights, benefits, duties, or obligations of any Member may be assigned or delegated without the express written consent of all the Members.

Section 4.09. Severability. If any clause, provision, subsection, Section, or Article of this Contract shall be held to be invalid, illegal, or unenforceable for any reason, the invalidity, illegality, or enforceability of such clause, provision, subsection, Section or Article shall not affect any of the remaining provisions of this Agreement.

Section 4.10. Interpretation. Subject only to the express limitations set forth herein, this Contract shall be liberally construed:

- (a) To permit the District and the Members to exercise all powers that may be exercised by a regional transit district pursuant to the Act and by a separate legal entity created by a contract among the Members;
- (b) To permit the Members to exercise all powers that may be exercised by them with respect to the subject matter of this Contract pursuant to the Act and other applicable law; and
- (c) To permit the Board to exercise all powers that may be exercised by the board of directors of a regional transit district pursuant to the Act and by the governing body of a separate legal entity created by a contract among the Members.

In the event of any conflict between the Act or any other law with respect to the exercise of any such power, the provision that permits the broadest exercise of the power consistent with the limitations set forth in this Contract shall govern.

Section 4.11. Governing Law. The laws of the State of New Mexico shall govern the development and enforcement of this Contract.

Section 4.12. Counterparts. This Contract may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original; but such counterparts shall together constitute but one and the same Agreement.

ARTICLE V

POWERS OF THE DISTRICT

Section 5.01. Powers of the District. A district is a body politic and corporate. In addition to other powers granted to the district pursuant to the Regional Transit District Act [73-25 NMSA 1978], the district may:

- (a) Have perpetual existence, except as otherwise provided in the contract;
- (b) Finance, construct, operate, maintain, or promote regional transit systems within the boundaries of the district;
- (c) Enter into contracts and agreements affecting the affairs of the district;
- (d) Establish, collect, and increase or decrease fees, tolls, rates, or charges for the use of property of a regional transit system financed, constructed, operated, maintained, or promoted by the district; except that fees, tolls, rates, or charges imposed for the use of a regional transit system shall be fixed and adjusted to pay for bonds issued by the district;
- (e) Pledge all or a portion of the revenues to the payment of bonds of the district;
- (f) Provide transit services outside the boundaries of the district.
- (g) Purchase, trade, exchange, acquire, buy, sell, lease, lease with an option to purchase, dispose of, and encumber real or personal property and interest therein, including easements and rights of way;
- (h) Accept real or personal property for the use of the district and accept gifts and conveyances upon the terms and conditions as the board may approve;
- (i) Use the streets, highways, rail rights-of-way, and other public ways and, with permission of the owner, to relocate or alter the construction of streets, highways, rail rights-of-way, other public ways, electric and telephone lines and properties, pipelines, conduits, and other properties, whether publicly or privately owned, if deemed necessary by the district in the construction, reconstruction, repair, maintenance, and operation of the system. Any damage that may occur to the property shall be borne by the district; and
- (j) Sue and be sued;

Section 5.02. Limitations on Powers of the District. The District shall be limited as follows:

- (a) The district may only finance, construct, operate, maintain, or promote Regional Transit Systems;
- (b) Advisory Committees may only be appointed and may only exercise the powers as provided in Article III hereof;
- (c) A notice of the imposition of or any change in any fee or the issuance of Bonds shall be sent to the Division of Local Government and shall be filed with the State Transportation Commission in accordance with the Act.

ARTICLE VI

BOARD OF DIRECTORS

Section 6.01. Establishment and Powers. The District shall be governed by a Board of Directors (hereinafter, the "Board") as described in Section 73-25-5 of the Act. The Board shall

exercise and perform all powers, privileges and duties vested in or imposed upon the District. Subject to the exceptions in the Act, the Board may delegate any of its powers to an Officer or agent of the Board.

Section 6.02. Powers of the Board. The Board shall, subject to the limitations set forth herein and relevant State law, have all powers that may be exercised by the board of directors of a regional transit district pursuant to the Act and all powers that may be exercised by the governing body of a separate legal entity created by a contract among the Members. Such powers shall include, but shall not be limited to:

- (a) Adopt Bylaws;
- (b) Fix the time and place of meetings and the method of notice of the meetings;
- (c) Make and pass orders and resolutions necessary for the government and management of the affairs of the District and the execution of the powers vested in the District;
- (d) Appoint, hire, or retain an Executive Director;
- (e) Maintain offices at a place the Board may designate;
- (f) Prescribe financial and procurement policies and procedures in accordance with relevant State and Federal laws and policies;
- (g) Adopt other policies as may be deemed necessary for the functioning of the District; and
- (h) Appoint advisory committees and define the duties of the committees.
- (i) Board may add ex-officio members as needed.

Section 6.03. Advisory Committees. The Board may appoint and maintain a Citizen Advisory Committee to advise the Board with respect to policy and service matters. The Board may also appoint other Advisory Committees to advise the Board. The members of the Citizen Advisory Committee shall not be Directors, Official Designees, or employees of the District. The members of Advisory Committees other than the Citizen Advisory Committee may include Directors, Official Designees, and Officers of the District. Advisory Committees shall not be authorized to exercise any power of the Board.

Section 6.04. Bylaws and Rules. The Board, acting by resolution adopted as provided in Article IX hereof, may adopt bylaws or rules governing the activities of the District and the Board, including, but not limited to, bylaws or rules governing the conduct of Board meetings, voting procedures, and the type of resolutions that must be in writing.

Section 6.05. Budget. The Board shall approve an annual budget pursuant to the legal requirement to submit an annual budget to the State.

ARTICLE VII DIRECTORS

Section 7.01. Appointment of Directors and Official Designees. Pursuant to Section 73-25-5 of the Act, the Board shall be composed of one (1) Director from each Member of the District. A Director shall be an elected official, Official Designee or Tribal Council Member. The Director or Official Designee (if any) shall be nominated by the chief elected official of the Member and approved by the Governing Body of the Member.

Section 7.02. Terms of Office. The term of office of each Director and Official Designee shall commence with the first meeting of the Board following his or her appointment and shall continue until removed by the appointing Member, or until she or he no longer holds

elective office in the Governing Body of the appointing Member, or until she or he submits a written resignation to the Chair. Directors shall not serve a term longer than four (4) years unless re-appointed by their Member governing body.

Section 7.03. Resignation and Removal. Any Director or Official Designee may resign at any time, effective upon receipt by the Secretary or the Chair of written notice signed by the person who is resigning; and may be removed at any time by the Governing Body of the Member that appointed him or her, effective upon receipt by the Secretary or the Chair of written notice signed by the Governing Body of the appointing Member.

Section 7.04. Vacancies. Vacancies in the office of any Director or Official Designee shall be filled in the same manner in which the vacant office was originally filled.

Section 7.05. Compensation. Directors and Official Designees shall serve without compensation, but may be reimbursed for expenses incurred in serving in such capacities upon such terms and pursuant to such procedures as may be established by the Board, pursuant to State law.

ARTICLE VIII

OFFICERS

Section 8.01. Identification. The Board shall elect or appoint a Chair, a Vice Chair, a Secretary, and a Treasurer.

Section 8.02. Appointment. The currently elected Board shall elect Officers by simple majority vote after canvassing each member as to his or her interest in service, time availability, and qualifications. The Officers shall be Directors. All Officers of the District shall meet the other qualifications, if any, stated for his or her office elsewhere in this Article.

Section 8.03. Term of Office. Each Officer shall serve until the end of their term or until a successor is elected or appointed or the Officer is lawfully removed pursuant to State law, this Contract, or the Bylaws. Officers may serve unlimited terms.

Section 8.04. Resignation. Any Officer may resign at any time effective upon receipt by the Secretary or the Chair of written notice signed by the person who is resigning.

Section 8.05. Removal of Officers. Any Officer of the Board may be removed at any time by a two-thirds majority vote of the voting units of the Board.

Section 8.06. Vacancies. Vacancies in the office of any Officer shall be filled in the same manner in which such office was originally filled.

Section 8.07. Chair. The Chair shall:

- (a) Have the power to call meetings of the Board and to preside over such meetings;
- (b) Have the power to execute, deliver, acknowledge, file, and record on behalf of the District such documents as may be required by the Act or other applicable law;
- (c) Have the power to execute and deliver contracts, deeds, and other instruments and agreements on behalf of the District as are necessary or appropriate in the ordinary course of its activities or as are duly authorized or approved by the Board;
- (d) Have such additional authority, powers, and duties as are appropriate and customary for the office of the Chair of the board of directors of entities such as the District, and as the Board may otherwise prescribe.

Section 8.08. Vice Chair. The Vice Chair shall:

- (a) Be the Officer next in seniority after the Chair and, upon the death, absence, or disability of the Chair, shall have the authority, powers, and duties of the Chair;
- (b) Have such additional authority, powers, and duties as are prescribed by the Board.

Section 8.09. Secretary. If a Treasurer has not been elected or appointed, the Secretary shall also serve as Treasurer and may use the title of Treasurer in performing the functions of Treasurer. The Secretary shall:

- (a) Designate a staff member who will assist in carrying out the work of the Secretary, under the day-to-day supervision of the Executive Director but with responsibility lying with the Secretary;
- (b) Give, or cause to be given, notice of all meetings (including special meetings) of the Board;
- (c) Keep written minutes of such meetings;
- (d) Be responsible for the maintenance of all records and files and the preparation and filing of reports to governmental agencies (other than tax returns);
- (e) Have such other authority, powers and duties as are appropriate and customary for the office of Secretary of entities such as the District, and as the Board may otherwise prescribe.

Section 8.10. Treasurer. The Treasurer shall, subject to rules and procedures established by the Board:

- (a) Designate a staff member who will assist in carrying out the work of the Treasurer, under the day-to-day supervision of the Executive Director but with responsibility lying with the Treasurer;
- (b) Be responsible for the custody of the funds and all stocks, bonds, and other securities owned by the District;
- (c) Be responsible for the preparation and filing of all tax returns, if any, required to be filed by the District;
- (d) Receive all moneys paid to the District and, subject to any limits imposed by the Board or the Chair, shall have authority to give receipts and vouchers, and endorse checks and warrants in the District's name and on the District's behalf, and to give full discharge for the same;
- (e) Sign checks and warrants, but must secure the signature of either the Executive Director or one other Board Officer. In the absence of the Executive Director, a second Officer may sign;
- (f) Have charge of disbursement of the funds of the District, shall keep full and accurate records of the receipts and disbursements, and shall deposit all moneys and other valuables in such depositories as shall be designated by the Board;
- (g) Deposit and invest all funds of the District in accordance with the laws of the State applying to the deposit and investment of funds of regional transit districts formed under the Act;
- (h) Have such additional authority, powers and duties as are appropriate and customary for the office of Treasurer of entities such as the District, and as the Board may otherwise prescribe.

Section 8.11. Executive Director. The Board shall appoint an Executive Director who shall be the chief executive officer of the District, shall supervise the activities of the District, shall see that all policies, directions and orders of the Board are carried out and shall, under the supervision of the Board, have such other authority, powers, or duties as may be prescribed by the Board. The Executive Director shall, subject to rules and procedures established by the Board:

- (a) Sign contracts or agreements with vendors or service providers that are necessary to carry out the purposes of the District, provided, however, that they involve less than \$100,000, and are included in a duly approved budget. Expenses over \$100,000 shall be approved by the Board and signed by the appropriate Officers;
- (b) Appoint, hire, and retain employees, agents, engineers, attorneys, accountants, financial advisors, investment bankers, and other consultants as approved through the budget process;
- (c) Dispose of assets of the District, provided, however, that the assets are no longer useful to the District and have a nominal market value;
- (d) Sign contracts or agreements specifically approved by the Board.

Section 8.12. Changes to Authority, Powers and Duties. Notwithstanding any other provision of this Article, the Board at any time may expand, limit, or modify the authority, powers and duties of any Officer pursuant to the Act.

ARTICLE IX VOTING REQUIREMENTS

Section 9.01. Voting Strength of Members. Each Member of the District shall have a voting strength as determined by the Voting Strength Analysis, Appendix B.

Section 9.02. Quorum. The presence of Directors representing a majority of the Members and a majority of the total number of voting units shall be necessary to constitute a quorum for the transaction of business.

Section 9.03. Simple Majority Vote. If a quorum is present, action by simple majority of voting units present and eligible to vote shall be the act of the Board, unless the act of a greater number is required by the Bylaws, the Contract, or applicable law.

Section 9.04. Two-Thirds Vote. If a quorum is present, two-thirds (2/3) majority of the voting units is required for the following actions:

- (a) Addition or withdrawal of territory or property, pursuant to Article 8 of the Bylaws, Article XI of this Contract, and Sections 73-25-6 and 73-25-17 of the Act;
- (b) Removal of Officers from the Board, pursuant to Article 10 of the Bylaws and Article VIII of this Contract;
- (c) Amendment of the Bylaws, pursuant to Section 15 of the Bylaws.
- (d) Amendments to this Contract, pursuant to Article IV of this Contract.

Section 9.05. Budget. The annual budget shall be passed by a simple majority of voting units.

ARTICLE X ASSETS

Section 10.01. Acquisition of Assets. The District may acquire assets on its own authority or through contract with Members of the District. Assets contributed by each Member shall be so noted.

Section 10.02. Disposition of Assets. The District may dispose of assets that are surplus, at the end of their useful life, or are no longer needed by the District, pursuant to State and Federal regulations.

Distribution of Assets Upon Termination. Upon termination of this Contract, pursuant to Article IV hereof, the net assets of the District shall be distributed to the parties with a financial interest in the assets and in proportion to their contribution to the purchase of the asset. Where the District itself has a financial interest in the asset, its current value will be divided equally among the Members of the District at the time of its termination.

ARTICLE XI

ADDING OR WITHDRAWING TERRITORY

Section 11.01. Initial Members. The Initial Members shall be the initial signatories whose participation in the District is described in Articles II and III, and Appendix A hereof.

11.02 Addition of Members. After the creation of the District, a Governmental Unit adjacent to or contained within a Governmental Unit adjacent to, but not part of, the District may join the District as a Member

11.03 Inclusion or Exclusion of Property. The Board may include or exclude property from the boundaries of the District, pursuant to Section 73-25-6 and Section 73-25-17 of the Act.

11.04 Withdrawal of Members. A Member of the District may withdraw from the District by adopting a resolution to withdraw. The Member shall withdraw its representative from the Board of Directors. Real property owned by the District within the boundaries of the withdrawing Member shall remain the property of the District. The provisions of withdrawal shall be negotiated and agreed to by the Board of Directors, the Member, and the Commission pursuant to Article 73-25-17 of the Act.

SIGNATURE PAGE

To

NORTH CENTRAL REGIONAL TRANSIT DISTRICT
INTERGOVERNMENTAL AGREEMENT
Dated as of _____

VILLAGE OF CHAMA

Name

Title

Signature _____

SIGNATURE PAGE

To

**NORTH CENTRAL REGIONAL TRANSIT DISTRICT
INTERGOVERNMENTAL AGREEMENT**

Dated as of _____

TOWN OF EDGEWOOD

Name _____

Title _____

Signature _____

SIGNATURE PAGE

To

**NORTH CENTRAL REGIONAL TRANSIT DISTRICT
INTERGOVERNMENTAL AGREEMENT**

Dated as of _____

CITY OF ESPANOLA

Name _____

Title _____

Signature _____

SIGNATURE PAGE

To

**NORTH CENTRAL REGIONAL TRANSIT DISTRICT
INTERGOVERNMENTAL AGREEMENT**

Dated as of _____

COUNTY OF LOS ALAMOS

Name _____

Title _____

Signature _____

SIGNATURE PAGE

To

**NORTH CENTRAL REGIONAL TRANSIT DISTRICT
INTERGOVERNMENTAL AGREEMENT**

Dated as of _____

PUEBLO OF NAMBE

Name _____

Title _____

Signature _____

SIGNATURE PAGE

To

**NORTH CENTRAL REGIONAL TRANSIT DISTRICT
INTERGOVERNMENTAL AGREEMENT**

Dated as of _____

PUEBLO OF OHKAY OWINGEH

Name _____

Title _____

Signature _____

SIGNATURE PAGE

To

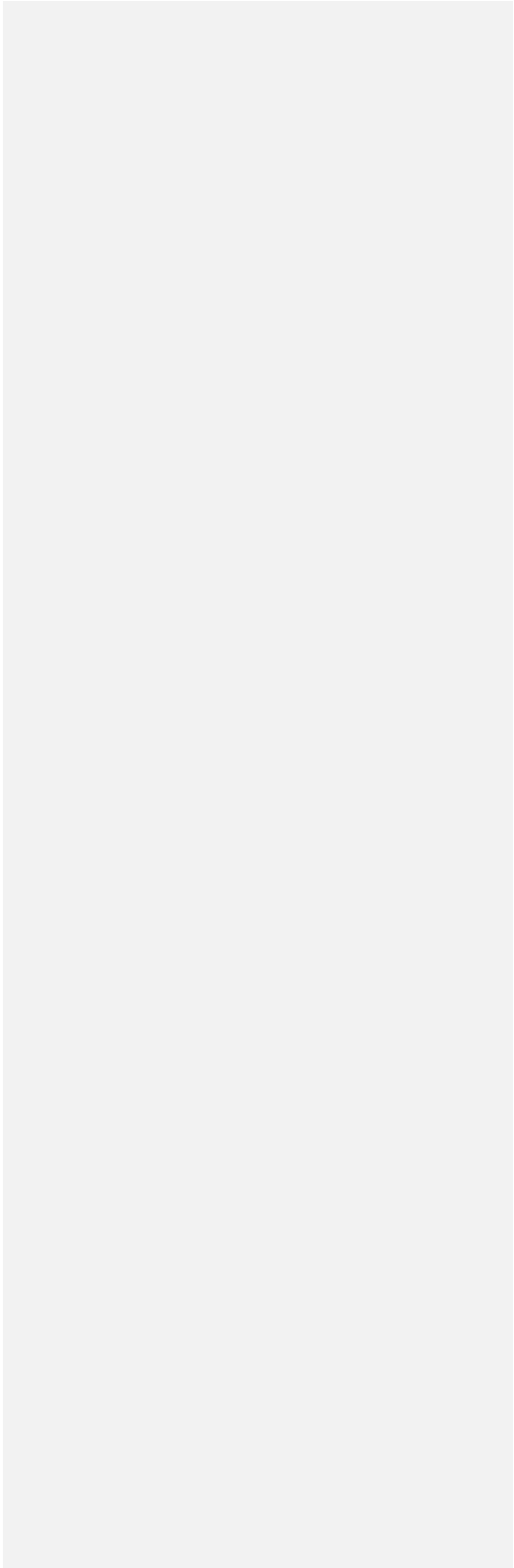
**NORTH CENTRAL REGIONAL TRANSIT DISTRICT
INTERGOVERNMENTAL AGREEMENT
Dated as of _____**

PUEBLO OF POJOAQUE

Name _____

Title _____

Signature _____



SIGNATURE PAGE

To

**NORTH CENTRAL REGIONAL TRANSIT DISTRICT
INTERGOVERNMENTAL AGREEMENT**

Dated as of _____

COUNTY OF RÍO ARRIBA

Name _____

Title _____

Signature _____

SIGNATURE PAGE

To

**NORTH CENTRAL REGIONAL TRANSIT DISTRICT
INTERGOVERNMENTAL AGREEMENT**

Dated as of _____

PUEBLO OF SAN ILDEFONSO

Name _____

Title _____

Signature _____

SIGNATURE PAGE

To

**NORTH CENTRAL REGIONAL TRANSIT DISTRICT
INTERGOVERNMENTAL AGREEMENT**

Dated as of _____

PUEBLO OF SANTA CLARA

Name _____

Title _____

Signature _____

SIGNATURE PAGE

To

**NORTH CENTRAL REGIONAL TRANSIT DISTRICT
INTERGOVERNMENTAL AGREEMENT**

Dated as of _____

CITY OF SANTA FE

Name _____

Title _____

Signature _____

SIGNATURE PAGE

To

**NORTH CENTRAL REGIONAL TRANSIT DISTRICT
INTERGOVERNMENTAL AGREEMENT**

Dated as of _____

COUNTY OF SANTA FE

Name _____

Title _____

Signature _____

SIGNATURE PAGE

To

**NORTH CENTRAL REGIONAL TRANSIT DISTRICT
INTERGOVERNMENTAL AGREEMENT**

Dated as of _____

COUNTY OF TAOS

Name _____

Title _____

Signature _____

SIGNATURE PAGE

To

**NORTH CENTRAL REGIONAL TRANSIT DISTRICT
INTERGOVERNMENTAL AGREEMENT**

Dated as of _____

TOWN OF TAOS

Name _____

Title _____

Signature _____

SIGNATURE PAGE

To

**NORTH CENTRAL REGIONAL TRANSIT DISTRICT
INTERGOVERNMENTAL AGREEMENT**

Dated as of _____

PUEBLO OF TESUQUE

Name _____

Title _____

Signature _____

VOTING STRENGTH ANALAYSIS - November 3, 2017

Appendix "B"

Member	Population (1)	% of Total Population	Member Unit	Population Units (2)	Total Voting Units	Voting Units % of Total
<u>Los Alamos County</u>	17,798	7.51%	1	2	3	9%
<u>Río Arriba County</u>	22,903	9.67%	1	3	4	11%
Española City	10,224	4.32%	1	2	3	9%
Ohkay Owingeh Pueblo	2,791	1.18%	1	0	1	3%
Santa Clara Pueblo	3,132	1.32%	1	0	1	3%
Village of Chama	1,022	0.43%	1	0	1	3%
<u>Taos County</u>	27,304	11.52%	1	3	4	11%
Town of Taos	5,731	2.42%	1	1	2	6%
<u>Santa Fe County</u>	57,593	24.31%	1	4	5	14%
San Ildefonso Pueblo	672	0.28%	1	0	1	3%
Pojoaque Pueblo	367	0.15%	1	0	1	3%
Nambe Pueblo	365	0.15%	1	0	1	3%
Tesuque Pueblo	435	0.18%	1	0	1	3%
Santa Fe City	82,800	34.95%	1	5	6	17%
Town of Edgewood	3,777	1.59%	1	0	1	3%
Total	236,914	100%	15	20	35	100%

Total Members: 15
Total Voting Units: 35
Quorum Requirments: 8 Members and 19 Voting Units
Simple Majority Vote: 19 Voting Units and 8 members present
Two Thirds Vote: 23 Voting Units and 10 members present

[1] Population estimates were extracted from 2013 Annual Estimates of the United States Census Bureau.

[2] Voting Units are awarded in the following manner:

All Members receive one (1) vote by virtue of being a Member.
Members receive one (1) additional vote for population between 5000 and 9,999;
an additional vote for population between 10,000 and 19,999;
an additional vote for population between 20,000 and 39,999;
an additional vote for population between 40,000 and 79,999;
an additional vote for population equal to or greater than 80,000.

2010 Census Update -Board approved April 13, 2012./Edgewood Member Add - Board approved September 7,2012./ Nambe Pueblo member add and Board approved 3/1/2013.
Updated with addition of Town of Taos and City of Santa Fe annexation of portions of unincorporated Santa Fe County and Board Approved on 11/7/2014.
Updated with addition of the Village of Chama and Board Approved on 11/3/2017.



County of Los Alamos

Staff Report

April 03, 2018

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.: A.

Index (Council Goals):

Presenters: Antonio Maggiore, Councilor and James T. Chrobocinski, Councilor

Legislative File: CO0530-18

Title

Incorporated County of Los Alamos Code Ordinance No. 02-285, A Code Ordinance amending Chapter 8 To Add An Article XV to Create A Community Development Advisory Board.

Recommended Action

I introduce, without prejudice, Incorporated County of Los Alamos Code Ordinance No. 02-285, a Code Ordinance amending Chapter 8 to Add an Article XV to Create a Community Development Advisory Board.

Body

In response to recent concerns expressed about the County's Code Enforcement practices, Councilor Maggiore and Councilor Chrobocinski met with two representatives of these concerned citizens and developed the attached proposed ordinance. This ordinance, if adopted, would establish a five-person advisory board whose duties would include reviewing all code enforcement notices of violation on a monthly bases and making policy recommendations to Council based on such reviews. Further responsibilities of the board would include working with staff on revisions and clarifications to the code, community outreach and organizing volunteer neighborhood cleanup efforts.

Alternatives

Council could choose to amend the duties of this board or not adopt this ordinance in which case no such advisory board would be established.

Attachments

A- Code Ordinance No. 02-285

INCORPORATED COUNTY OF LOS ALAMOS CODE ORDINANCE NO. 02-285

**A CODE ORDINANCE AMENDING CHAPTER 8 TO ADD AN ARTICLE XV TO
CREATE A COMMUNITY DEVELOPMENT ADVISORY BOARD**

WHEREAS, the Incorporated County of Los Alamos (“County”) is a home rule charter municipality, as allowed by N.M. Constitution, Article X, Section 6; and

WHEREAS, New Mexico Statutes, Chapter 3, Article 18, authorizes home rule municipalities to regulate, abate, and impose penalties upon persons who create and maintain a public nuisance; and

WHEREAS, a public nuisance is defined by State law in NMSA 1978, § 3-8-1, as knowingly creating, performing, or maintaining anything that affects any number of citizens without lawful authority that is injurious to public health, safety, morals or welfare, or interferes with the exercise and enjoyment of public rights, including the right to use public property; and

WHEREAS, Chapter 3, Article 21 of New Mexico statutes grants County the authority to zone and regulate land use by code ordinance within its jurisdiction, including the right to regulate or restrict the erection, construction, reconstruction, alteration, repair or use of buildings, structures or land in each zone or district; and

WHEREAS, County has enacted code ordinances that regulate the use of land within its jurisdiction, including the regulation of erection, construction, reconstruction, alteration, repair or use of buildings, structures or land in each zone or district; and

WHEREAS, such code ordinances are found in Chapter 10 (Buildings and Building Regulations), Chapter 16 (Development Code), and Chapter 18 (Environment) of the Los Alamos County Code of Ordinances (“Code”); and

WHEREAS, the County Council (“Council”), as part of its strategic goals in 2016 and 2017, directed the Community Development Department (CDD), through its Code Enforcement Division (“Code Enforcement”), to enhance its property maintenance inspections to remove blight within the County; and

WHEREAS, various citizens of the County have voiced concern that such enhanced enforcement of Chapters 10, 16, and 18, have not adequately taken into account the concerns of some affected citizens; and

WHEREAS, Council, in an effort to provide maximum public input to the process of Code Enforcement activities, hereby believes that it is in the public’s health, safety and welfare to create a citizen board that can receive public input, review enforcement efforts by CDD Code Enforcement, and provide citizen concerns and possible informal resolution to the alleged

violation(s) to Council, and provide recommendations to Council on the appropriate application of the Ordinance with regard to enforcement efforts; and

WHEREAS, the board will advise the Council for potential applicable changes to the Ordinance in clarity and content so as to address the needs of the community.

BE IT ORDAINED BY THE GOVERNING BODY OF THE INCORPORATED COUNTY OF LOS ALAMOS, the Los Alamos County Code of Ordinances is hereby amended as follows:

Section 1. Article I, Chapter 8, Section 8-4 of the County Code is hereby amended as follows:

Sec. 8-4. Standing advisory boards or commissions; terms of existence.

- (a) The following standing boards or commissions are hereby continued or established although not all are governed by the provisions of this chapter: arts in public places board; board of public utilities; Fuller Lodge/historic districts advisory board; labor management relations board; library board; lodger's tax advisory board; parks and recreation board; personnel board; planning and zoning commission; environmental sustainability board; transportation board; valuation protests board, variance board, ~~and~~ the youth advisory board, and the community development advisory board.
- (b) All standing boards and commissions will continue to function indefinitely, unless specifically discontinued by the county council or as otherwise provided by county ordinance. Boards or commissions shall be terminated only by express action of the county council. A board or commission may be assigned more than one task concurrently, but the absence of one or more assigned tasks at any time shall not affect the board or commission's continuing status.

Section 2. An Article XV is hereby enacted to be added to Chapter 8 creating the "Community Development Advisory Board" as follows:

ARTICLE XV. - COMMUNITY DEVELOPMENT ADVISORY BOARD

Sec. 8-301. - Purpose.

A community development advisory board is established in order to make recommendations to County Council regarding the development, implementation, and enforcement of County property maintenance codes within the corporate boundaries of the County.

Sec. 8-302. - Membership, Terms and Qualifications.

The community development advisory board shall be composed of five (5) citizens with an attempt to provide equal representation from both the Los Alamos townsite and the

White Rock community. No board member shall be appointed that is an employee of the County, either as staff or by contractor. Members shall be appointed by the County Council for staggered terms of three (3) years. Two (2) initial appointments shall expire after one (1) year. The determination of which initial expiring appointments will be decided by the Council Chairperson at the time of appointment. Vacant board positions will be appointed by the County Council. The remaining three (3) members on the board will expire their term after two (2) years and rotation of appointments shall continue. Board members can be reappointed for no more than three (3) terms.

Sec. 8-303. - Duties and Responsibilities.

The community development advisory board shall serve in an advisory capacity to the County Council and shall have the following functions, responsibilities and duties:

- (1) Making of recommendations to the County Council regarding:
 - a. Policies for the development, implementation and enforcement of County property maintenance codes;
 - b. Recommend possible changes and definitions to the county code relating to CDD and Code Enforcement efforts; and
 - c. Recommend programs and policies for community development with regard to positive outreach activities, such as assistance programs, citizen volunteer groups, and county sponsored clean-up activities.
- (2) Receive and provide citizen input to staff and County Council on ways and means for improving the County's property maintenance and code enforcement program. For this purpose, the community development advisory board shall gather public input in ways appropriate to the circumstances, which may include public meetings dedicated to specific topics.
- (3) Recommend ways to involve and educate the community on property maintenance issues.
- (4) Review all monthly property maintenance code enforcement reports including issued notices of violation and citations and photographic evidence.
- (5) Report to County Council as requested by Council on community development advisory board findings, activities, and recommendations.
- (6) Such other activities, duties and responsibilities related to Community Development Department activities as may be assigned by the County Council.

Section 3. Severability. If any section, paragraph, clause or provision of this Code Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or enforceability of that section, paragraph, clause or provision shall not affect any of the remaining provisions of this Code Ordinance.

Section 4. Effective Date. This Code Ordinance shall become effective thirty (30) days after publication of notice of its adoption.

Section 5. Repealer. All other ordinances or resolutions, or parts thereof, inconsistent herewith are hereby repealed only to the extent of such inconsistency. This repealer shall not be construed to revive any ordinance or resolution, or part thereof, heretofore repealed.

PASSED AND ADOPTED this ____ day of _____, 2018.

INCORPORATED COUNTY OF LOS ALAMOS

**David Izraelevitz,
Council Chair**

ATTEST:

**Naomi D. Maestas,
Los Alamos County Clerk**



County of Los Alamos

Staff Report

April 03, 2018

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.: B.

Index (Council Goals):

Presenters: Antonio Maggiore, Councilor and James T. Chrobocinski, Councilor

Legislative File: CO0531-18

Title

Incorporated County of Los Alamos Code Ordinance No. 02-286, A Code Ordinance amending Chapter 18, Section 36, To Increase The Minimum Number of Day a Notice Provided to a Landowner to Correct a Violation Prior to Issuance of a Citation.

Recommended Action

I introduce, without prejudice, Incorporated County of Los Alamos Code Ordinance No. 02-286, a Code Ordinance amending Chapter 18 , Section 36, to Increase the Minimum Number of Days a Notice Provides to a Landowner to Correct a Violation Prior to Issuance of a Citation.

Body

In response to citizens' expressed concerns regarding the County's current Code Enforcement practices, Councilor Maggiore and Councilor Chrobocinski met with representatives of these concerned citizens and created the attached Ordinance for Council's consideration. The effect of the proposed ordinance would be to alter the current code's minimum time allowance for correcting certain code violations from two days to a new minimum allowance of fourteen days. Previously, in response to voiced concerns, the CDD has largely addressed these same concerns in practice, however the citizen representatives requested that the minimum days be altered in code to insure such practices continue into the future.

At present, the number of days allowed for corrective actions to occur before a notice of violation proceeds to a citation are:

Weeds - 16
Protective Treatment - 32
Inoperable Vehicles - 32
Roofs - 32
Sanitation - 16
Fences, Hedges - 16
Accessory Structures - 32
Outdoor Storage of Material - 16
Rodent Harborage - 16
Unsafe Conditions - 12
Unhitched Trailers - 14

* These stated time frames include an anticipated two days for mailing purposes.

Alternatives

Council could choose to not approve this ordinance, in which case the existing minimum required days for correction of code violations would remain at two days.

Attachments

A- Code Ordinance No. 02-286

INCORPORATED COUNTY OF LOS ALAMOS CODE ORDINANCE NO. 02-286

**A CODE ORDINANCE AMENDING CHAPTER 18, SECTION 36,
TO INCREASE THE MINIMUM NUMBER OF DAYS A NOTICE
PROVIDES TO A LANDOWNER TO CORRECT A VIOLATION
PRIOR TO ISSUANCE OF A CITATION**

WHEREAS, the Incorporated County of Los Alamos ("County") is a home rule charter municipality, as allowed by N.M. Constitution, Article X, Section 6; and

WHEREAS, New Mexico Statutes, Chapter 3, Article 18, authorizes home rule municipalities to regulate, abate, and impose penalties upon persons who create and maintain a public nuisance; and

WHEREAS, a public nuisance is defined by State law in § 3-8-1, as knowingly creating, performing, or maintaining anything that affects any number of citizens without lawful authority which is injurious to public health, safety, morals, or welfare or interferes with the exercise and enjoyment of public rights, including the right to use public property; and

WHEREAS, Chapter 3, Article 21 of New Mexico statutes grants County the authority to zone and regulate land use, by code ordinance, within its jurisdiction including the right to regulate or restrict the erection, construction, reconstruction, alteration, repair or use of buildings, structures or land in each zone or district; and

WHEREAS, County has enacted code ordinances that regulate the use of land within its jurisdiction, including the regulation of erection, construction, reconstruction, alteration, repair or use of buildings, structures or land in each zone or district; and

WHEREAS, in Code Ordinance 02-238, the Los Alamos County Council ("Council") repealed the prior Article II of Chapter 18 of the Los Alamos County Code of Ordinances ("County Code") and on January 7, 2014, and adopted a new Article II of Chapter 18, which included in part the current text of Chapter 18, Article II, Section 36; and

WHEREAS, Council, as part of its strategic goals in 2016 and 2017, directed the Community Development Department ("CDD"), through its Code Enforcement Division ("Code Enforcement"), to enhance its property maintenance inspections to remove blight within the County; and

WHEREAS, in 2016 and 2017, as directed by Council, County and CDD staff and officers began increased enforcement of the community; and

WHEREAS, various citizens of the County have voiced concern that such enhanced enforcement of Chapters 10 (Buildings and Building Regulations), 16 (Development Code), and

18 (Environment), of the County Code have not adequately taken into account the concerns of the affected citizens; and

WHEREAS, Council believes that it is necessary to increase the minimum number of days that Code Enforcement staff provide to the property owner in order to resolve a County Code violation; and

WHEREAS, any property owner must still comply with the maximum time to correct a violation within thirty (30) days from the issuance of the notice of violation; and

WHEREAS, Council finds that it is in the best interest of the citizens and County to provide non-compliant property owners with additional time to abate the nuisance and violation(s).

BE IT ORDAINED BY THE GOVERNING BODY OF THE INCORPORATED COUNTY OF LOS ALAMOS, the Los Alamos County Code of Ordinances, Chapter 18, Section 36, is hereby amended as follows:

Section 1. Chapter 18, Section 36 (§ 18-36), of the County Code of Ordinances is hereby amended to increase the minimum time from which a County Code violation citation may be issued from two (2) days to fourteen (14) days, as follows:

Sec. 18-36. - Notice.

- (a) Any municipal police officer, upon observing, in plain view, any violation of this article, shall issue a notice directed to the owner of record of the property on which the nuisance occurs, or to the occupant or tenant of the property, or both. The notice shall describe the violation and shall establish a reasonable time limit for its abatement by the owner or occupant or tenants, which limit shall be not less than ~~two~~ fourteen days or more than 30 days after service of the notice. The notice may be served either personally or by registered mail at the owner's or occupant's last known address.
- (b) Nothing in this chapter or article however shall in any way limit or prevent the County from taking immediate measures under this or other chapters to prevent the imminent harm to or loss of property or life or which presents an imminent harm to the health, safety, and welfare of the public.
- (c) All notices shall contain the date and time of the next Community Development Advisory Board meeting.

Section 2. Severability. If any section, paragraph, clause or provision of this Code Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or enforceability of that section, paragraph, clause or provision shall not affect any of the remaining provisions of this Code Ordinance.

Section 3. Effective Date. This Code Ordinance shall become effective thirty (30) days after publication of notice of its adoption.

Section 4. Repealer. All other ordinances or resolutions, or parts thereof, inconsistent herewith are hereby repealed only to the extent of such inconsistency. This repealer shall not be construed to revive any ordinance or resolution, or part thereof, heretofore repealed.

PASSED AND ADOPTED this _____ day of _____, 2018.

INCORPORATED COUNTY OF LOS ALAMOS

**David Izraelevitz,
Council Chair**

ATTEST:

**Naomi D. Maestas,
Los Alamos County Clerk**



County of Los Alamos

Staff Report

April 03, 2018

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.: C.

Index (Council Goals):

Presenters: Paul Andrus

Legislative File: OR0809-18

Title

Incorporated County Of Los Alamos Ordinance No. 02-281; An Ordinance Repealing Ordinances 571 and 664 in their Entirety and Enacting and Amending Certain Affordable Housing Provisions Into the Los Alamos County Code of Ordinances

Recommended Action

I Introduce, without prejudice, Incorporated County Of Los Alamos Ordinance No.02-281; An Ordinance Repealing Ordinances 571 and 664 in their Entirety and Enacting and Amending Certain Affordable Housing Provisions Into the Los Alamos County Code of Ordinances

County Manager's Recommendation

The County Manager recommends that Council introduce the motion as presented.

Body

Background

This Ordinance, 02-281, is an update to the update to the County's group of Affordable Housing Ordinances and is intended to accomplish the following:

1. Repeal and consolidate the County's current affordable housing Ordinances and their associated programs, as applicable, into one chapter and article;
2. Ensure that all of the County's affordable housing Ordinances have been appropriately codified; and
3. Make some specific updates to the County affordable housing Ordinances which will allow for the County's local affordable housing programs and policies to better align with state and federal affordable housing programs and regulations which will allow for the County to maximize its opportunities to provide affordable housing to its Citizens.

The following current Ordinances and their underlying provisions of each are being proposed for repeal, consolidation and codification into Chapter 14, Article VII under this action:

Ordinance No. 551, Establishing an Affordable Housing Program pursuant to the Affordable Housing Act and which states additional ordinances will be needed to enable the County to create and administer specific housing programs, approved by Council January 26, 2010.

Ordinance No. 571, authorizing the land donation and discount program which specified the income limits for households which may be assisted by the program, passed by Council on August 17, 2010.

Ordinance No. 664 which updated the Affordable Housing Program, essentially repealed Ordinance No. 551 to ensure compliance with the State's latest rules and regulations and to enhance the methods available to the County to assist qualified County residents in acquiring or improving housing within the County. This Ordinance was approved by Council on March 8, 2016.

This proposed Ordinance was submitted to the New Mexico Mortgage Finance Authority ("MFA") for their review and approval as required by the New Mexico Affordable Housing Act, and MFA approved the ordinance in its conformity to the Affordable Housing Act by letter dated February 28th, 2018 (Attachment B).

In summary, Ordinance No. 02-281, as did the other previous Ordinances, authorizes the County to operate an Affordable Housing Program as provided under the most recently enacted State of New Mexico Affordable Housing Act. The same activities and programming that previously existed under Ordinances 551 and 571 remain the same as approved by County Council (including the ability for the County to operate other housing assistance programs under the Affordable Housing Program, including but not limited to existing programs such as the Home Renewal Program and Homebuyer Assistance Program), with the following specific update:

This ordinance authorizes the County to donate land for affordable housing that will serve up to **(60) percent Area Median Income (AMI)**. Previously, Ordinance No. 571 only allowed the County to consider donation of land when a project would serve households up to fifty (50) percent of AMI. This threshold is being recommended to be adjusted to 60% in order to align the County's policy with that of the Low-Income Housing Tax Credit Program (LIHTC) program. The LIHTC program is currently the only primary financing mechanism in the County available for affordable multi-family rental projects. The household income for a household of four is \$65, 287. (A household of four at 50% AMI is \$54,400). The income threshold for discount of County land toward a project remains at eighty (80) percent of the AMI.

The Public Hearing for this Ordinance is scheduled for the May 1, 2018 County Council meeting.

Alternatives

County Council could choose to not approve this ordinance and instruct staff to incorporate certain changes to it for future Council review and consideration.

Attachments

A - Incorporated County of Los Alamos Code Ordinance No. 02-281

B - Mortgage Finance Authority (MFA) Letter stating Ordinance No. 02-281 compliance with Affordable Housing Act and Rules

INCORPORATED COUNTY OF LOS ALAMOS ORDINANCE NO. 02-281

AN ORDINANCE REPEALING ORDINANCES 571 AND 664 IN THEIR ENTIRETY AND ENACTING AND AMENDING CERTAIN AFFORDABLE HOUSING PROVISIONS INTO THE LOS ALAMOS COUNTY CODE OF ORDINANCES

WHEREAS, the Incorporated County of Los Alamos (“County”) has adopted various ordinances, including both general and code ordinances, establishing a County Affordable Housing Program pursuant to the State of New Mexico’s Affordable Housing Act, NMSA 1978 Sections 6-27-1 through 6-27-9 (“Affordable Housing Act”); and

WHEREAS, the County in 2010 adopted Ordinance No. 551 which established the first County Affordable Housing Program (“Program”); and

WHEREAS, the intent of the Affordable Housing Program is to provide various federal and State authorized housing programs including housing rehabilitation loans, homebuyer down payment assistance loan, and programs for large scale low-income housing projects for persons and families below the County’s specified average area median income level; and

WHEREAS, the County Council, in Ordinance No. 551, required that additional Program elements be enacted to set out the home rehabilitation program, ensure that any public funds or property be properly used, and a rental voucher program for County employees; and

WHEREAS, in County Ordinance No. 571, the County set out a Land Donation and Discount program which specified the levels to which County owned property could be donated or discounted for Program projects; and

WHEREAS, in County Ordinance No. 571, the non-codified ordinance, included two County Code changes to Sections 14-31 and 14-39; and

WHEREAS, in March of 2016 the County adopted Ordinance No. 664 which repealed Ordinance No. 551 and updated the County’s Affordable Housing Program to the State of New Mexico’s most recent statutory requirements; and

WHEREAS, the County’s Community Development Department is charged with administering and oversight of the County’s Affordable Housing Programs; and

WHEREAS, County Ordinances 571 and 664 were never codified in the County’s Code of Ordinances despite other Affordable Housing provisions codifications, therefore the County

desires to consolidate all affordable housing provisions into one chapter and article, add new provisions and modify others, and strengthen the purpose of this article; and

WHEREAS, the New Mexico Mortgage Finance Authority (“MFA”) has reviewed and approved this ordinance and the County’s various Affordable Housing Programs; and

WHEREAS, future amendments to Ordinance No. 02-281 and to Chapter 14, Article VII, must be approved by the MFA; and

WHEREAS, the County Council believes that the Affordable Housing Program(s) is in the best interest of the County’s overall health, safety, and welfare of its citizens.

BE IT ORDAINED BY THE GOVERNING BODY OF THE INCORPORATED COUNTY OF LOS ALAMOS, County Ordinances 571 and 664 are hereby repealed in full and are now incorporated into the County Code, along with amendments to Sections 14-31 and 14-39, as follows:

Section 1. County Code Ordinance 664 is hereby repealed in its entirety.

Section 2. County Code Ordinance 571 is hereby repealed its entirety.

Section 3. Article II, Section 31 of Chapter 14 (§ 14-31), is hereby amended as follows:

Sec. 14-31. - Generally.

The council may sell, lease, exchange or otherwise transfer county-owned real property and interests in real property, including the improvements contained thereon, when such transfer is made in accordance with the requirements of this article, except that such transfers may be made without following the requirements of sections 14-32 through 14-35, when the:

- (1) Property is being transferred under authority of the Municipal Housing Law, NMSA 1978, § 3-45-1, et seq., Urban Development Law, NMSA 1978, § 3-46-1, et seq., Community Development Law, NMSA 1978, § 3-60-1, et seq., or the Affordable Housing Act, NMSA 1978, § 6-27-1 et seq., and Article VII of this Chapter;
- (2) Property is being transferred to any other federal, state or local governmental agency or instrumentality after the council determines by resolution that the transfer is in the best interest of the public;
- (3) Property is being donated for the care and maintenance of the sick and indigent;

- (4) Property interest being transferred is either an easement or a license;
- (5) Property is being leased to an entity engaged in providing health care services, including nursing home services; or
- (6) Property interest is being transferred expressly pursuant to the authority granted by NMSA 1978, § 3-54-1, subject to the referendum requirements therein contained.

Section 4. Article II, Section 39 of Chapter 14 (§ 14-39), is hereby amended to read as follows:

Sec. 14-39. - Proceeds from sale or exchange of property.

Except for funds received from a sale or lease under the land donation or land discount program as provided in Article VII of this Chapter, all funds received from the sale or exchange of any county-owned property by the council shall be deposited in a separate account within the capital improvements fund and expended solely for the purpose of acquiring real property or capital improvements needed by the county.

Section 5. The Los Alamos County Code of Ordinances is amended by adding new sections in Article VII Division 1. ("Generally"), consisting of sections to be numbered 14-251 through 14-255, which sections read as follows:

Sec. 14-251. Purpose; generally.

There is hereby created a county affordable housing program which is to provide assistance to qualified recipients in acquiring or improving affordable housing within the county and to:

- (a) Establish procedures to ensure that all housing assistance grantees are qualifying grantees as defined in this Article and who meet the requirements of the Act and the rules both at the time of the award and throughout the term of any grant or loan under the Program;
- (b) Establish an application and award timetable for state housing assistance grants or loans to permit the selection of the qualifying grantee(s) by the county;
- (c) Create an evaluation process to determine:
 - (1) The financial and management stability of an Applicant;
 - (2) The demonstrated commitment of the Applicant to the community;
 - (3) A cost-benefit analysis of the project proposed by the Applicant including how the contribution will reduce the housing costs to persons of low income;
 - (4) The benefits to the community of a proposed project;
 - (5) The type or amount of assistance to be provided;

- (6) The scope of an Affordable Housing Project;
 - (7) Any substantive or matching contribution by the Applicant to the proposed project;
 - (8) A performance schedule for the qualifying grantee with performance criteria; and
 - (9) Any other rules or procedures which the county believes are necessary for a full review and evaluation of an Applicant and the Application or which the MFA believes is necessary for a full review of the county's evaluation of the Applicant.
- (d) Require long-term affordability of the county's Affordable Housing Projects so that a project cannot be sold shortly after completion and taken out of the affordable housing market;
 - (e) Require that a grant or loan for a Project must impose a contractual obligation on the Qualifying Grantee that all of the Affordable Housing units in any Project be occupied by persons of low or moderate income;
 - (f) Provide for adequate security against the loss of public funds or property in the event that the Qualifying Grantee abandons or otherwise fails to complete a Project;
 - (g) Require review and approval of a housing grant project budget by the county before any expenditure of grant funds or transfer of granted property;
 - (h) Require that a condition of grant or loan approval be proof of compliance with all applicable State and local laws, rules and ordinances;
 - (i) Provide definitions for "affordable" and "affordable housing" and for "low-income" and setting out requirements for verification of income levels;
 - (j) Provide the county with a mechanism for implementing a valid Affordable Housing Program;
 - (k) Establish a procedure and associated application for the purpose of waiving applicable county permit fees that are directly connected to projects that will result in the provision of affordable housing as defined under this Chapter and Article and the Affordable Housing Act, NMSA 1978, §§ 6-27-1 through 6-27-9, or as may be amended; and
 - (l) Require that the county enter into a contract with the Qualifying Grantee consistent with the Act, which contract shall include remedies and default provisions in the event of unsatisfactory performance, and that subject the recipient of a contribution to the jurisdiction of the New Mexico courts to enforce compliance with the Act, the Rules, and any agreement(s) between the recipient and the county.
 - (m) Require that all housing programs and assistance are in compliance with the Act and the Rules, as amended, and require compliance with the Act and the Rules in the provision of all contributions and by the recipients of contributions.

Sec. 14-252. Definitions.

The following words, terms, and definitions shall have the following meanings with this Article and Division where applicable or otherwise specified:

- (a) *Act* or *AHA* shall mean the Affordable Housing Act, NMSA 1978, §§ 6-27-1 through 6-27-9, or as may be amended from time to time.
- (b) *Affordable* shall mean consistent with minimum rent and/or income limitations set forth in the Act and in guidelines established by MFA and includes households earning less than eighty (80) percent of the county Area Median Income (AMI), as calculated by the United States Department of Housing and Urban Development (HUD). For affordable housing programs and projects using only County funds the unadjusted eighty (80) percent of the County Area Median Income (AMI) income limit is used. For affordable housing programs and projects using a mix of local, State and Federal funding or as required by a Federal Program, the eighty (80) percent of the County Area Median Income (AMI) income limit as published annually by HUD is used.
- (c) *Affordable Housing* means Residential Housing primarily for Persons or Households of Low Income with incomes eighty (80%) per cent of the county median family income, adjusted for family size, as calculated annually by HUD.
- (d) *Affordable Housing Funds* shall mean any or all funds awarded or to be awarded, loaned or otherwise distributed under the Act.
- (e) *Affordable Housing Plan* or *Plan* shall mean a plan pursuant to an Affordable Housing Program that contemplates one or more Affordable Housing Projects, which may be developed in one or more phases.
- (f) *Affordable Housing Program* or *Program* shall mean any programs the county and/or the MFA establish pursuant to the Act.
- (g) *Affordable Housing Project* or *Project* shall mean any work or undertaking, whether new construction, acquisition of existing Residential Housing, remodeling, improvement, rehabilitation or conversion and resale, land donation, homeowner down payment or closing cost assistance, which may be undertaken in one or more phases, as part of an Affordable Housing Plan, as approved by the county and/or the MFA for the primary purposes as allowed by the Act.
- (h) *Affordability Period* shall mean that amount of time represented by the term of a mortgage or other legal document during which only a qualified recipient or builder may hold title to or lease of real property for the development of which the county has

provided affordable housing assistance in the form of an award, loan, donation, or otherwise conveyed form. The Affordability period shall increase incrementally with the fair market value amount of county assistance provided. For the purposes of this Chapter and Article, *Affordability Period*, unless otherwise provided, shall be:

- (1) from \$1 to \$14,999.99, then the Affordability Period shall be not less than five (5) years.
 - (2) from \$15,000 up to and including \$40,000, then the Affordability Period shall be not less than ten (10) years.
 - (3) from \$40,000 up to and including \$100,000, then the Affordability Period shall be not less than fifteen (15) years.
 - (4) greater than \$100,000, then the Affordability Period shall be not less than twenty (20) years.
- (i) *Applicant* shall mean, subject to further qualifications, an individual, a governmental housing agency, regional housing authority, a for-profit venture, syndicate, or association or a nonprofit organization meeting the appropriate criteria of the county and/or the MFA.
- (j) *Application* shall mean an application to participate in one or more Affordable Housing Programs under the Act submitted by an Applicant to the county.
- (k) *Builder* shall mean an individual or entity licensed as a general contractor to construct Residential Housing in the State that satisfies the requirements of a Qualifying Grantee and has been approved by the county to participate in an Affordable Housing Program. The term *Builder* shall also include an individual or entity that satisfies the requirements of a Qualifying Grantee and has been approved by the county to participate in an Affordable Housing Program, who is not licensed as a general contractor in the State, provided such individual or entity contracts with a general contractor licensed in the State to construct Residential Housing.
- (l) *Building* shall mean a structure capable of being renovated or converted into Affordable Housing or a structure that is to be demolished and is located on land donated for use in connection with an Affordable Housing Project.
- (m) *County Permit Waiver* shall mean the approval to waive certain county Building, Planning and Utility Permit fees when associated with an eligible affordable housing activity. Waivers shall be granted only after the project has been deemed eligible by application and can be documented as part of an approved county Affordable Housing

Program or a housing project meeting the definition of affordable housing. Individual homeowners can apply to the county for the waiver or proof of eligibility can also be determined through verification of income provided by an acceptable third party documentation, including but not limited to income verification provided by Habitat for Humanity, the Los Alamos Housing Partnership, or other affordable housing provider that meets the criteria as and Eligible Entity under AHA rules.

- (n) *County* shall mean the Incorporated County of Los Alamos, New Mexico, a New Mexico municipal corporation.
- (o) *Congregate Housing Facility* shall mean Residential Housing designed for occupancy by more than four Persons of Low Income living independently of each other. The facility may contain group dining, recreational, health care or other communal living facilities and each unit in a Congregate Housing Facility shall contain at least its own living, sleeping, and bathing facilities.
- (p) *Contribution* shall mean any provision of assistance for affordable housing, including and Affordable Housing Grant or Affordable Housing Funds, made by a state, county, municipality or the MFA.
- (q) *Federal Government* shall mean the United States of America and any agency or instrumentality, corporate or otherwise, of the United States of America.
- (r) *"Household"* shall mean one or more persons occupying a housing unit.
- (s) *Housing Assistance Grant* means the donation by the county of land for construction of affordable housing; an existing Building for conversion or renovation as Affordable Housing; the costs of acquisition, development, construction, financing and operating or owning affordable housing, infrastructure or the costs of infrastructure necessary to support Affordable Housing or interest rate write downs for affordable housing rehabilitation loans; the waiving of applicable building permit fees for housing development or rehabilitation activities that are determined by the County to low income homeowners or renters-upon submission and approval of a county-administered application.
- (t) *HUD* shall mean the United States Department of Housing and Urban Development.
- (u) *Infrastructure* shall mean infrastructure Improvements and Infrastructure Purposes.
- (v) *Infrastructure Improvement* includes, but is not limited to:
 - (1) Sanitary sewage systems, including collection, transport, storage, treatment, dispersal, effluent use and discharge;

- (2) Drainage and flood control systems, including collection, transport, diversion, storage, detention, retention, dispersal, use and discharge;
- (3) Water systems for domestic purposes, including production, collection, storage, treatment, transport, delivery, connection and dispersal;
- (4) Areas for motor vehicle use for road access, ingress, egress and parking;
- (5) Trails and areas for pedestrian, equestrian, bicycle or other non-motor vehicle use for access, ingress, egress and parking;
- (6) Parks, recreational facilities and open space areas for the use of residents for entertainment, assembly and recreation;
- (7) Landscaping, including earthworks, structures, plants, trees and related water delivery systems;
- (8) Electrical transmission and distribution facilities;
- (9) Natural gas distribution facilities;
- (10) Lighting systems;
- (11) Cable or other telecommunications lines and related equipment;
- (12) Traffic control systems and devices, including signals, controls, markings and signs;
- (13) Inspection, construction management and related costs in connection with the furnishing of the items listed in this subsection; or
- (14) Heating, air conditioning and weatherization facilities, systems or services, and energy efficiency improvements that are affixed to real property.

(w) *Infrastructure Purpose* shall mean:

- (1) Planning, design, engineering, construction, acquisition or installation of Infrastructure, including the costs of applications, impact fees and other fees, permits and approvals related to construction, acquisition or installation of the Infrastructure, provided the county may determine it appropriate to reduce or waive building and planning permit fees, sewer, water, electric and gas hookup fees and other fees with respect to an Affordable Housing Project for which Affordable Housing Funds and/or Housing Assistance Grants are awarded, loaned, donated or otherwise distributed under the Act and the county's approved Affordable Housing Plan;
- (2) Acquiring, converting, renovating or improving existing facilities for Infrastructure, including facilities owned, leased or installed by the owner;
- (3) Acquiring interests in real property or water rights for Infrastructure, including

interests of the owner; or

- (4) Incurring expenses incident to and reasonably necessary to carry out the purposes specified in this subsection.
- (x) *Low Income Household* means a household earning less than eighty (80) percent of the county's Area Median Income, as calculated by the United States Department of Housing and Urban Development.
- (y) *MFA* shall mean the New Mexico Mortgage Finance Authority.
- (z) *MFA Act* shall mean the Affordable Housing Act, Affordable Housing Act, NMSA 1978, §§ 6-27-1 through 6-27-9, and as may be amended.
- (aa) *Moderate Income Household* means a household earning between eighty (80) and one hundred and twenty (120) percent of the county's Area Median Income, as calculated by the United States Department of Housing and Urban Development.
- (bb) *Mortgage* shall mean a mortgage, mortgage deed, deed of trust or other instrument creating a lien, subject only to title exceptions as may be acceptable to the county on a fee interest in real property located within the State or on a leasehold interest that has a remaining term at the time of computation that exceeds or is renewable at the option of the lessee until after the maturity day of the Mortgage Loan.
- (cc) *Mortgage Lender shall* mean any bank or trust company, mortgage company, mortgage banker, national banking association, savings bank, savings and loan association, credit union, building and loan association and any other lending institution; provided that the mortgage lender maintains an office in the State, is authorized to make mortgage loans in the State and is approved by the county and/or the MFA and either the Federal Housing Authority, Veterans' Affairs, Federal National Mortgage Association (now known as Fannie Mae), or Federal Home Loan Mortgage Corporation.
- (dd) *Mortgage Loan* shall mean a financial obligation secured by a Mortgage, including a Mortgage Loan for a Project.
- (ee) *Multiple Family Housing Project* shall mean Residential Housing that is designed for occupancy by more than four persons or families living independently of each other or living in a Congregate Housing Facility, at least sixty percent (60%) of whom are Persons of Low Income, including without limitation Persons of Low Income who are elderly and handicapped as determined by the county, provided that the percentage of low-income persons and families shall be at least the minimum, if any, required by federal tax law.

- (ff) *Multi-Family Housing Program* shall mean a program involving a Congregate Housing Facility, a Multiple Family Housing Project or a Transitional Housing Facility.
- (gg) *Persons of Low Income* shall mean persons and families within the State who earn less than eighty (80) percent of the county Area Median Income, as calculated by the United States Department of Housing and Urban Development.
- (hh) *Policies and Procedures* shall mean Policies and Procedures of the MFA, including but not limited to, Mortgage Loan purchasing, selling, servicing and reservation procedures, which the MFA may update and revise from time to time as the MFA deems appropriate.
- (ii) *Public Service Agencies* shall include, but are not limited to, any entities that support Affordable Housing and which believe that the program or project proposed by the Applicant is worthy and advisable, but which are not involved, either directly or indirectly, in the Affordable Housing Program or Project for which the Applicant is applying.
- (jj) *Qualifying Grantee* means an individual who is qualified to receive assistance pursuant to the Act and is approved by the county; or a governmental housing agency, regional housing authority, corporation, a limited liability company, partnership, joint venture, syndicate, association or a nonprofit organization that is organized under State or local laws and can provide proof of such organization; if a non-profit organization, has no part of its net earnings inuring to the benefit of any member, founder, contributor, or individual; and is approved by the county.
- (kk) *Recertification* shall mean the recertification of Applicants and/or Qualifying Grantees participating in any Affordable Housing Programs or in any programs under the Act as determined necessary from time to time by the county.
- (ll) *Rehabilitation* shall mean the substantial renovation or reconstruction of an existing single-family residence or a Multi-Family Housing Project, which complies with requirements established by county. Rehabilitation shall not include routine or ordinary repairs, improvements or maintenance, such as interior decorating, remodeling or exterior painting, except in conjunction with other substantial renovation or reconstruction.
- (mm) *Residential Housing* shall mean any Building, structure or portion thereof that is primarily occupied, or designed or intended primarily for occupancy, as a residence by one or more Households and any real property that is offered for sale or lease for the construction or location thereon of such a building, structure or portion thereof.

"Residential Housing" includes congregate housing, manufactured homes and housing intended to provide or providing transitional or temporary housing for homeless persons.

- (nn) *Residential Use* shall mean that the structure or the portion of the structure to benefit from the Affordable Housing Funds or Housing Assistance Grant, is designed primarily for use as the principal residence of the occupant or occupants and shall exclude vacation or recreational homes.
- (oo) *RFP* shall mean any request for proposal made by the county.
- (pp) *Rules* shall mean the rules issued pursuant to NMSA 1978, §§ 58-18-1 through 58-18-27 (the "Mortgage Finance Authority Act") and pursuant to the Affordable Housing Act, NMSA 1978, §§ 6-27-1 through 6-27-9 (the "Act").
- (qq) *State* shall mean the State of New Mexico.
- (rr) *Transitional Housing Facility* shall mean Residential Housing that is designed for temporary or transitional occupancy by Persons of Low or Moderate Income or special needs.

Sec. 14-253. Program Solicitations, Applications, Review Criteria, and Awards.

With the exception of Housing Assistance Grants involving funding from the State which shall be governed as specified below, the following requirements shall apply to all Housing Assistance Grants and/or Affordable Housing Funds awarded, loaned, or otherwise distributed by the county under the Act and the county Program to a Qualifying Grantee:

- (a) *Request for Proposals.* The county, in its discretion, may issue one or more RFPs to solicit applications from Applicants or may otherwise identify a Qualifying Grantee for the use of any Affordable Housing Funds or Housing Assistance Grants to be awarded, loaned, donated, or otherwise distributed under the Act.
- (b) *Applicant Eligibility.* The following Applicants are eligible under the Act to apply for Affordable Housing Funds or a Housing Assistance Grant to provide housing or related services to Persons of Low Income in the community:
 - (1) All individuals who are qualified to receive assistance pursuant to the Act, the Rules, and this Chapter and Article that are approved by the county;
 - (2) All regional housing authorities and any governmental housing agencies;

- (3) All for-profit organizations, including any corporation, limited liability company, partnership, joint venture, syndicate or association;
- (4) All non-profit organizations meeting the following requirements:
 - a. A primary mission of the nonprofit organization must be to provide housing or housing-related services to Persons of Low Income;
 - b. The non-profit organization must have received its 501(c)(3) designation prior to submitting an Application; and
 - c. Have no part of its net earnings inuring to the benefit of any member, founder, contributor, or individual other than a Person of Low Income.
- (5) All non-individual Applicants must:
 - a. Be organized under State or local laws and provide proof of such organization, be authorized to conduct business in New Mexico and be approved by the county, including but not limited to having a current county business registration;
 - b. Have a functioning accounting system that is operated in accordance with generally accepted accounting principles or that has designated, and
 - c. Contracted with an entity that will maintain such an accounting system consistent with generally accepted accounting principles;
 - c. Have among its purposes significant activities related to providing housing or services to Persons or Households of Low Income; and
 - d. Have no significant outstanding or unresolved monitoring findings from the county, the MFA, or its most recent independent financial audit, or if it has any such findings, it has a letter certifying from the county, the MFA, or auditor stating that the findings are in the process of being resolved.

(c) Applications.

(1) Applications. Applicants wishing to apply for a Housing Assistance Grant including the use of any Affordable Housing Funds, or to participate in any Affordable Housing Program are required to submit to the county the following (as applicable):

- a. One original Application, together with all required schedules, documents, or such other information which may be required by the county or in any RFP which may have been issued by the county, must be included in the completed Application;
- b. A proposal describing the nature and scope of the Affordable Housing Project proposed by the Applicant and for which the Applicant is applying for funds or a grant under the Act, and which describes the type and/or amount of assistance which the Applicant proposes to provide to Persons of Low Income. For proposed Affordable Housing Projects to include land donation from the county, the applicant must indicate that all the housing units will be for households below 60% AMI as defined by HUD;
- c. Executive summary and project narrative(s) that address the evaluation criteria set forth in any RFP issued by the county for the Affordable Housing Funds or the Housing Assistance Grant for which the Applicant is applying;
- d. A proposed budget for the Affordable Housing Project for which the Applicant is applying for Affordable Housing Funds or for a Housing Assistance Grant;
- e. Current independent financial audit;
- f. If the Applicant is a non-profit organization:
 1. Proof of current IRS tax status such as 501(c)(3) status;
 2. Documentation that confirms that no part of ~~its~~ Applicants' net earnings inures to the benefit of any member, founder, contributor or individual;
- g. If an Applicant is a legal entity, including a non-profit organization:
 1. A current annual budget for the Applicant, including all sources and uses of funds not just those related to relevant programs and/or a current annual budget only for the program for which the Applicant is applying for a Housing

Assistance Grant, or as otherwise may be required by the county in its discretion;

2. An approved mission statement that the Applicant has among its purposes significant activities related to providing housing or housing-related services to Persons or Households of Low or Moderate Income;
 3. A list of members of the Applicant's current board of directors or other governing body, including designated homeless participation, where required by the county;
 4. Evidence (or a certification as may be allowed by the county) that the Applicant has a functioning accounting system that is operated in accordance with generally accepted accounting principles, or has a valid contract with a designated entity that will maintain such an accounting system consistent with generally accepted accounting principles;
 5. Evidence that the Applicant has no significant outstanding or unresolved monitoring findings from the county, the MFA, or its most recent independent financial audit; or if it has any significant outstanding or unresolved monitoring findings from the county, the MFA, or its most recent independent financial audit, it has a certified letter from the county, the MFA, or the auditor stating that the findings are in the process of being resolved;
 6. An organizational chart, including job titles and qualifications for the Applicant's employees or as otherwise may be required by the county and/or the MFA in its discretion. Job descriptions may be submitted as appropriate; and
 7. Documentation that the Applicant is duly organized under State or local law and certification that the Applicant is in good standing with any State authorities, including the New Mexico Public Regulation Commission and/or the Secretary of State.
- h. Information as may be required by the county in order for it to determine the financial and management stability of the Applicant;

- i. Information as may be required by the county in order for it to determine the demonstrated commitment of the Applicant to the community;
- j. A completed cost-benefit analysis of the Affordable Housing Project proposed by the Applicant. Any cost-benefit analysis must include documentation that clearly evidences that there is or will be a direct benefit from the project proposed by the Applicant to the community and/or to the purported beneficiaries of the project, consistent with the provisions of the Act;
- k. Adequate information, as required by the county, regarding applicant's proposed Affordable Housing Project. The information provided must clearly evidence the need for the subsidy, that the value of the housing assistance grant reduces the housing costs to persons of Affordable Housing Rules Checklist low or moderate income, and that there is or will be a direct benefit from the project proposed by the applicant to the community and/or to the purported beneficiaries of the project, consistent with the provisions of the Act;
- l. Information supporting the benefits to the community of the Affordable Housing Project proposed by the Applicant;
- m. If applicable, proof of substantive or matching funds or contributions and/or in-kind donations to the proposed Affordable Housing Project in connection with the Application for funds under the Act. Nothing contained herein shall prevent or preclude an Applicant from matching or using local, private, or federal funds in connection with a specific Housing Assistance Grant or a grant of Affordable Housing Funds under the Act;
- n. Any certifications or other proof which the county may require in order for the county to confirm that the Applicant is in compliance with all applicable federal, State and local laws, rules and ordinances;
- o. A verification signed by the Applicant before a notary public that the information provided, upon penalty of perjury, is true and correct to the best of the Applicant's information, knowledge, and belief;
- p. Certifications as may be required by the county and signed by chief executive officer, board president, or other authorized official of the Applicant, provided that

the county at its discretion may waive any of the foregoing requirements if not deemed applicable.

(2) Additional Requirements for Multi-Family Housing Projects. For Applicants who are submitting Applications in connection with a Multi-Family Housing Program, the Applicant must also submit to the county the following additional information:

a. A verified certificate that, among other things:

1. Identifies every Multi-Family Housing Program, including every assisted or insured project of HUD, Rural Housing Services (RHS), FHA and any other state or local government housing finance agency in which such Applicant or its principals has been or is a principal;
2. Except as shown on such certificate, states that:
 - i. No mortgage on a project listed on such certificate has ever been in default, assigned to the Federal Government or foreclosed, nor has any mortgage relief by the mortgagee been given;
 - ii. There has not been a suspension or termination of payments under any HUD assistance contract in which the Applicant has had a legal or beneficial interest;
 - iii. Such Applicant has not been suspended, debarred or otherwise restricted by any department or agency of the Federal Government or any state government from doing business with such department or agency because of misconduct or alleged misconduct; and
 - iv. The Applicant has not defaulted on an obligation covered by a surety or performance bond.

If such Applicant cannot certify to each of the above, such Applicant shall submit a signed statement to explain the facts and circumstances that such Applicant believes will explain the lack of certification. The county or MFA may then determine if such Applicant is or is not qualified.

b. The experience of the Applicant in developing, financing and managing Multi-

Family Housing Projects; and

- c. Whether the Applicant has been found by the United States Equal Employment Opportunity Commission or the New Mexico Human Rights Commission to be in non-compliance with any applicable civil rights laws.

(3) Additional Requirements for Mortgage Lenders. If the Applicant is a Mortgage Lender, the county shall consider, among other things:

- a. The financial condition of the Applicant;
- b. The terms and conditions of any loans to be made;
- c. The aggregate principal balances of any loans to be made to each Applicant compared with the aggregate principal balances of the loans to be made to all other Applicants;
- d. The county's or MFA's assessment of the ability of the Applicant or its designated service to act as originator and servicer of Mortgage Loans for any Multi-Family Housing Programs or other programs to be financed; and
- e. Previous participation by the Applicant in the MFA's programs and HUD, Federal Housing Authority, or Rural Housing Service programs.

(4) Submission Procedure.

a. *Time, Place and Method of Submission Delivery.*

- 1. If the county has issued an RFP, all Applications must be received by the county no later than the deadline set forth in the RFP; otherwise, all Applications must be received by the county by the deadline the county has established in connection with the respective award or grant. The county shall be allowed not less than forty-five (45) days in which to review any such Applications or otherwise determine or confirm that an Applicant is a Qualifying Grantee under the Act and consistent with the Rules.
- 2. Applications shall be submitted by Applicants to the county in the form required by the county and shall contain all information which is required by

this Chapter, Article, and Division and any RFP which may have been issued.

b. *Additional Factors.* The Application procedures shall take into consideration:

1. Timely completion and submission to the county of an Application or other appropriate response to any solicitation by the county;
2. Timely submission of all other information and documentation related to the program required by the county as set forth in this Chapter and Article or as set forth in the Rules;
3. Timely payment of any fees required to be paid to the county at the time of submission of the Application; and
4. Compliance with program eligibility requirements as set forth in the Act, the Rules, and this Article.

c. *Submission Format.*

1. County forms must be used when provided and no substitutions will be accepted; however, attachments may be provided as necessary.
2. An Applicant's failure to provide or complete any element of an Application, including all requirements of the county or as may be listed on any RFP may result in the rejection of the Application prior to review.
3. Illegible information, information inconsistent with other information provided in the application, and/or incomplete forms will be treated as missing information and evaluated accordingly.
4. The county reserves the right to request further information from any Applicant so long as the request is done fairly and does not provide any Applicant an undue advantage over another Applicant.
5. The county, in its discretion, may cancel any RFP or reject any or all proposals in whole or part submitted by any Applicant.

6. The county shall not be responsible for any expenses incurred by an Applicant in preparing and submitting an Application. However, the county may establish and collect fees from Applicants who file Applications. Notice that fees will be charged and the amount of any such fees shall be included by the county in any RFP or otherwise shall be advertised as part of the Application solicitation process.

(5) Review by the county. On receipt of an Application, the county shall:

- a. Determine whether the Application submitted by the Applicant is complete and responsive;
- b. Determine whether the Applicant is a Qualifying Grantee as defined in this Article and in the Act;
- c. Review and analyze whether the Applicant has shown a demonstrated need for activities to promote and provide affordable housing and related services to Persons of Low Income;
- d. Determine whether the Applicant has demonstrated experience related to providing housing or services to Persons of Low Income, as well as experience and/or the capacity to administer the Affordable Housing Program or Project for which the Applicant has applied;
- e. Determine whether the Applicant's proposal provides a plan for coordinating with other service providers in the community; whether the Applicant's plan addresses how Persons of Low Income in need of housing and/or housing related supportive services can receive supportive services and referrals to federal, State and local resources; and, whether the Applicant's plan addresses outreach efforts to reach the population to be served as identified by the county in any RFP or otherwise;
- f. Determine whether the Applicant has support from Public Service Agencies, or such other support as may be required by the county in its discretion, for its proposed services in the community;
- g. Ascertain the amount of any matching funds or in-kind services specific to the program that may be utilized by the Applicant in connection with the program;

- h. Ascertain whether any local, private, or federal funds will be used by the Applicant in connection with the specific grant for which the Applicant is applying;
- i. Ascertain whether the Applicant has and can demonstrate the capability to manage the implementation of the Program for which the Applicant is applying;
- j. If Applicant is a prior recipient of either a Housing Assistance Grant, Affordable Housing Funds and/or other Program funds, confirm that the Applicant had no outstanding findings or matters of non-compliance with program requirements from the county or the MFA, as applicable or if it has any such findings, it has a certified letter from the county, the MFA, or auditor stating that the findings are in the process of being resolved;
- k. If Applicant is a prior recipient of either a Housing Assistance Grant, Affordable Housing Funds and/or other Program funds, confirm that the Applicant reasonably committed and expended the funds under the prior Program and/or met anticipated production levels as set forth in any contract with the county or the MFA, as applicable, for those prior Program funds;
- l. Evaluate the Applicant's proposal in part based upon the Applicant's current financial audit;
- m. Evaluate the Applicant's proposed budget for the Project for which the Applicant is applying for Affordable Housing Funds or a Housing Assistance Grant, which proposed budget must be approved by the county before Applicant can be approved as a Qualifying Grantee and any expenditure of grant funds under the Act or granted property is transferred to the Applicant;
- n. On receipt of an Application from a Builder, the county will analyze the Builder's ability to construct and sell sufficient Residential Housing units to Persons of Low income within the time or times as may be required by the county; and
- o. Consider other factors it deems appropriate to ensure a reasonable geographic allocation for all Affordable Housing Programs.

(6) Notification of Acceptance. The county, upon completion of its review of the Application and an evaluation of the criteria for approval of the Application as set forth in this Chapter or Article and in any RFP issued by the county and upon its determination that the Applicant is a Qualifying Grantee, by written notice shall notify each Applicant which has submitted an Application of the approval or disapproval of its Application. Upon approval of its Application, the Applicant shall be considered approved to participate in the Affordable Housing Program. The county's determination of any Application shall be conclusive.

(7) The county may permit pre-qualification of applicants as Qualifying Grantees, as follows:

- a. The county may review information submitted by eligible applicant and certify in writing that applicant is a Potential Qualifying Grantee (PQG);
- b. The county must then provide copy of certification to MFA, upon its request;
- c. The county's certification shall be valid for up to one year, subject to the ability of PQG to certify in writing at time of application or response to RFP that there have been no material changes in any of the information or documentation provided by, or representations made by PQG to the county and upon which the county based its decision to certify the applicant as a PQG; and
- d. Notwithstanding the foregoing, certification as PQG does not mean that the PQG will be chosen by the county as a Qualifying Grantee, or that MFA will determine that PQG is a Qualifying Grantee, or that any application submitted by PQG is complete or otherwise in compliance with the Act or Rules, or that PQG will be awarded any Affordable Housing Funds or Housing Assistance Grants.

(d) *Additional Requirements.* Upon acceptance, the following additional requirements shall apply to any Applicant, who is a Qualifying Grantee:

(1) Contracted Requirements. The Qualifying Grantee shall enter into one or more contracts with the county, which contract(s) shall be consistent with the Act and which contract(s) shall include remedies and default provisions in the event of the unsatisfactory performance by the Qualifying Grantee.

- (2) Security Provisions; Collateral Requirements. In accordance with the Act, the Rules and this Chapter and Article, the county shall require the Qualifying Grantee to execute documents, which will provide adequate security against the loss of public funds or property in the event the Qualifying Grantee abandons or fails to complete the Affordable Housing Project, and which shall further provide, as may be permitted by law, for the recovery of any attorney's fees and costs which the county and/or the MFA may incur in enforcing the provisions of this Article, the Rules, the Act and/or any agreement entered into by the county and the Qualifying Grantee, and which documents may include, but are not limited to the following: note, Mortgage, loan agreement, land use restriction agreement, restrictive covenant agreements and/or any other agreement which the county may require in order to allow for any funds which the Qualifying Grantee may receive under a Housing Assistance Grant or Affordable Housing Funds to be adequately secured and to allow the county and the MFA to ensure that such funds shall be utilized by the Qualifying Grantee in accordance with the Act, the Rules and this Chapter and Article.
- (3) Performance Schedule and Criteria. The Qualifying Grantee shall be required in the contract to abide by a reasonable performance schedule and performance criteria that the county, in its discretion, may establish.
- (4) Examination of Books and Records. The Qualifying Grantee shall submit to and the county shall cause to be made such examinations of the books and records of each Qualifying Grantee as the county and/or the MFA deems necessary or appropriate to determine the Qualifying Grantee's compliance with the terms of the Act, the Rules, this Chapter and Article and any contracts between the Qualifying Grantee and the county. The county and/or the MFA may require each Qualifying Grantee to pay the costs of any such examination.
- (5) Infrastructure Cost Reimbursement Contracts.
- a. *Cost Reimbursements.* Payment to a Qualifying Grantee under cost reimbursable contract provisions shall be made upon the county's receipt from the Qualifying Grantee of certified and documented invoices for actual expenditures allowable under the terms of any agreement between the

Qualifying Grantee and the county.

- b. *Cost Reimbursements for Units of Service.* Payment under any unit cost contract provisions shall be made upon the county's receipt from the Qualifying Grantee of a certified and documented invoice showing the number of units of service provided during the billing period.
- c. *Rate at which Costs Incurred.* Under unit cost or cost reimbursable contracts, it is anticipated that costs will be incurred by the Qualifying Grantee at an approximate level rate during the term of any agreement between the Qualifying Grantee and the county. If the county determines that the Qualifying Grantee is underspending or overspending, then the county may reduce the budget and/or exercise such other budgetary fiscal controls it deems appropriate.
- d. *Invoices.* Qualifying Grantees shall not submit invoices more than once a month, unless written approval is obtained in advance from the county. Failure to submit invoices within twenty (20) days of the close of the month for which payment is sought may result in the non-availability of funds for reimbursement.
- e. *No Dual Application of Costs.* The Qualifying Grantee shall certify that any direct or indirect costs claimed by the Qualifying Grantee will not be allocable to or included as a cost of any other program, project, contract, or activity operated by the Qualifying Grantee and which has not been approved by the county in advance, in writing.
- f. *Prohibition of Substitution of Funds.* Any Affordable Housing Funds or other amounts received by Qualifying Grantee may not be used by Qualifying Grantee to replace other amounts made available or designated by the State or local governments through appropriations for use for the purposes of the Act.
- g. *Cost Allocation.* The Qualifying Grantee shall clearly identify and distribute all costs incurred pertaining to the Affordable Housing Project by a methodology and cost allocation plan at times and in a manner prescribed by, or acceptable to the

county.

(6) Additional Information. Qualifying Grantees shall provide the county with any and all information which the county reasonably may require in order for it to confirm that the Qualifying Grantees continue to satisfy the requirements of the Act, the Rules and this Chapter and Article throughout the term of any contract and/or any Affordability Period or otherwise as may be required by the county or the MFA in its discretion. At a minimum, on an annual basis, the county shall certify to the MFA in writing that to the best of its knowledge the Qualifying Grantee is in compliance with applicable provisions of the Act, the Rules and this Chapter and Article.

(e) *Affordable Housing Requirements*. All Affordable Housing Funds or Housing Assistance Grants awarded under the Act are to be used by Qualifying Grantees for the benefit of Persons of Low Income subject to the provisions of the Act and with particular regard to their housing related needs.

(1) Single Family Property. Qualifying Grantees shall agree that they shall maintain any single-family property which has been acquired, rehabilitated, weatherized, converted, leased, repaired, constructed, or which property has otherwise benefited from Affordable Housing Funds, including but not limited to any loans which have been repaid with Affordable Housing Funds and which loans previously were secured by such properties as Affordable Housing for so long as any or all of the Affordable Housing Funds which have been awarded, loaned, or otherwise conveyed to the Qualifying Grantee are unpaid and outstanding or the Affordability Period, whichever is longer.

(2) Multi-Family Property.

a. *Single Apartment within a Multi-Family Property*. Qualifying Grantees shall agree that, if any single apartments are to be rehabilitated, weatherized, converted, leased, repaired, constructed, or otherwise are to benefit from Affordable Housing Funds, those apartments shall be leased to Persons of Low Income at the time of any such award. Qualifying Grantees, who are the landlords and/or owners of such properties, shall further agree to contribute at least sixty percent (60%) of the cost of the rehabilitation, weatherization, conversion, lease, repair, and/or construction. Qualifying Grantees also shall agree that the Persons of Low

Income, who are tenants of those apartments, shall be allowed to remain tenants for so long as there are no uncured defaults by those tenants under their respective leases and provided that there is no just cause for the landlord to terminate any lease agreement with those tenants.

- b. *Multiple Apartments.* Qualifying Grantees shall agree that, if multiple apartments or an entire multi-family property are to be acquired, rehabilitated, weatherized, converted, leased, repaired, constructed, or otherwise are to benefit from Affordable Housing Funds, including but not limited to any loans which have been repaid with Affordable Housing Funds and which loans previously were secured by such properties, they shall maintain not less than sixty percent (60%) of the housing units as Affordable Housing for so long as any or all of the Affordable Housing Funds which have been awarded, loaned, or otherwise conveyed to the Qualifying Grantee are unpaid and outstanding or the Affordability Period, whichever is longer.
- (3) Non-Residential Property. Qualifying Grantees shall agree that they shall maintain any non-residential property which has been acquired, rehabilitated, weatherized, converted, leased, repaired, constructed, or which property has otherwise benefitted from Affordable Housing Funds, including but not limited to any loans which have been repaid with Affordable Housing Funds and which loans previously were secured by such properties, as a facility which provides housing related-services to Persons of Low Income for so long as any or all of the Affordable Housing Funds which have been awarded, loaned, or otherwise conveyed to the Qualifying Grantee are unpaid and outstanding or the Affordability Period, whichever is longer.
- (4) Housing Assistance Grant Affordability Requirements. Qualifying Grantees shall agree that they shall maintain any land or buildings received as a Housing Assistance Grant either as single-family or multi-family Affordable Housing in accordance with this Chapter and Article or as a facility which provides housing related-services to Persons of Low Income in accordance with Section 3. e. (3) (as applicable) for the duration of the Affordability Period. Qualifying Grantees shall agree that they shall maintain any land or buildings for which they have received the costs of Infrastructure or received other costs of construction and/or development as a Housing Assistance Grant either as single-family or multi-family Affordable

Housing or as a facility which provides housing related-services to Persons of Low Income (as applicable) for the duration of the Affordability Period. In calculating the Affordability Period for Housing Assistance Grants of either land or buildings, the fair market value of the land or buildings or the costs of Infrastructure at the time of the donation by the State or the county shall apply.

(5) Affordability Period. the county, in its discretion, may increase the Affordability Period in any contract, note, Mortgage, loan agreement, land use restriction agreement, restrictive covenant agreements and/or any other agreement which the county may enter into with any Qualifying Grantee or beneficiary of the Affordable Housing Funds or of the Housing Assistance Grant. See definition of Affordability Period in Section 2 of this Chapter and Article. Notwithstanding the foregoing, in the discretion of the MFA, weatherization funds conveyed by the MFA and/or any other similar conveyances where an Affordability Period is not practical, shall not be subject to the Affordability Period requirements of Section 3 (e); but nevertheless, any such conveyances may be subject to recapture on some prorated basis as determined by the county and/or the MFA.

(f) *Consent to Jurisdiction*. Each Qualifying Grantee shall consent to the jurisdiction of the courts of the State over any proceeding to enforce compliance with the terms of the Act, the Rules and this Chapter and Article and any agreement between the Qualifying Grantee and the county.

(g) *Recertification Procedures*.

- (1) The Qualifying Grantee must meet the requirements of the Act, the Rules and this Chapter and Article both at the time of any award and throughout the term of any grant and contract related thereto.
- (2) The county may establish procedures for certifying Qualifying Grantees from time to time.
- (3) Qualifying Grantees that fail to satisfy the requirements for Recertification shall cease to be eligible and shall be denied further participation in Affordable Housing programs until the requirements of the county and the MFA are satisfied.

(h) *Compliance with the Law.* Qualifying Grantee shall provide the county with any certifications or other proof that it may require in order for the county and the MFA to confirm that the Qualifying Grantee and the Qualifying Grantee's proposed Project are in compliance with all applicable federal, State, and local laws, rules and ordinances.

(i) *County Grant Requirements.*

(1) The county is authorized to make Housing Assistance Grants under the Act. Upon determination that the county will make a Housing Assistance Grant, including the use of any Affordable Housing Funds, the county shall provide the MFA with the following:

- a. Documentation that confirms that the county has an existing valid Affordable Housing Plan;
- b. In the event the county determines that an ordinance will be required for the authorization of a Housing Assistance Grant may be provided to MFA for review.

(2) Prior to the submission of the ordinance to the council, the council must approve the budget submitted by the Applicant.

(3) An ordinance authorizing the county to make a Housing Assistance Grant and/or distribute Affordable Housing Funds:

- a. Must authorize the grant, including use of Affordable Housing Funds, if any;
- b. Must state the requirements and purpose of the grant;
- c. Must authorize the transfer or disbursement to the Qualifying Grantee only after a budget is submitted to and approved by the council;
- d. Must require, as a condition of grant approval, proof of compliance with all applicable state and local laws, rules and ordinances;
- e. Must contain provision stating that the contribution authorized by the ordinance is consistent with the county affordable housing plan or housing elements in the county strategic leadership plan; and

- f. May provide for matching or using local, private or federal funds either through direct participation with a federal agency pursuant to federal law or through indirect participation through the MFA.
- (4) The county, in its discretion, may also hold any award of Affordable Housing Funds or any Housing Assistance Grant made by the county in suspense pending the issuance by the county of any RFP or pending the award of the Affordable Housing Funds or of the Housing Assistance Grant by the county to the Qualifying Grantee without the issuance of an RFP by the county. Any award of Affordable Housing Funds or a Housing Assistance Grant by the county shall subject the Qualifying Grantee of the award or grant to the oversight of the county and the MFA under applicable state laws, rules, or county ordinances.
- (j) *State Housing Assistance Grants.* All Housing Assistance Grants from the State pursuant to the Act shall be appropriated to the Department of Finance and Administration for disbursement by the MFA to a Qualifying Grantee consistent with the rules adopted by the MFA for whatever program to which the grant is applicable and consistent with the Act. In the event that the MFA does not currently have a program in place which is consistent with the terms of any grant being made by the State, then the MFA, in its discretion may create a program to fulfill the terms of the grant and shall adopt rules consistent with the Act. Such rules may include provisions for matching or using local, private, or federal funds in connection with a specific grant, but matching or using federal funds shall not be prohibited.

Sec. 14-254. Discrimination Prohibited.

The development, construction, occupancy and operation of an Affordable Housing Program or an Affordable Housing Project financed or assisted under the Act shall be undertaken in a manner consistent with principles of nondiscrimination and equal opportunity and the county shall require compliance by all Qualifying Grantees with all applicable federal and State laws and regulations relating to affirmative action, non-discrimination, and equal opportunity.

Sec. 14-255. Administration.

The county shall administer any Affordable Housing programs in accordance with provisions of the Act, the Rules, this Chapter and Articles, any applicable state and federal laws and regulations as each of which may be amended or supplemented from time to time. The county, in establishing, funding and administering the Affordable Housing Programs and by making, executing, delivering and performing any award, contract, grant or any other activity or transaction contemplated by the Act, shall not violate any provision of law, rule or regulation or any decree, writ, order, injunction, judgment, determination or award and will not contravene the provisions of or otherwise cause a default under any of its agreements, indentures, or other instruments to which it may be bound.

Section 6. The Los Alamos County Code of Ordinances is amended by adding new sections in Article VII, Division 4 (“Public Land Discount or Donation for Affordable Housing”), consisting of sections to be numbered 14-280 through 14-284, which sections read as follows:

Division 4. Public Land Discount or Donation for Affordable Housing.

Sec. 14-280. Authority.

(a) Conveyance. The county is authorized to convey improved or unimproved real property directly to qualified recipients or to a Builder for subsequent resale or lease to a qualified recipient in accordance with the requirements of this Chapter and Article and the program rules and regulations approved by the county council. The county council shall adopt an ordinance authorizing a property conveyance to a Builder for resale or lease to a qualified recipient or a property conveyance to a qualified recipient directly.

(b) Donation and discount.

- (1) A donation of the fair market value of the real property is only authorized under a sale to a builder for resale or lease to a qualified recipient whose income is below 60% Area Median Income as defined by HUD, adjusted for household size, or under a sale directly to the qualified recipient whose income is below 60% Area Median Income as defined by HUD adjusted for household size.
- (2) A discount of the fair market value of the real property is only authorized under a sale to a builder for resale or lease to a qualified recipient whose income is defined by HUD as

low income, adjusted for household size, or under a sale directly to the qualified recipient whose income is defined by HUD as low income, adjusted for household size.

- (3) A donation of the fair market value of the real property is only authorized under a sale to a builder for lease to a qualified recipient whose income is defined by HUD below 60% Area Median Income, adjusted for household size.

Sec. 14-281. Definitions.

In addition to the other definitions in this Article or Chapter, the following definitions apply to this division unless otherwise provided.

- (a) *Affordability period* means that amount of time represented by the term of a mortgage during which only a qualified recipient or builder may hold title to or lease of real property conveyed by the county under authority of this Chapter and Article and shall not be less than the following time periods:

- (1) With a donation or discount from \$1 to \$14,999.99, then the affordability period shall be five (5) years;
- (2) With a donation or discount from \$15,000 up to and including \$40,000, then the affordability period shall be ten (10) years;
- (3) With a donation or discount from \$40,001 up to and including \$100,000, then the affordability period shall be fifteen (15) years;
- (4) With a donation or discount from \$100,001 up to and including \$200,000, then the affordability period shall be twenty (20) years;
- (5) With a donation or discount from \$200,001 up to and including \$300,000, then the affordability period shall be twenty-five (25) years; and
- (6) With a donation or discount greater than \$300,001, then the affordability period shall be thirty (30) years.

- (b) *Builder* shall mean an individual or entity licensed by the State of New Mexico Construction Industries Division as a general contractor to construct Residential Housing. The term "Builder" shall also include an individual that satisfies the requirements of a Qualified Recipient or a non-profit or for-profit organization that agrees to sell or rent to a Household(s) that satisfies the requirements of a Qualified Recipient, provided that such

individual or organization contracts with a general contractor licensed in the State to construct Residential Housing.

- (c) *Discount* is that amount of money equal to the difference between the fair market value of the property and the cash received by the county at the time of sale of the property, which difference is represented by the promissory note payable to the county by a builder or qualified recipient and which difference is intended to be forgiven by the county at the end of the affordability period in accordance with this Chapter and Article and the program rules and regulations in order to assist low income qualified recipients in obtaining affordable housing in the county.
- (d) *Donation* is that amount of money equal to the fair market value of the property as represented by the promissory note payable to the county by the builder or qualified recipient and which is intended to be forgiven by the county at the end of the affordability period in accordance this Chapter and Article and the program rules and regulations in order to assist-qualified recipients of below 60% Area Median Income as defined by HUD obtaining affordable housing in the county.
- (e) *Program* is the Land Donation and Land Discount Program authorized in this ~~ordinance~~ Chapter and Article.
- (f) *Qualified Recipient* is an individual or group of individuals who qualify as a household under HUD regulations whose income is less than eighty (80) percent of the area median income, adjusted for household size, as defined by HUD in the granting of a discount by the county or whose income is less than sixty (60) percent of the area median income, adjusted for household size, as defined by HUD in the granting of a donation by the county.

Sec. 14-282. Conveyance to Builder.

- (a) A sale of real property may be made by a quit claim deed to a builder upon payment to the county of the appraised value of the property less the donation or discount amount determined by the county. The builder shall execute a promissory note and a mortgage on the property securing the promissory note for the donation or discount amount. The builder shall pay in cash or certified funds for the appraised value of the property not included in the promissory note.

- (b) The mortgage will include restrictive covenants that the property will only be resold or leased to a qualified recipient during the affordability period.
- (c) If the real property is conveyed with improvements such improvements shall qualify as a fixture under New Mexico law.
- (d) A mortgage on the property being conveyed may only be subordinate to a mortgage securing a construction loan or remodel loan.
- (e) Before a conveyance may be made, the builder shall comply with all contractual and pre-approval requirements of the program to the county's satisfaction.
- (f) The builder shall resell or lease the property conveyed by the county under this program to qualified recipients in accordance with the program's rules and regulations.
- (g) Satisfaction of the promissory note and a release of the mortgage on the property shall only be made upon: i) payment in full of the promissory note payable to the county and conveyance of the property from the builder to a qualified recipient in accordance with the restrictive covenants and the program's rules and regulations; ii) acceptance by the county of a new promissory note and mortgage from the qualified recipient covering the donation or discount amount; and, iii) receipt by the county of any difference between the donation or discount amount granted to builder and the amount of the new promissory note granted to the qualified recipient. If the property was legally subdivided by the builder and conveyance of a subdivided lot is made to a qualified recipient, the county may issue a partial satisfaction of the promissory note and a partial release of the mortgage in accordance with the program's rules and regulations.
- (h) When the mortgage term expires and the builder is not otherwise in default of any provision of the note, mortgage or program contract with the county, the county shall indicate full satisfaction of the promissory note by forgiveness of the amount owed and release the mortgage on the property.

Section 14-283. Conveyance to Qualified Recipient.

- (a) Sale to Qualified Recipient.
 - (1) A sale of real property may be made by a quit claim deed to a qualified recipient upon payment to the county of the appraised value of the property less the donation or discount amount determined by the county. The qualified recipient shall execute a promissory note

and a mortgage on the property securing the promissory note for the donation or discount amount. The qualified recipient shall pay in cash or certified funds for the appraised value of the property not included in the promissory note.

- (2) The mortgage shall include restrictive covenants that the property shall only be resold or leased to a qualified recipient and that only a qualified recipient shall maintain residency on the property during the affordability period.
- (3) If the real property is conveyed with improvements such improvements shall qualify as a fixture under New Mexico law.
- (4) A mortgage on the property being conveyed may only be subordinate to a first purchase money mortgage.
- (5) Before a conveyance may be made, the qualified recipient shall have complied with all requirements of the program to the county's satisfaction as provided in the program's approved rules and regulations.
- (6) A promissory note is assumable by and mortgage is assignable to another qualified recipient during the term of the affordability period provided as the term in the mortgage with prior approval of the county.
- (7) When the mortgage term expires and the qualified recipient is not otherwise in default of any provision of the note or mortgage, the county shall indicate full satisfaction of the promissory note by forgiveness of the amount owed and release the mortgage on the property.
- (b) Lease to Qualified Recipient. A builder may lease or rent for one or more years the property only to a qualified recipient during the affordability period provided as the term of the mortgage. The lease or rental agreement may charge a monthly rental fee of no more than the affordable rent amount as determined in the program's rules and regulations.

Sec. 14-284. Funds Received Under Program.

Any funds received under this program shall be retained for the purpose of providing additional affordable housing under this program unless otherwise directed by council.

Section 7. SEVERABILITY. If any section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or enforceability of that section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

Section 8. EFFECTIVE DATE. This ordinance shall become effective thirty (30) days after publication of notice of its adoption.

Section 9. Repealer. The following Ordinances are hereby specifically repealed: 571 and 664. All other ordinances or resolutions, or parts thereof, inconsistent herewith are hereby repealed only to the extent of such inconsistency. This repealer shall not be construed to revive any ordinance or resolution, or part thereof, heretofore repealed.

PASSED AND ADOPTED this _____ day of _____, 2018.

INCORPORATED COUNTY OF LOS ALAMOS

DAVID IZRAELEVITZ,
Council Chair

ATTEST:

Naomi D. Maestas
Los Alamos County Clerk



February 28, 2018

Kevin Powers, Esq.
Assistant County Attorney
Office of the County Attorney
1000 Central Avenue, Suite 340
Los Alamos, N.M. 87544

Re: Incorporated County of Los Alamos Ordinance No. 02-281: An Ordinance Repealing Ordinances 571 and 664 In Their Entirety and Enacting and Amending Certain Affordable Housing Provisions Into the Los Alamos County Code of Ordinances

Dear Mr. Powers:

The New Mexico Mortgage Finance Authority (MFA), in accordance with the Affordable Housing Act (Section 6-27-1 NMSA 1978 et. seq.) (the "Act"), and the Affordable Housing Act Rules (the "Rules") adopted thereto, has reviewed Los Alamos County's proposed Ordinance No. 02-281, more fully described above. MFA has determined that the proposed ordinance is in compliance with the requirements set out in the Act and the Rules.

Pursuant to the Rules, **Los Alamos County must provide MFA with a certified copy of the approved ordinance**, upon its adoption by the County's Commission.

Please know that MFA greatly appreciates Los Alamos County's continued efforts to provide affordable housing for the County's residents. Please feel free to contact MFA's Affordable Housing Program Manager Laura Chavez, if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Marjorie A. Martin". The signature is written in a cursive, flowing style.

Marjorie A. Martin
MFA Senior Legal Counsel



County of Los Alamos

Staff Report

April 03, 2018

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.: A.

Index (Council Goals): * 2018 Council Goal – Quality of Life – Mobility – Maintain and Improve Transportation and Mobility

Presenters: Philo Shelton

Legislative File: OR0805-18b

Title

Incorporated County of Los Alamos Ordinance No. 681, An Ordinance Amending Section 6 of Incorporated County of Los Alamos Ordinance No. 534 to Extend to January 1, 2024, The Time in Which an Election May be held to Reauthorize the Regional Gross Receipts Tax.

Recommended Action

I move that Council adopt Incorporated County of Los Alamos Ordinance No. 681, an ordinance amending Section 6 of Incorporated County of Los Alamos Ordinance No. 534 to extend to January 1, 2024, the time in which an election may be held to reauthorize the Regional Gross Receipts Tax; I further move that upon passage, the Ordinance be published in summary form.

County Manager's Recommendation

The County Manager recommends that Council adopt Incorporated County of Los Alamos Ordinance No. 681.

Body

Incorporated County of Los Alamos Ordinance No. Ordinance Number 534 became effective July 1, 2009, imposing a one eighth of one percent (.125%) County Regional Transit Gross Receipts Tax pursuant to NMSA 1978, Section 7-20E-23; and the County Regional Transit Gross Receipts Tax will be repealed on January 1, 2024, unless a reauthorization election for continuation of the County Regional Transit Gross Receipts Tax is held and approved at a general election in November 2022, or a special election in 2023, for a term and rate to be determined at that time; and the Board of Directors of North Central Regional Transit District has requested that its four county members change the dates of this reauthorization election in their respective ordinances.

This proposed amendment does not change the date the County Regional Transit Gross Receipts Tax will stand repealed if not reauthorized by the citizens through an election, but only provides greater flexibility as to the election dates for the citizens to vote upon whether to reauthorize the County Regional Transit Gross Receipts Tax; and the New Mexico Department of Tax and Revenue has reviewed the substance of the proposed amendment contained in this Ordinance, and has approved same for consideration by the four county members of the North Central Regional Transit District.

Alternatives

Maintain current Ordinance 531 as written. However, this would reduce the renewal opportunities

of this Regional GRT to one General Election in 2022 or one Special Election in 2023.

Fiscal and Staff Impact/Unplanned Item

Atomic City Transit for Fiscal Year 2018 receives \$1,444,500 from NCRTD for its transit services between Los Alamos, White Rock, Peak Services and associated capital needs. The County Regional Transit Gross Receipts Tax is the main source of this revenue for the funds granted by NCRTD to the County.

Attachments

A - Incorporated County of Los Alamos Ordinance No. 681

B - Notice of Publication_Ordinance No. 681

INCORPORATED COUNTY OF LOS ALAMOS ORDINANCE NO. 681

**AN ORDINANCE AMENDING SECTION 6 OF
INCORPORATED COUNTY OF LOS ALAMOS ORDINANCE NO. 534
TO EXTEND TO JANUARY 1, 2024, THE TIME IN WHICH AN
ELECTION MAY BE HELD TO REAUTHORIZE
THE REGIONAL GROSS RECEIPTS TAX**

WHEREAS, Ordinance Number 534 became effective July 1, 2009, imposing a one eighth of one percent (.125%) County Regional Transit Gross Receipts Tax pursuant to NMSA 1978, Section 7-20E-23; and

WHEREAS, the County Regional Transit Gross Receipts Tax will be repealed on January 1, 2024, unless a reauthorization election for continuation of the County Regional Transit Gross Receipts Tax is held and approved at a general election in November 2022, or a special election in 2023, for a term and rate to be determined at that time; and

WHEREAS, the Board of Directors of North Central Regional Transit District has requested that its four county members change the dates of this reauthorization election in their respective ordinances; and

WHEREAS, this proposed amendment does not change the date the County Regional Transit Gross Receipts Tax will stand repealed if not reauthorized by the citizens through an election, but only provides greater flexibility as to the election dates for the citizens to vote upon whether to reauthorize the County Regional Transit Gross Receipts Tax; and

WHEREAS, the New Mexico Department of Tax and Revenue has reviewed the substance of the proposed amendment contained in this Ordinance, and has approved same for consideration by the four county members of the North Central Regional Transit District.

BE IT ORDAINED BY THE GOVERNING BODY OF THE COUNTY OF LOS ALAMOS:

Section 1. Section 6 of Incorporated County of Los Alamos Ordinance Number 534, imposing the County Regional Gross Receipts Tax is hereby amended by replacing it entirely with the following new Section 6:

“Section 6. Repeal or Reauthorization. This Ordinance No. 534 will be repealed effective January 1, 2024, unless a reauthorization election for continuation of the Regional Transit Gross Receipts Tax is held and approved at a general or special election prior to January 1, 2024, for a term and rate to be determined at that time.”

Section 2. The remainder of Ordinance Number 534 not specifically amended here remains unchanged and in full force and effect.

Section 3. Effective Date: This Ordinance shall be effective thirty (30) days after publication of notice of its adoption.

Section 4. Severability. Should any section, paragraph, clause or provision of this ordinance, for any reason, shall be held to be invalid or unenforceable, the invalidity or

unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this ordinance or Ordinance 534.

Section 5. Repealer. All ordinances or resolutions, or parts thereof, inconsistent herewith are hereby repealed only to the extent of such inconsistency. This repealer shall not be construed to revive any ordinance or resolution, or part thereof, heretofore repealed.

ADOPTED this 3rd day of April, 2018.

**COUNCIL OF THE INCORPORATED
COUNTY OF LOS ALAMOS**

**David Izraelevitz
Council Chair**

ATTEST: (SEAL)

**Naomi D. Maestas
Los Alamos County Clerk**

NOTICE OF ORDINANCE NO. 681

STATE OF NEW MEXICO, COUNTY OF LOS ALAMOS

Notice is hereby given that the Council of the Incorporated County of Los Alamos, State of New Mexico, has directed publication of Los Alamos County Ordinance No. 681. This will be considered by the County Council at an open meeting on Tuesday, April 3, 2018 at 6:00 PM, at the Los Alamos County Municipal Building: 1000 Central Avenue, Los Alamos, New Mexico 87544. The full copy is available for inspection or purchase, during regular business hours, in the County Clerk's Office: 1000 Central Avenue, Suite 240.

INCORPORATED COUNTY OF LOS ALAMOS ORDINANCE NO. 681

AN ORDINANCE AMENDING SECTION 6 OF INCORPORATED COUNTY OF LOS ALAMOS ORDINANCE NO. 534 TO EXTEND TO JANUARY 1, 2024, THE TIME IN WHICH AN ELECTION MAY BE HELD TO REAUTHORIZE THE REGIONAL GROSS RECEIPTS TAX

Council of the Incorporated County of Los Alamos

By: /s/ David Izraelevitz, Council Chair

Attest: /s/Naomi D. Maestas, County Clerk



County of Los Alamos

Staff Report

April 03, 2018

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.: B.

Index (Council Goals):

Presenters: Paul Andrus, Community Development Director

Legislative File: 10577-18

Title

Public Hearing for the County Council to consider the Planning and Zoning Commission's recommendation to approve amending the Comprehensive Plan Future Land Use Map changing Two Parcels Totaling +/- 1.44 acres located at 555 and 557 Oppenheimer Drive, Owned by 555 Oppenheimer Condominium Association, Inc. and Los Alamos Professional Investment Partnership, Sub: Timber Ridge 2, Unit 2, Lot 1 and Lot 2, from "COMMERCIAL / OFFICE" To "MIXED-USE."

Recommended Action

I move that Council County approve the Planning and Zoning Commission's recommendation to amend the Comprehensive Plan Future Land Use Map changing Two Parcels Totaling +/- 1.44 acres located at 555 and 557 Oppenheimer Drive, Owned by 555 Oppenheimer Condominium Association, Inc. and Los Alamos Professional Investment Partnership, Sub: Timber Ridge 2, Unit 2, Lot 1 and Lot 2, from "COMMERCIAL / OFFICE" To "MIXED-USE."

County Manager's Recommendation

The County Manager recommends that Council approve the Planning & Zoning Commission's recommendation.

Board, Commission or Committee Recommendation

At its January 10, 2018 meeting, the Planning and Zoning Commission considered 3 related cases and recommended that the Los Alamos County Council approve Case No. CPA-2017-0005: Request to Amend the Comprehensive Plan Future Land Use Map for 2 Lots located at 555 and 557 Oppenheimer Drive, from Commercial/ Office designation to Mixed-Use designation; and Case No. REZ-2017-0009: Request to Rezone 2 lots located at 555 and 557 Oppenheimer Drive, from P-O (Professional Office) District, to MU (Mixed Use) District. The Commission also approved Case No. SIT-2017-0023: Request for Site Plan Approval for 1 Lot at 557 Oppenheimer Drive for redevelopment, conditional to Council approval of the Requests for Future Land Use Map Amendment and Rezoning.

Body

The Applicant submitted applications to the Community Development Department for: Comprehensive Plan Future Land Use Map Amendment; Rezoning; and Site Plan approval. Site plan approval is conditional to the Applicant's proposal to amend the Future Land Use Map of the 2016 Comprehensive Plan and to the Rezoning of the two properties. The application for Site Plan Approval for 557 Oppenheimer Drive is to add a third story to the existing 2-story building in order to create two floors of 16 total new residential units. At its January 10, 2018 meeting, the

Planning and Zoning Commission recommended that the Los Alamos County Council approve the request to Amend the Comprehensive Plan Future Land Use Map and the request for the Rezoning, and approved the request for Site Plan approval, conditional to Council approval of the requests for Future Land Use Map Amendment and Rezoning. At its February 27, 2018 meeting, the County Council voted to adopt Ordinance 677 for the Rezoning of the two lots from P-O (Professional Office) District to MU (Mixed Use) District. The rezoning of the two lots from P-O (Professional Office) to MU (Mixed Use) District will allow the Applicant's intended additional use of new residential units and will not disallow any of the properties' current uses.

The Applicant's proposal conforms to the goals and policies of the Comprehensive Plan and is consistent with Council's Strategic Leadership Plan Goals for promoting the creation of a variety of housing options for all segments of the Los Alamos Community, including infill opportunities as appropriate. The application for Comprehensive Plan Future Land Use Map Amendment is consistent with County Code Section 16-161 which establishes the criteria for Comprehensive Plan Future Land Use Map Amendments.

Amendment of the Future Land Use Map designation for the two lots from Commercial/Office to Mixed-Use will create a Future Land Use Map designation that is compatible with the two lots' Zoning designation of Mixed Use.

Public Notification for this hearing has been done in accordance with County Code.

No public comment has been received.

Alternatives

Council could choose not to approve the amendment to the Comprehensive Plan Future Land Use Map.

Attachments

- A - Publication Notice March 15, 2018 for Public Hearing
- B - Planning and Zoning Commission Staff Report for January 10, 2018
- C - Minutes from P&Z Commission Meeting January 10, 2018
- D - P&Z Commission Findings and Approval for CPA-2017-0005
- E - Minutes from County Council Meeting Feb 27, 2018

LEGAL NOTICE

***Community Development
Department***

Notice is hereby given that the Los Alamos County Council scheduled a **Public Hearing** to be held on **Tuesday, April 03, 2018** at 6:00 p.m. at the Los Alamos County Municipal Building at 1000 Central Avenue, Los Alamos, NM in the Council Chambers, to consider the following:

The Planning and Zoning Commission recommendation to Council to approve amending the Comprehensive Plan Future Land Use Map, changing ± 1.44 acres at 555 and 557 Oppenheimer Drive, SUB: Timber Ridge 2, Unit 2, Lot 1 and Lot 2, from "COMMERCIAL / OFFICE" To "MIXED-USE."

Owner/Applicant: Los Alamos Professional Investment Partnership, Ryan Markey, Agent

Case Manager: Andrew Harnden, Housing and Special Projects Manager, Los Alamos County

SUBMITTED BY:

/S Paul Andrus Community Development Director

"If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing or meeting, please contact the Human Resources Department at 662-8040 at least one week prior to the meeting or as soon as possible. Public documents, including the agenda and minutes, can be provided in various accessible formats. Please contact the personnel in the County Administrator's Office at 662-8080 if a summary or other type of accessible format is needed."

TO BE PUBLISHED IN THE LA DAILY POST on Thursday March 15, 2018
Posted at the Municipal Building on Thursday March 15, 2018



Los Alamos County

Community Development Department

PLANNING & ZONING COMMISSION STAFF REPORT

Public Hearing Date: January 10, 2017

Subject: Case No. CPA-2017-0005: A request for Comprehensive Plan Future Land Use Map amendment for two (2) lots from Commercial/Office designation to Mixed Use designation, located at 555 and 557 Oppenheimer Drive, also known as Lot 1 and Lot 2 on the Trinity/Oppenheimer Subdivision Final Plat

Case No. REZ-2017-0009: A request to rezone two (2) lots from P-O (Professional Office) District, to MU (Mixed Use) District, located at 555 and 557 Oppenheimer Drive, also known as Lot 1 and Lot 2 on the Trinity/Oppenheimer Subdivision Final Plat

Case No. SIT-2017-0023: A request for Site Plan approval for redevelopment activities for one (1) lot at 557 Oppenheimer Drive, also known as Lot 1 and Lot 2 on the Trinity/Oppenheimer Subdivision Final Plat

Applicant: Ryan Markey

Case Manager: Andrew Harnden, Housing and Special Projects Manager

Case No. CPA-2017-0005: A request for Comprehensive Plan Future Land Use Map amendment for two (2) parcels containing 1.44± acres, from Commercial/Office designation, to Mixed Use designation, for land located at 555 and 557 Oppenheimer Drive, also known as Lot 1 and Lot 2 on the Trinity/Oppenheimer Subdivision Final Plat.

Case No. REZ-2017-0009: A request to rezone two (2) parcels from P-O (Professional Office) to MU (Mixed Use), containing 1.44± acres, located at 555 and 557 Oppenheimer Drive, also known as Lot 1 and Lot 2 on the Trinity/Oppenheimer Subdivision Final Plat.

Case No. SIT-2017-0023: A request for site plan approval for redevelopment activities for one (1) parcel located at 557 Oppenheimer Drive, containing 0.71± acres, also known as Lot 2 on the Trinity/Oppenheimer Subdivision Final Plat.

Motion Option 1:

I move the Planning and Zoning Commission recommend that the Los Alamos County Council approve Case No. CPA-2017-0005 for a Comprehensive Plan Future Land Use Map amendment, for two (2) parcels, from Commercial/Office designation, to Mixed Use designation, located at 555 and 557 Oppenheimer Drive (also known as Lot 1 and Lot 2 on the Trinity/Oppenheimer Subdivision Final Plat); Case No. REZ-2017-0009 to rezone two (2) parcels from P-O (Professional Office) district, to MU (Mixed Use) district, located at 555 and 557 Oppenheimer Drive (also known as Lot 1 and Lot 2 on the Trinity/Oppenheimer

Planning and Zoning Commission Case No's: CPA 2017-0005, REZ 2017-0009, and SIT 2017-0023
January 10, 2018

Subdivision Final Plat); and Case No. SIT-2017-0023 site plan for redevelopment activities for one (1) parcel, located at 557 Oppenheimer Drive (also known as Lot 2 on the Trinity/Oppenheimer Subdivision Final Plat).

SUMMARY

The applicant is requesting approval for Comprehensive Plan Future Land Use Map amendment for two (2) lots from Commercial/Office designation to Mixed Use designation, for property located at 555 and 557 Oppenheimer Drive; rezoning of two (2) lots from P-O (Professional Office) district, to MU (Mixed Use) district, located at 555 and 557 Oppenheimer Drive; and Site Plan approval for redevelopment activities for one (1) parcel at 557 Oppenheimer Drive. Site Plan approval is conditional to the successful action to amend the Future Land use Map of the 2016 Comprehensive Plan and the accompanying rezoning petition. The application for Site Plan Approval for 557 Oppenheimer Drive includes the addition of a third floor to the existing two-story building and addition of one small mechanical room to extend from the first floor east side. The ground floor existing office space will be remodeled and remain office space; existing second floor office space will be renovated to create eight (8) residential units; and the added third floor is proposed to contain eight (8) residential units.

The current zoning designation of 555 and 557 Oppenheimer Drive is P-O (Professional Office) District, which allows office uses, but does not allow residential offices or uses. Rezoning to the MU (Mixed Use) District designation will allow a wide range of commercial and residential uses including the applicant's proposed uses of office and residential apartments. However, because the subject properties Comprehensive Plan Future Land Use designation of Commercial/Office is not intended for residential uses. For the properties to be rezoned to Mixed Use, the Comprehensive Plan Future Land Use Map (FLUM) designation must first be amended to the Mixed Use Future Land Use Map designation.

Currently there is a building occupying each lot and each building is used for office space. 555 Oppenheimer Drive is owned by 555 Oppenheimer Condominium Association, Inc. which is comprised of various entities and individuals; and 557 Oppenheimer is owned by Los Alamos Professional Housing Partnership, which is also a partner of the owner of the structure addressed as 555 Oppenheimer Drive. The surrounding neighborhood is characterized by a mix of commercial and high density residential uses. Properties in the vicinity are completely developed. The subject lots are bordered by a 2-story townhome community to the west and the Ridge Park complex of 3-story apartment buildings to the south. Directly opposite the subject lots on the north side of Trinity Drive is an office building occupied by Mary Deal Realty, and opposite 557 Oppenheimer on the east side of Oppenheimer Drive is a Shell fuel station.

The two properties are located close to downtown, the Hospital, County government offices, Ashley Pond and the Canyon Rim Trail, which offers an attractive opportunity for businesses and housing. Amending the Comprehensive Plan Future Land Use Map to Mixed Use, and re-zoning to Mixed Use District provides the most flexibility for development, including a variety of commercial and residential uses.

Approval of a Mixed Use Comprehensive Plan and Future Land Use Map and Zoning designation for the subject properties would create a transition in intensity of uses from the properties on the north side of Trinity Drive and directly opposite the subject properties which are zoned C-2 (Civic center business and professional district), and which have a Comprehensive Plan Future Land Use Designation of Commercial/Office, and the properties directly south of the subject property, which are zoned R-3-H (Multiple-family Residential (High Density)), and which are designated for High Density Residential land uses in the Comprehensive Plan Future Land Use Map.

Planning and Zoning Commission Case No's: CPA 2017-0005, REZ 2017-0009, and SIT 2017-0023
January 10, 2018

Each of the above three applications are a separate action and are to be voted on separately.

COMPREHENSIVE PLAN FUTURE LAND USE DESIGNATION

The two (2) lots current designation is Commercial/Office on the Comprehensive Plan Future Land Use Map which is not intended for residential uses. As a prerequisite to allow the properties to be rezoned to Mixed Use, the Comprehensive Plan Future Land Use Map designation must first be amended to Mixed Use designation.

Lots in the immediate vicinity are designated on the Comprehensive Plan Future Land Use Map as follows:

North (north-side Trinity Drive): Commercial/Office

Northeast (north-east corner of Trinity Drive & Oppenheimer Drive): Institutional

East (east-side Oppenheimer Drive): Mixed Use

South: High Density Residential 15+ DU/A

West: High Density Residential 15+ DU/A

Approval of a Mixed Use Comprehensive Plan and Future Land Use Map amendment for the subject properties would allow for a transition in intensity of uses from the commercial uses on the north side of Trinity Drive and the residential uses on the south side of the subject property.

ZONING

The current zoning of the two (2) parcels is P-O (Professional Office) which does not allow residential uses. Rezoning to MU (Mixed Use) Zoning designation will allow the applicant's proposed uses of office and residential apartments. Properties in the immediate vicinity are fully developed.

Lots in the immediate vicinity are zoned as follows:

North (north-side Trinity Drive): C-2 (Commercial)

Northeast (north-east corner of Trinity Drive & Oppenheimer Drive): DT-CPO (Downtown – Civic Public Space Overlay)

East (east-side Oppenheimer Drive): DT-NCO (Downtown – Neighborhood Commercial Overlay)

South: R-3-H (High Density Multiple Family Residential District)

West: R-3-H (High Density Multiple Family Residential District)

Approval of a Mixed Use Zoning designation for the subject properties would allow for a transition in intensity of uses from the commercial uses on the north side of Trinity Drive and the residential uses on the south side of the subject property.

SITE PLAN

The Site Plan application includes two additions to the existing two-story 14,509 Ft² office building on the 557 Oppenheimer property, to include a third floor of approximately 7,060 Ft² and a mechanical room of approximately 8'x10' to extend from the first floor east side. Upon completion, the building footprint will be 7,309 Ft² and cover 23.6% of the 0.71 acre lot. The ground floor existing office space will be remodeled and remain office space, and a utility room of approximately 8'x10' will be added to the building east side for a fire suppression mechanical system. Existing second floor office space will be renovated to create eight (8) residential units; and a third floor will be constructed for an additional eight (8) residential units. The building exterior will include stucco as one of the predominant building materials, a 3-colored wall that will avoid bright colors, massing on publicly visible sides, and windows and awnings. The building will retain much of its current characteristics and the new design will be intended to reflect or interpret the themes of existing key downtown Los Alamos buildings. The lot is mostly flat and slopes gradually to the south west corner.

The building will be brought up to code requirements including an ADA bathroom to be installed on the ground floor, interior sprinklers for fire prevention, and the building owner will be required to install a new 4" fire projection line to connect to the County water main. The added mechanical room will hold the fire suppression system. A new pedestrian entrance will be installed on the building east side and the existing ADA entrance at the southwest corner of the building will remain. The existing elevator shaft and system will be extended to serve the 3rd floor. The current utility service connections have not been verified as being adequate for the proposed additional residential occupancy, and the developer may need to install new or upgrade gas, water, sewer and electric services. Developer shall perform fire code analysis and coordinate with the Fire Department and Utility Departments to determine if a fire suppression system and additional fire hydrant is necessary. Prior to building permit application, the developer shall provide a utility plan prepared by a NM Registered Engineer for construction of utility service upgrades and fire protection improvements.

The existing vehicle entrance to the site from Oppenheimer Drive will remain. The parking area around the building will be reconfigured to provide 30 standard parking spaces and 2 handicapped spaces. The 14 standard spaces along the property south boundary are shown as 19'9" length which is 1' shorter than the County code requirement of 20'9". A waiver of one (1) foot from the County Code required standard parking space length may be approved by the Community Development Director, and therefore is not a part of Site Plan approval by the Planning & Zoning Commission. In order to meet Fire Department requirements, the existing drive lane around the building will be widened to 20' from current 18' width and the lane turning radius at the building northeast corner will be increased to 42'. The building owner will repair the break in the pedestrian railing along the Trinity Drive sidewalk and will remove the pedestrian railing along the Oppenheimer Drive sidewalk. Landscaping will be enhanced with new plantings and placement of additional landscaping materials. The existing dumpster in the northeast corner of the subject property will remain and it is currently screened. Stormwater currently flows to the south west corner of the lot and exists from the lot's south side. The developer will be required to ensure that storm water management remains adequate.

PUBLIC NOTICE

Notice of the proposed rezoning was properly and sufficiently given per the requirements of the Los Alamos County Code of Ordinances, Chapter 16 – Development Code, Article V., Sec. 16-192. As of the

date of publication of this report, no public comment in any form had been received by the Community Development Department.

COMPREHENSIVE PLAN FUTURE LAND USE MAP AMENDMENT CRITERIA FOR APPROVAL

Section 16-161 establishes the following review criteria for Comprehensive Plan amendments.

During the course of the review of any application for approval of a comprehensive plan amendment, the IDRC shall utilize the following criteria in formulating a recommendation to the planning and zoning commission. The planning and zoning commission shall make findings to reflect the following criteria in making its recommendation of approval, conditional approval or denial to the county council, and the county council shall make findings to reflect the following criteria in its approval, conditional approval or denial:

(1) The amendment shall conform to the vision statement and policy plan of the comprehensive plan and to the Strategic Leadership Plan of the county council;

Applicant Response: The amendment conforms to the vision statement, policy plan, and strategic leadership plan, specifically addressing housing diversity, downtown revitalization, and infill housing. Environmental protection is also addressed through redevelopment and repurposing of an existing building.

Staff Response: Staff concurs with and supports the above response. The proposed Future Land Use Map amendment conforms to the goals and policies outlined in the Comprehensive Plan and the goals of the Strategic Leadership Plan.

The Comprehensive Plan Amendment petition and accompanying Rezoning petition supports several goals and policies of the 2016 Comprehensive Plan that address increased density and affordable housing, including the following goals and policies:

3.1 Housing, Neighborhoods & Growth

3.1.1 HOUSING GOALS

- HG.1. Protect the character of existing residential neighborhoods
- HG2. Provide a variety of housing types, sizes and densities
- HG4. Promote maintenance and enhancement of housing stock quality.

HOUSING – ECONOMIC VITALITY POLICIES (HEV).

- HEV.1. Promote expanding the housing supply to meet the demand from employment growth and support economic diversification
- HEV.2. Promote housing for seniors, students, and the workforce to support retention of spending and tax generation in the community
- HEV.3. Promote the development of affordable and workforce housing

HOUSING - LAND USE POLICIES

- HLU.1. Encourage the creation and retention of a variety of housing options for all segments of the Los Alamos community, including but not limited to housing for

residents who are low income, students/post-docs, workforce, high-end income and seniors

- HLU.2. Promote workforce and market rate housing at a variety of price ranges, for both rental and ownership markets
- HLU.5. Develop and adopt new and mixed-use zoning districts
- HLU.6. Encourage new housing developments in proximity to workplaces
- HLU.7. Explore ways to reduce housing development costs

3.1.2 NEIGHBORHOODS – ECONOMIC VITALITY POLICIES

- NG.2. Promote the creation of a variety of housing options for all segments of the Los Alamos community

3.1.3 - GROWTH GOALS

- GG.1. Plan for modest growth of an additional 2,000 residents in the next 5 to 10 years
- GG.10. Promote growth in the downtown
- GG.11. Strive to make housing available to those who work in the County and want to live in the County

GROWTH - LAND USE POLICIES

- GLU.3. Support infill development over expansion of current developed areas

3.2 – DEVELOPMENT, REDEVELOPMENT & DOWNTOWN

3.2.1 - DEVELOPMENT GOALS

- DG.1. Keep the focus of development primarily within current development boundaries
- DG.3. Enhance and maintain a vibrant downtown while keeping a small town character and feel
- DG.5. Focus increased residential densities on new development in and near downtown

DEVELOPMENT - LAND USE POLICIES

- DLU.2. Generally keep development contained within current development boundaries (prevent sprawl)
- DLU.4. Increase residential density in the downtown area

3.2.2 - REDEVELOPMENT GOALS

- RG.1. Redevelop vacant blighted areas and underutilized properties
- RG.2. Encourage infill development on underused or blighted sites

REDEVELOPMENT – ECONOMIC VITALITY POLICIES

- REV.1. Provide flexibility for uses in redevelopment areas

3.2.3 - DOWNTOWN GOALS

- DTG.2. Focus development priorities downtown

- DTG.3. Focus increased residential densities in new development in and near downtown

DOWNTOWN - LAND USE POLICIES

- DTLU.2. Focus residential density increases in new developments in or near downtown

(2) The amendment replaces outdated information in the comprehensive plan, responds to changed conditions or provides new information which is not included in the comprehensive plan;

Applicant Response: The amendment responds to changed conditions. The properties in question are positioned on the periphery of the downtown area and accordingly should have been designated as mixed-use upon adoption of the comprehensive plan. The market's condition calls for housing diversity and housing units; this amendment will address both.

Staff Response: Staff concurs with the above response. The County supports a variety of commercial and high density residential uses in the area, and it would have been appropriate to re-designate the properties as Mixed Use upon adoption of the Comprehensive Plan.

(3) The amendment does not conflict with other parts of the comprehensive plan.

Applicant Response: The amendment does not conflict with other parts of the comprehensive plan. The amendment will not affect the character of existing neighborhoods nor does the plan call for preservation of commercial/office only uses. The amendment will serve to progress the goals of the comprehensive plan, in focusing on redevelopment and increasing housing options.

Staff Response: Staff concurs that the amendment proposed does not conflict with other parts of the Comprehensive Plan.

REZONING CRITERIA FOR APPROVAL

Section 16-155 establishes the following review criteria for rezoning of the official zoning map.

During the course of the review of any request for an amendment to the official zoning map, the IDRC shall utilize the following criteria in formulating a recommendation to the planning and zoning commission. The planning and zoning commission shall make findings to reflect the following criteria in making its recommendation of approval, conditional approval or denial to the county council, and the county council shall make findings to reflect the following criteria in its approval, conditional approval or denial:

(1) The request substantially conforms to the comprehensive plan and shall not be materially detrimental to the health, safety and general welfare of the county. A request for amendment to the comprehensive plan shall, if necessary, be submitted, processed, heard and decided upon concurrently with the request for amendment to the official zoning map;

Applicant Response: The proposed rezoning will better position the property to meet the goals of the 2016 LA County Comprehensive Plan. The rezoning specifically addresses the plan's high level goals of:

- encourage the retention of existing businesses and assist in their opportunities for growth
- focusing development priorities downtown

While no change of use is proposed in the immediate term, the rezoning improves the economic flexibility of the property in the future.

Staff Response: The Future Land Use Map (FLUM) shows both lots as Mixed Use. Staff concurs with the Applicant's response that the request conforms to the Comprehensive Plan, and is not detrimental to the health, safety and general welfare of the county.

(2) Consideration shall be given to the existing and programmed capacity of on-site and off-site public services and facilities including, but not limited to, water, sanitary sewer, electricity, gas, storm sewer, streets, sidewalks, traffic control, parks, fire and police to adequately serve the property should a rezoning result in any increase of the intensity of use of the property;

Applicant Response: No alterations to the existing building are currently proposed and hence, no changes to the utility infrastructure are projected. No additional intensity of use is projected for the property.

Staff Response: Staff concurs that due consideration has been given to off-site public services/utilities. According to the Utilities Department, the existing utility service to the lots is adequate. Any additional on-site improvements necessary to service the proposed redevelopment activities will be the responsibility of the developer.

(3) The establishment, maintenance or operation of uses applied for will not, under the circumstances of the particular case, be detrimental to the health, safety or general welfare of persons residing or working adjacent to or within the proximity of the subject property;

Applicant Response: The rezoning will allow greater economic mobility for both property owners and potential business tenants. Greater economic mobility adds to the general welfare of the community.

Staff Response: The changes proposed from the current land uses will not make the use of the subject properties incompatible with any of the neighboring properties. Nor would the rezoning make any current use non-conforming since both lots are substantially developed. Some redevelopment activities of the site is anticipated and will be reviewed in detail with the accompanying application for Site Plan approval.

(4) The existing zoning must be shown to be inappropriate for one or more of the following reasons:

a. It was established in error;

Not applicable.

b. Changed conditions warrant the rezoning;

Applicant Response: The local real estate market dictates an increase in the flexibility of spaces. Rezoning allows the property to be better positioned for the changing needs of local businesses.

Staff Response: Since 2007 and continuing to the present time, the need for additional housing has been identified by the County. The proposed MU zoning allows flexibility for a future developer to submit plans for a variety of commercial and/or residential uses.

c. A different zone is more likely to meet goals contained in the comprehensive plan.

Applicant Response: The mixed use zone is more likely to meet the goals contained within the 2016 Comprehensive Plan.

Staff Response: Staff concurs that the Mixed Use Zone will provide flexibility of future uses that will address both County Council and Comprehensive Plan goals.

(5) *The proposed zoning will not result in spot zoning or strip zoning as defined in article I of this chapter unless one or more of the following criteria are met:*

a. *Granting such zoning accomplishes the policy and intent of the comprehensive plan;*

Applicant Response: Mixed use zoning at the property accomplishes the policy and intent of the comprehensive plan, for the various reasons stated previously.

Staff Response: The rezoning to Mixed-Use designation promotes the goals of the Comprehensive Plan including: development of new housing; redevelopment of lots; focusing development within current county boundaries and in particular, adjacent to downtown; and maximizing the use of land located in close proximity to the downtown area.

b. *Unique characteristics specific to the site exist; or*

Not applicable.

c. *The zoning serves as an appropriate transition between land uses of higher and lower intensity.*

Staff Response: The rezoning application is not spot zoning. Most importantly, the rezoning accomplishes several goals of the Comprehensive Plan, especially in terms of supporting economic development, promoting the creation of additional housing, and maximizing the use of land located in close proximity to the downtown area.

(6) *If the proposed zoning map amendment is for the designation of a special plan (SP) district where a development plan or a site plan is a requirement for district approval, the map amendment shall also be judged by the special plan (SP) district review criteria stated in section 16-159.*

Not applicable.

SITE PLAN CRITERIA FOR APPROVAL

Section 16-152A establishes the following review criteria for site plan approval.

During the course of their review of any site plan, the IDRC shall utilize the following criteria in formulating a recommendation to the community development director or the planning and zoning commission; and the community development director or the planning and zoning commission shall utilize the following criteria in making its determination of approval, conditional approval or denial:

(1) *The site plan shall substantially conform to the comprehensive plan and shall not be materially detrimental to the health, safety and general welfare of the county.*

Applicant Response: The site plan substantially conforms to the mixed use goals of the 2016 Comprehensive Plan. The addition of housing options with conservation of the existing building footprint are beneficial outcomes of the redevelopment. The proposed addition of walkable, bike-able and public transit oriented housing will increase the general welfare of the county.

Staff Response: The site plan substantially conforms to the comprehensive plan and is not detrimental to the health, safety and general welfare of the county. The project and site plan specifically support the comp plan goal to focus increased residential densities on new development in and near downtown.

(2) *Ingress, egress, traffic circulation and parking on the site shall be accomplished with say for motorists, bicyclists and pedestrians. Provisions shall be made for the safe ingress, egress and circulation of vehicles, bicyclists and pedestrians.*

Applicant Response: The site as is provides an abundance of parking and ingress and egress are not located on the adjacent thoroughfare (Trinity.) We intend to include bicycle storage options and improve pedestrian access to the site in order to promote the walkability, hike-ability, and public transit usability of the community.

Staff Response: Ingress, egress and circulation for car, bicycle, and pedestrians on the site plan was considered and determined sufficient by staff. The site plan includes a drive lane of 20' width around the building and a turning radius at the property northeast corner widened to 42' to meet Fire Department requirements. The proposed 30 standard parking spaces and 2 handicapped parking spaces meets the Code requirement. Bicycle parking will also be provided.

(3) *The necessary provisions shall be made for controlling stormwater drainage on-site and off-site as required by the county engineer in accordance with the county's storm drainage construction standards or such other ordinances or storm water management plans as may exist.*

Applicant Response: The site was previously engineered and constructed with adequate stormwater control and drainage. At the time of building permit application we will address any issues that may be raised by the county engineer in accordance with the county's storm drainage construction Standards. Additionally, consideration will be given to the efficacy of storm water retention for irrigation purposes.

Staff Response: Stormwater currently flows to the south west corner of the lot and exists from the lot south side. Staff have visited the site and determined current stormwater management to be adequate. The developer is proposing minimal changes to parking and landscaping, however the developer must ensure that stormwater management remains adequate. Final grading and drainage review will occur at the time of Building Permit.

(4) *The necessary easements shall be provided for both existing and proposed utilities, on-site and off-site. No existing easement shall be terminated without provision of alternate service, and all new services shall be provided.*

Applicant Response: Necessary easements for existing utilities are already in place. No existing easements will be terminated.

Staff Response: Existing easements for ingress, egress, surface drainage, storm sewer and utilities are shown on the Applicant's submitted plans. Any additional needed easements for the development will be the responsibility of the applicant to establish.

(5) *The site plan shall include a conceptual landscape plan that will enhance the site and immediate vicinity and provide adequate screening and buffering, if appropriate, between properties. The final landscape plan shall conform to the requirements set forth in sections 16-574 and 16-575.*

Applicant Response: The site's existing mature landscaping will be preserved and enhanced with additional native plants. The existing landscaping provides adequate screening and buffering between adjacent properties. Additional planting will take place in the areas indicated on the attached site plan drawing.

Staff Response: The Mixed Use zoning designation has no landscaping requirements. The Applicant's proposed site plan will improve the existing landscaping. Final landscaping details, including a plant list, will be provided with the Building Permit.

(6) *Parking lots, outside storage areas, outside mechanical equipment and outdoor lighting shall be designed to serve the intended use of the development while minimizing adverse impacts on adjacent properties or public rights-of-way.*

Applicant Response: The existing external features of the site as listed above were designed to serve the original use of the property. The parking lot will be resurfaced and restriped to comply with the requirements of mixed use zoning. Any other changes to these features will be designed to minimize the adverse impacts on adjacent properties.

Staff Response: As proposed, there should be no adverse impacts on adjacent properties as related to parking, mechanical equipment, or lighting. No outdoor storage is proposed.

(7) *The capacity of those public services and facilities required to serve the proposed development (including but not limited to water, sanitary sewer, electricity, gas, storm sewer, streets, etc.) shall conform with, or if improvements are required, shall be made to conform with the requirements of the county's construction standards.*

Applicant Response: Existing public services will continue to be used, while any additional capacity needs will be addressed with conforming improvements prior to building permit application.

Staff Response: As proposed, existing public services will continue to be used, and any additional service capacity needs will be addressed prior to application for building permit.

(8) *Structures, site grading, and all other aspects of the development shall meet all applicable design standards or guidelines, as may be adopted and made a part of this code, and shall preserve, to the extent practical, outstanding topographical features and natural amenities on the site.*

Applicant Response: The existing grading and structural footprint will remain substantially unchanged. Prior to building permit application, any changes will be addressed to meet applicable standards and codes.

Staff Response: The proposed changes to grading and other development aspects are considered minimal by the County Subdivision Engineer. The applicant will be required to address all development aspects at the time of building permit.

(9) *Provisions shall be made to serve the development with tot lots and/or neighborhood parks in accordance with the adopted comprehensive plan. A fee may be paid as approved by county council to accomplish the purpose of a comprehensive plan in lieu of the development of tot lots or neighborhood parks.*

Applicant Response: The development is one block from Ashley Pond. The will be designed to increase walkability and bike-ability and is already situated adjacent to a public transit stop. These features will promote the use of nearby public recreation areas.

Staff Response: Neither the current property nor the proposed development has sufficient space for a tot lot or park. Ashley Pond and other area parks will be easily accessible from the site by walking, bicycle and public transit.

STAFF AND INTERDEPARTMENTAL REVIEW COMMITTEE (IDRC) RECOMMENDATION

Staff determined that the application for Comprehensive Plan Future Land Use Map Amendment, Rezoning, and Site Plan meet the criteria for these three types of applications. IDRC review of the REZ and SIT applications took place at a regularly scheduled IDRC meeting on November 17, 2017. IDRC review of the Future Land Use Map Amendment (CPA) was conducted after the Nov 17, 2017 meeting. After determining that the applications do not present any negative aspects or impacts that would preclude it from being forwarded to the Planning & Zoning Commission for a public hearing, the IDRC membership conducted a vote and forwarded a favorable recommendation to the Planning & Zoning Commission.

FINDINGS OF FACT

1. The public hearing was announced by publication in the in The Los Alamos Daily Post, the Newspaper of Record for Los Alamos County, on Thursday November 23, 2017, and property owner notices were mailed via first class mail to all owners of real property located within 100 yards of the subject property, per the requirements contained in Article V, §16-192 of the Los Alamos County Development Code.
2. The petitioner owns the subject properties.
3. The subject properties are located at 555 and 557 Oppenheimer Drive, Los Alamos, New Mexico. The properties contain 0.73± acres (555 Oppenheimer Drive), and 0.71± acres (557 Oppenheimer Drive).
4. The properties are designated Commercial/Office in the Comprehensive Plan Future Land Use Map, which is described in Article IV, §16-161 of the Los Alamos County Development Code ("Development Code"), and which is currently zoned P-O, Professional Office (which is described in Article XIII, §16-533 of the Development Code).
5. The Future Land Use Map Designation of the 2016 Los Alamos Comprehensive Plan for the properties shall be amended to Mixed Use, also as described in Article IV §16-161 of the Development Code; the properties will be rezoned to Mixed Use (MU), also as described in Article XIII, §16-533 of the Development Code; and the Site Plan for 557 Oppenheimer meets the requirements of §16-152A of the Development Code.
6. The future land use designation, rezoning and site plan approval requested support several goals and policies of the 2016 Comprehensive Plan, and are in conformance with the land uses illustrated on the Future Land Use Map.

7. This petition was discussed at the Interdepartmental Review Committee meeting, on Friday November 17, 2017. At this meeting, the IDRC voted unanimously on a motion to recommend approval to the Planning & Zoning Commission.
8. The Community Development Department has not received any correspondence, either in support of or opposed to, this request, as of Thursday, December 7, 2017.
9. The petitioner has provided sufficient evidence to satisfy the requirements contained within §16-160, §16-161, §16-155, and §16-152A of the Los Alamos County Development Code to warrant approval of the actions requested.

EXHIBITS

- | | |
|-----------|--|
| Exhibit 1 | Applications and Site Plan |
| Exhibit 2 | Vicinity Maps for Future Land Use Designation and Rezoning |
| Exhibit 3 | List of property owners of record within 100 yards of subject property, and map. |
| Exhibit 4 | Interdepartmental Review Committee (IDRC) Report |
| Exhibit 5 | Photographs of Subject Property, Staff (11) |

COMPREHENSIVE PLAN AMENDMENT APPLICATION

Los Alamos County Community Development Department
1000 Central Ave, Suite 150, Los Alamos NM 87544
(505) 662-8120

This Comprehensive Plan Amendment Application is for:

☐ Text Amendment ☒ Future Land Use Map Amendment ☐ Both

APPLICANT: *[Applications for amendment to the comprehensive plan may be made by the county council, the planning and zoning commission, the county manager or the community development director.]*

Name: Ryan Markey Title: Agent Organization: Los Alamos Professional Investment Partnership
Please Print

SIGNATURE

DATE

If this Application is for or includes a Future Land Use Map Amendment, indicate:

Commercial /Office

Mixed-Use

FROM (Current Land Use per FLUM)

TO (Proposed Land Use on FLUM)

Cite the sections of the comprehensive plan to be amended and explain why the amendment is necessary:

We are requesting that "Exhibit 40 - County Future Land Use Map" and "Exhibit 41 - Townsite Future Land Use Map" of the 2016 be amended as follows; change the use of 555 Oppenheimer Dr. to Mixed-Use. Change the use of 557 Oppenheimer Dr. to Mixed-Use.

Describe Related Applications, if any: 555 and 557 Oppenheimer Rezoning and 557 Site Plan

REQUIRED SUBMITTALS for FUTURE LAND USE MAP AMENDMENTS only:

☒ Provide a copy of the Plat or a Legal Description of the affected property

☐ Other

FOR COMMUNITY DEVELOPMENT DEPARTMENT USE:

CDD Application Number: _____

COMPREHENSIVE PLAN AMENDMENT REVIEW CRITERIA:

The Los Alamos County Code of Ordinances, Chapter 16, Development Code, Sec. 16-161 establishes three (3) criteria to be considered when reviewing an application for Comprehensive Plan Amendment approval. Please review each of the criteria listed and provide short comments on how the application meets the criteria. (Attach additional sheets if needed.)

- (1) The amendment shall conform to the vision statement and policy plan of the comprehensive plan and to the Strategic Leadership Plan of the county council;*

The amendment conforms to the vision statement, policy plan, and strategic leadership plan, specifically addressing housing diversity, downtown revitalization, and infill housing. Environmental protection is also addressed through redevelopment and repurposing of an existing building.

- (2) The amendment replaces outdated information in the comprehensive plan, responds to changed conditions or provides new information which is not included in the comprehensive plan;*

The amendment responds to changed conditions. The properties in question are positioned on the periphery of the downtown area and accordingly should have been designated as mixed-use upon adoption of the comprehensive plan. The market's condition calls for housing diversity and housing units; this amendment will address both.

- (3) The amendment does not conflict with other parts of the comprehensive plan.*

The amendment does not conflict with other parts of the comprehensive plan. The amendment will not affect the character of existing neighborhoods nor does the plan call for preservation of commercial/office only uses. The amendment will serve to progress the goals of the comprehensive plan, in focusing on redevelopment and increasing housing options.

REZONING APPLICATION

Los Alamos County Community Development Department
1000 Central Ave, Suite 150, Los Alamos NM 87544
(505) 662-8120

Property to be Rezoned: 555 Oppenheimer Drive
Los Alamos, NM 87544
Address

From: P-O Professional Office District To: MU - Mixed Use 0.73
Current Zoning District **Proposed Zoning District** **Area (Acres)**

Professional Office Mixed Use
Current Use **Proposed Use/Reason for Rezoning**


Related Applications:

557 Oppenheimer Rezoning Application, 557 Oppenheimer Site Plan Application

APPLICANT (Unless otherwise specified, all communication regarding this application shall be to Applicant):

Name: Ryan Markey Phone: 505-216-1618 Cell #: 505-331-7467
Please Print

Address: PO Box 42, Santa Fe, NM 87504 Email: ryansmarkey@gmail.com

 11/13/2017
SIGNATURE **DATE**

PROPERTY OWNER (If different from Applicant)

☐ Check here if same as above

Name: 555 Oppenheimer Condominium Association, Inc. Phone: _____ Cell #: _____
Please Print

Address: _____ Email: _____

My signature below indicates that I authorize the Applicant to make this rezoning application on my behalf.

SIGNATURE **DATE**

REZONING CRITERIA:

The Los Alamos County Code of Ordinances, Chapter 16, Development Code, Sec. 16-155 establishes six (6) criteria for the Planning and Zoning Commission to use when reviewing an application for rezoning approval. Please review each of the criteria listed and provide short comments on how your application meets the criteria in the space provided. You will also be asked to discuss the criteria at your public hearings.

- (1) *The request substantially conforms to the comprehensive plan and shall not be materially detrimental to the health, safety and general welfare of the county. A request for amendment to the comprehensive plan shall, if necessary, be submitted, processed, heard and decided upon concurrently with the request for amendment to the official zoning map.*

The proposed rezoning will better position the property to meet the goals of the 2016 LA County Comprehensive Plan. The rezoning specifically addresses the plan's high level goals of:

- encourage the retention of existing businesses and assist in their opportunities for growth
- focusing development priorities downtown

While no change of use is proposed in the immediate term, the rezoning improves the economic flexibility of the property in the future.

- (2) *Consideration shall be given to the existing and programmed capacity of on-site and off-site public services and facilities including, but not limited to, water, sanitary sewer, electricity, gas, storm sewer, streets, sidewalks, traffic control, parks, fire and police to adequately serve the property should a rezoning result in any increase of the intensity of use of the property.*

No alterations to the existing building are currently proposed and hence, no changes to the utility infrastructure are projected. No additional intensity of use is projected for the property.

- (3) *The establishment, maintenance or operation of uses applied for will not, under the circumstances of the particular case, be detrimental to the health, safety or general welfare of persons residing or working adjacent to or within the proximity of the subject property.*

The rezoning will allow greater economic mobility for both property owners and potential business tenants. Greater economic mobility adds to the general welfare of the community.

- (4) *The existing zoning must be shown to be inappropriate for one or more of the following reasons:*

- a. *It was established in error;*

Not applicable

- b. *Changed conditions warrant the rezoning; or*

The local real estate market dictates an increase in the flexibility of spaces. Rezoning allows the property to be better positioned for the changing needs of local businesses.

- c. *A different zone is more likely to meet goals contained in the comprehensive plan.*

The mixed use zone is more likely to meet the goals contained within the 2016 comprehensive plan.

(5) *The proposed zoning will not result in spot zoning or strip zoning as defined in article I of this chapter unless one or more of the following criteria are met:*

a. *Granting such zoning accomplishes the policy and intent of the comprehensive plan;*
Mixed use zoning at the property accomplishes the policy and intent of the comprehensive plan, for the various reasons stated previously.

b. *Unique characteristics specific to the site exist; or*
Not applicable

c. *The zoning serves as an appropriate transition between land uses of higher and lower intensity.*
Not applicable

(6) *If the proposed zoning map amendment is for the designation of a special plan (SP) district where a development plan or a site plan is a requirement for district approval, the map amendment shall also be judged by the special plan (SP) district review criteria stated in section 16-159.*

Not applicable

REQUIRED SUBMITTALS:

Check each of the boxes to indicate that you have attached two (2) paper copies of each of the following, and one complete copy of all materials on disk:

☒ **Proof of property ownership.**

☒ **A Vicinity map, 8 ½ by 11 inch or 8 ½ by 14 inch format, showing the boundaries of the property to be rezoned and all adjacent lots within 300 feet.**

☒ **A scaled Plat or survey including all the following information:** (Note: For smaller properties, a legal description with metes and bounds, may be acceptable. Check with CDD staff.)

☒ **Locate and label all existing utility lines on the site.** (Existing gas and electric service lines must be located by the Los Alamos County Utilities Department prior to submittal of this application.)

☒ **Show and label the footprint of all existing buildings and structure on the site.**

☒ **Show the footprint of all buildings and public rights-of-way within 20 feet of all boundary of the site.**

☒ **Show, dimension and label all existing and proposed easements.**

THIS SECTION TO BE COMPLETED BY THE COMMUNITY DEVELOPMENT DEPARTMENT

For County Use:

Date of Submittal: _____

Staff Initial: _____

CDD Application Number: _____

Fees Paid: _____

SITE PLAN APPLICATION

Los Alamos County Community Development Department
1000 Central Ave, Suite 150, Los Alamos NM 87544
(505) 662-8120

Address and Use of Property to which the application applies:

557 Oppenheimer Drive, Los Alamos, NM 87544

Current Use: ☐ Vacant **Other:** Professional Office / Proposed Use: Mixed Use

Zoning District: P-O **Acreage:** 0.70 **Lot Coverage:** 23% **Related Applications (if any):**

557 Oppenheimer Rezoning Application, 555 Oppenheimer Rezoning Application

APPLICANT (Unless otherwise specified, all communication regarding this application shall be to Applicant):

Name: Ryan Markey **Phone:** 505-216-1618 **Cell #:** 505-331-7467
Please Print

Company Name:

Address: PO Box 42, Santa Fe, NM 87504 **Email:** ryansmarkey@gmail.com


SIGNATURE

11/13/2017

DATE


PROPERTY OWNER

☐ Check here if same as above

Los Alamos Professional Office Partnership
Name: Managing Member: Rick Brenner **Phone:** 505-216-1618 **Cell #:** 505-231-2008
Please Print

Address: PO Box 9146, Santa Fe, NM 87504 **Email:** richardhbrenner@gmail.com
Owner's Address

My signature below indicates that I authorize the Applicant to make this Amendment application on my behalf.


SIGNATURE

11/13/17
DATE

Pre-Application Meeting Date(s): October 20, 2017 **IDRC Date:**

THIS SECTION TO BE COMPLETED BY THE COMMUNITY DEVELOPMENT DEPARTMENT

Date of Submittal: **Staff Initial:**

CDD Application Number: **Fees Paid:**

SITE PLAN REVIEW CRITERIA

The Los Alamos County Code of Ordinances, Chapter 16, Development Code, Sec. 16-152A establishes the following criteria for recommendation by IDRC, or for determination by the CDD Director or P&Z, of approval, conditional approval or denial of the application. Please review each of the criteria listed and provide short comments on how your application meets the criteria in the space provided. (Attach additional sheets if needed.)

- (a) *The site plan shall substantially conform to the comprehensive plan and shall not be materially detrimental to the health, safety and general welfare of the county.*

The site plan substantially conforms to the mixed use goals of the 2016 comprehensive plan. The addition of housing options with conservation of the existing building footprint are beneficial outcomes of the redevelopment. The proposed addition of walkable, bike-able and public transit oriented housing will increase the general welfare of the county.

- (b) *Ingress, egress, traffic circulation and parking on the site shall be accomplished with safety for motorists, bicyclists and pedestrians. Provisions shall be made for the safe ingress, egress and circulation of vehicles, bicyclists and pedestrians.*

The site as is provides an abundance of parking and ingress and egress are not located on the adjacent thoroughfare (Trinity.) We intend to include bicycle storage options and improve pedestrian access to the site in order to promote the walkability, bike-ability, and public transit usability of the community.

- (c) *The necessary provisions shall be made for controlling stormwater drainage on-site and off-site as required by the county engineer in accordance with the county's storm drainage construction standards or such other ordinances or storm water management plans as may exist.*

The site was previously engineered and constructed with adequate stormwater control and drainage. At the time of building permit application we will address any issues that may be raised by the county engineer in accordance with the county's storm drainage construction standards. Additionally, consideration will be given to the efficacy of storm water retention for irrigation purposes.

- (d) *The necessary easements shall be provided for both existing and proposed utilities, on-site and off-site. No existing easement shall be terminated without provision of alternate service, and all new services shall be provided.*

Necessary easements for existing utilities are already in place. No existing easements will be terminated.

- (e) *The site plan shall include a conceptual landscape plan that will enhance the site and immediate vicinity and provide adequate screening and buffering, if appropriate, between properties. The final landscape plan shall conform to the requirements set forth in sections [16-574](#) and [16-575](#).*

The site's existing mature landscaping will be preserved and enhanced with additional native plants. The existing landscaping provides adequate screening and buffering between adjacent properties. Additional planting will take place in the areas indicated on the attached site plan drawing.

- (f) *Parking lots, outside storage areas, outside mechanical equipment and outdoor lighting shall be designed to serve the intended use of the development while minimizing adverse impacts on adjacent properties or public rights-of-way.*

The existing external features of the site as listed above were designed to serve the original use of the property. The parking lot will be resurfaced and restriped to comply with the requirements of mixed use zoning. Any other changes to these features will be designed to minimize the adverse impacts on adjacent properties.

- (g) *The capacity of those public services and facilities required to serve the proposed development (including but not limited to water, sanitary sewer, electricity, gas, storm sewer, streets, etc.) shall conform with, or if improvements are required, shall be made to conform with the requirements of the county's construction standards.*

Existing public services will continue to be used, while any additional capacity needs will be addressed with conforming improvements prior to building permit application.

- (h) *Structures, site grading, and all other aspects of the development shall meet all applicable design standards or guidelines, as may be adopted and made a part of this code, and shall preserve, to the extent practical, outstanding topographical features and natural amenities on the site.*

The existing grading and structural footprint will remain substantially unchanged. Prior to building permit application, any changes will be addressed to meet applicable standards and codes.

- (i) *Provisions shall be made to serve the development with tot lots and/or neighborhood parks in accordance with the adopted comprehensive plan. A fee may be paid as approved by county council to accomplish the purpose of a comprehensive plan in lieu of the development of tot lots or neighborhood parks.*

The development is one block from Ashley Pond. The site will be designed to increase walkability and bike-ability and is already situated adjacent to a public transit stop. These features will promote the use of nearby public recreation areas.

SUBMITTALS:

Provide all information necessary for a complete review of the Site Plan request. Check each of the boxes to indicate which information you have provided. Provide two hard copies of all plans and also provide one complete copy of all materials on disk:

- ☒ Agent Authorization, if applicable.
- ☒ Proof of property ownership (Warranty deed, recorded Plat, etc.).
- ☒ Scaleable copies of Site Plan drawings including:
 - ☒ Footprint and square footage of all buildings and structures on the site.
 - ☒ Building/structure elevations.
 - ☒ Existing and proposed lot coverage.
 - ☒ All existing and proposed easements.
 - ☒ All existing and proposed setbacks.
 - ☒ Existing and proposed trails.
- ☐ Preliminary Landscape Plan.
- ☐ Preliminary Grading and Drainage Plan.
- ☒ Preliminary Utilities Plan.

Note: Final construction plan set will be required at Building Permit.

Additionally, per Sec. 16-571, at or before the first IDRC meeting, the County Engineer may require the following Impact Studies:

- ☐ Traffic impact analysis (TIA).
- ☐ Stormwater drainage report.
- ☐ Utility capacity analysis.
- ☐ Soils report.
- ☐ Other. Describe: _____

You are advised to meet with the County Engineer early in the planning process to determine which studies will be required.

Please provide any other information that you believe is relevant to or supports this application.

No preliminary grading and drainage plan has been submitted with this application due to the existing nature of the property improvements. In lieu of a preliminary landscape plan, the attached site plan exhibits the additional planting that is to take place.

STATE OF NEW MEXICO)
) SS.
COUNTY OF LOS ALAMOS)

Signed: 

Phone: 505 216 1618

Jaime Gallardo
Notary Public

OFFICIAL SEAL
Laura Gallegos
NOTARY PUBLIC
STATE OF NEW MEXICO
My Commission Expires: 10.1.2020

OWNER'S AFFIDAVIT

STATE OF NEW MEXICO)
) SS.
COUNTY OF LOS ALAMOS)

I, Richard Brenner, General Partner of Los Alamos Professional Investment Partnership, being duly sworn, depose and say that I am the owner of the property located at 557 Oppenheimer Drive, legally described as Lot 2 of Trinity / Oppenheimer Subdivision, for which I am requesting a Site Plan through the County of Los Alamos, New Mexico. Furthermore, I hereby appoint Ryan Markey as my agent to act on my behalf on all matters pertaining to this application.

Signed:

Address:

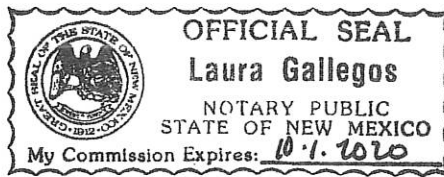
PO Box 9146, Santa Fe, NM 87504

Phone:

505 2161618

Subscribed and sworn to before me this 13 day of November, 20 17.

Jaime Gallardo
Notary Public



My Commission Expires:

10.1.2020

Brenner Development Co.
P.O. Box 42
Santa Fe, NM 87504

Date: October 13th, 2017

To: Andrew Harnden, Housing & Special Projects Manager, Los Alamos County

Re:557 Oppenheimer Rehabilitation – Mixed Use Zone Change Application and Site Plan Application

To prepare the stakeholders for our pre-application meeting, here is a brief overview of the project:

- The property currently exists as a 14,000 SF two-story office building on 0.7 acres. The current zone is P-O (Professional Office).
- The property will be rezoned MU (Mixed Use), to accommodate the addition of residential units.
- A third story will be constructed. The first story will remain office space. The second and third stories will be residential with 8 units on each floor (16 total).
- The building will be brought up to code requirements where applicable, including an ADA compliant unisex bathroom and fire protection system.
- Additional site-work will be completed to bring the parking up to current code requirements and to expand and beautify the landscape.

We hope to achieve the following outcomes from the pre-application meeting:

- Better understand what building codes apply to the renovations versus existing space.
- Have a rough timeline for submittal of an application and successive meetings and approvals.
- Understand the effects on public infrastructure caused by the project and the potential costs associated with use of said infrastructure.

Thank you for your assistance,

Ryan Markey

557 Oppenheimer Parking Required per 16-579-11

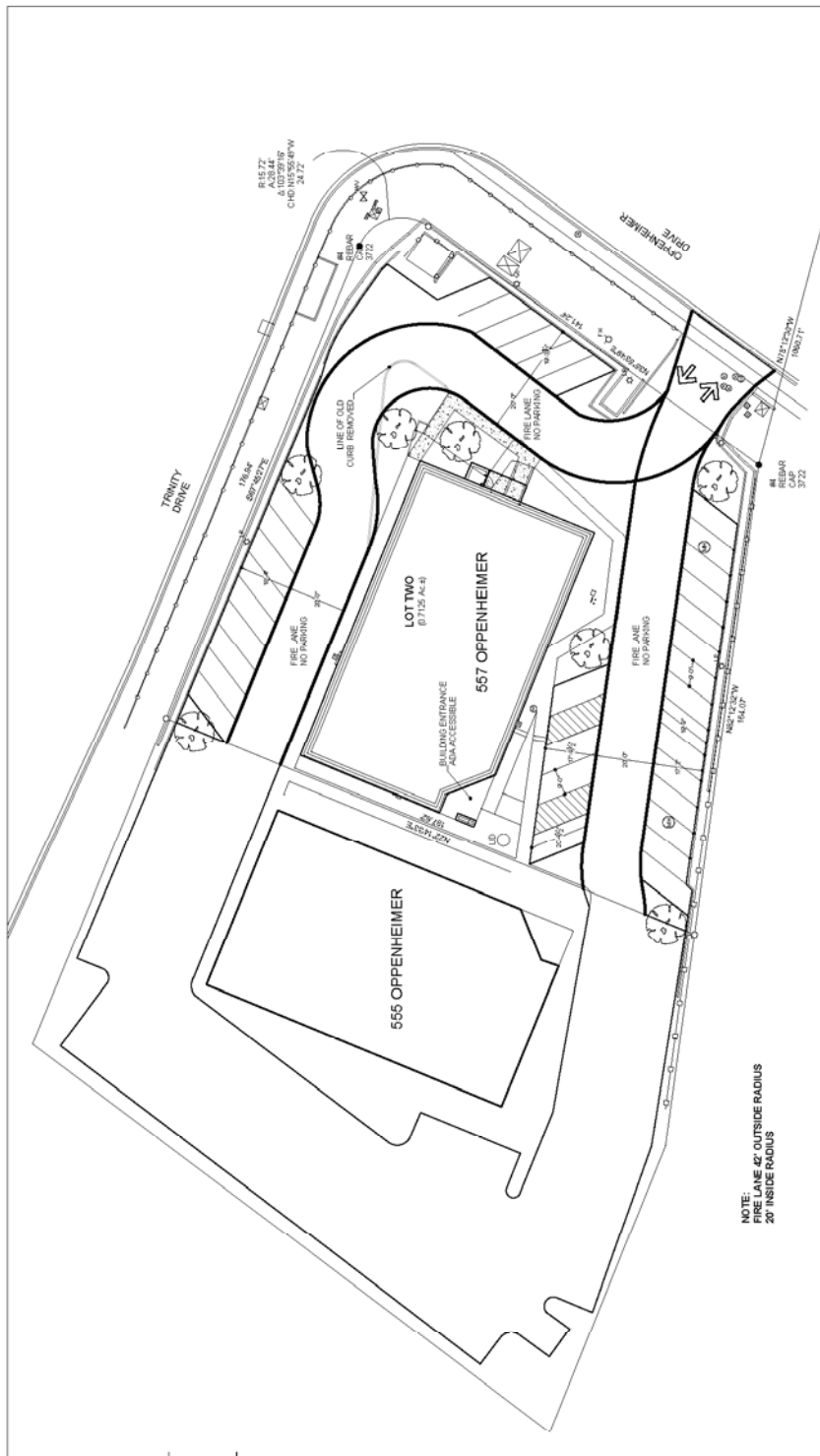
	Factor	Total
Second Level Residential	5,439	
Third Level Residential	5,278	
	10,717 nsf	750 14 spaces
Office Use Lease Area A	3,587	
Office Use Lease Area B	1,962	
	5,549 nsf	350 16 spaces
Total	16,266 nsf	30 spaces
Handicapped spaces included in total		2 hp spaces

557 Oppenheimer Parking Provided

557	32 spaces
Total	32 spaces
Handicapped spaces included in total	2 hp spaces
Note handicapped spaces for 555 are included in work-area	
All parking spaces are 9' by 17'	

Lot and Building Areas

Lot One - 555 Oppenheimer	0.7304 acres	31,813 sf
Building footprint		7,265 sf
Lot Coverage		22.8%
Building Area		
Lot Two - 557 Oppenheimer	0.7125 acres	31,035 sf
Building footprint		7,303 sf
Lot Coverage		23.6%
Existing Building Area		14,503 sf
Proposed Building Area		21,571 sf



NOTE:
FIRE LANE 47' OUTSIDE RADIUS
29' INSIDE RADIUS



BAER ARCHITECTURE NM LLC
ALLIANT BASE AIA
227 EAST PALACE AVENUE, SUITE C
SANTA FE, NEW MEXICO 87501
505-470-8836
allanbaer@comcast.net
© 2017 Baer Architecture NM LLC

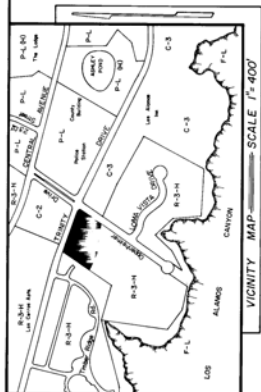
PROJECT
557 OPPENHEIMER DRIVE
LOS ALAMOS, NEW MEXICO
LOS ALAMOS PROFESSIONAL INVESTMENT PARTNERSHIP
PO BOX 9146
SANTA FE, NEW MEXICO 87504

SHEET TITLE
SITE PLAN

SCALE
1" = 20'-0"

DATE AND ISSUE
DECEMBER 4, 2017

SHEET NUMBER
SPS-1



FINAL PLAT **TRINITY / OPPENHEIMER SUBDIVISION** BEING A SUBDIVISION OF TRACT "A", REPLAT OF TIMBER RIDGE SUBDIVISION, UNIT 2 LOS ALAMOS, NEW MEXICO JUNE, 1988

GENERAL NOTES

Total No. of Lots-2
 Total Area-1429.00 acres or 62,853.72 square feet
 Minimum Lot Area-Lot 1-0.7304 acres or 31,818.23 square feet
 Minimum Lot Area-Lot 2-0.7125 acres or 31,055.00 square feet
 Existing Zoning-Professional Office (P-O)
 Structural setbacks, separation between structures, height of structures, and lot coverage to be determined by the Zoning Commission at the time they approve the Improvement Plan.

CHALLENGE EASEMENTS

The area designated herein as drainage easements are granted to the Incorporated County of Los Alamos, its successors and assigns, for the purpose of collecting, conveying, and discharging surface waters, including the effects of infiltration, percolation, and erosion resulting therefrom. The easement shall be subject to the right of the County to alter the location, width, depth, or grade of any lot or tract burdened by these easements shall keep the easement any within such lot or tract free of any obstruction which might reasonably change the direction or retard the flow of surface waters within the easement way.

TEMPORARY DRAINAGE, INGRESS & EGRESS EASEMENT

The owners of Lot Two hereby grant to the owners of Lot One a Temporary Drainage, Ingress & Egress Easement shown by hatched said easement is to remain in effect until such time as the owners of Lot Two submit and receive approval of Improvement Plans for the development of Lot Two.

NOTICE ON ACCESS.
 There shall be no direct vehicular access from Lot One and/or Lot Two on to Trinity Drive. All vehicular access shall be from Oppenheimer Drive.

LOS ALAMOS PROFESSIONAL INVESTMENT PARTNERSHIP
 RICHARD BRENNER - GENERAL PARTNER
 LYNNE STEELE - GENERAL PARTNER
 STATE OF NEW MEXICO
 COUNTY OF LOS ALAMOS
 The foregoing instrument was acknowledged before me this 10th day of June, 1988, by Richard Brenner, David Steele, and Lynne Steele, General Partners on behalf of Los Alamos Professional Investment Partnership, a limited liability partnership.
 Notary Public
 My commission expires 7-30-89

APPROVAL

This plat is hereby approved this 21st day of July, 1988, in accordance with a resolution of the Planning Commission, County of Los Alamos, New Mexico.

Chairman
 Secretary

STATE OF NEW MEXICO
 COUNTY OF LOS ALAMOS

I hereby certify that this instrument was filed for record in Document No. 83309 on the 21st day of July, 1988, at 10:57 a.m., P.M. and duly recorded in First Book 36 of the records of said County.

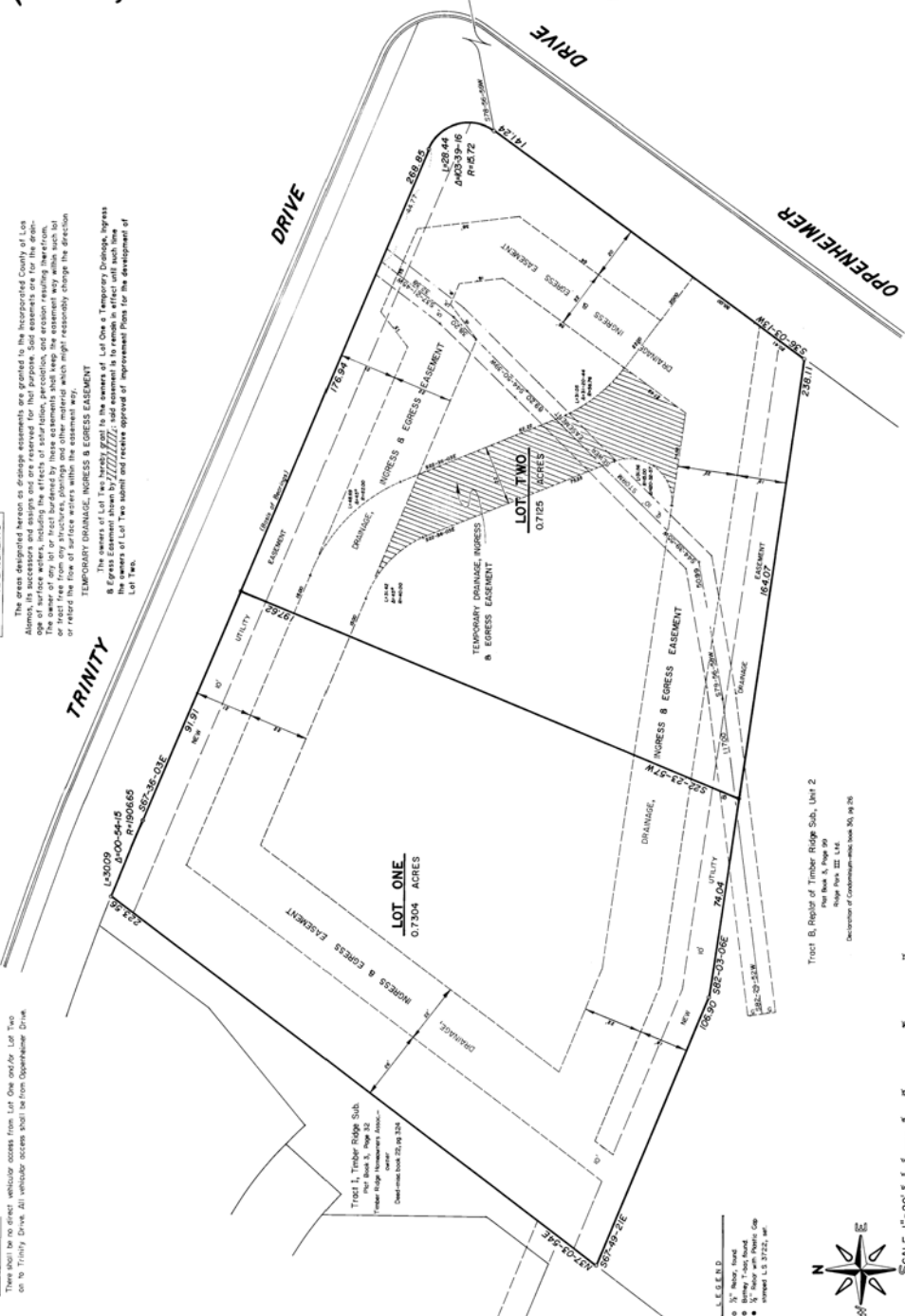


COUNTY CLERK
 Deputy

CERTIFICATION

I, John B. Madden, being duly sworn, I am a registered Professional Surveyor under the laws of the State of New Mexico and that the plat and the notes hereon were prepared from the official maps of the Timber Ridge Subdivision No. 2 as filed for record with the County Clerk of Los Alamos County, State of New Mexico, and that the same were prepared and approved by me on the 6th day of June, 1988, and meets the minimum requirements of the Statutes of and the Rules and Regulations of the New Mexico State Board of Registration for Professional Engineers and Professional Surveyors and is true and correct to the best of my knowledge and belief.

John B. Madden
 Los Alamos, N.M.
 87104



Tract B, Replat of Timber Ridge Sub, Unit 2
 First Book 5, Page 99
 Official Map No. 22, Los Alamos, N.M.
 Declaration of Conformity with Public Law 94-420

LEGEND
 1" = 20' Horizontal Scale
 1" = 20' Vertical Scale
 1" = 20' Diagonal Scale
 1" = 20' Area Scale



SCALE 1" = 20' Horizontal

557 Oppenheimer Parking Required per 16-579-41

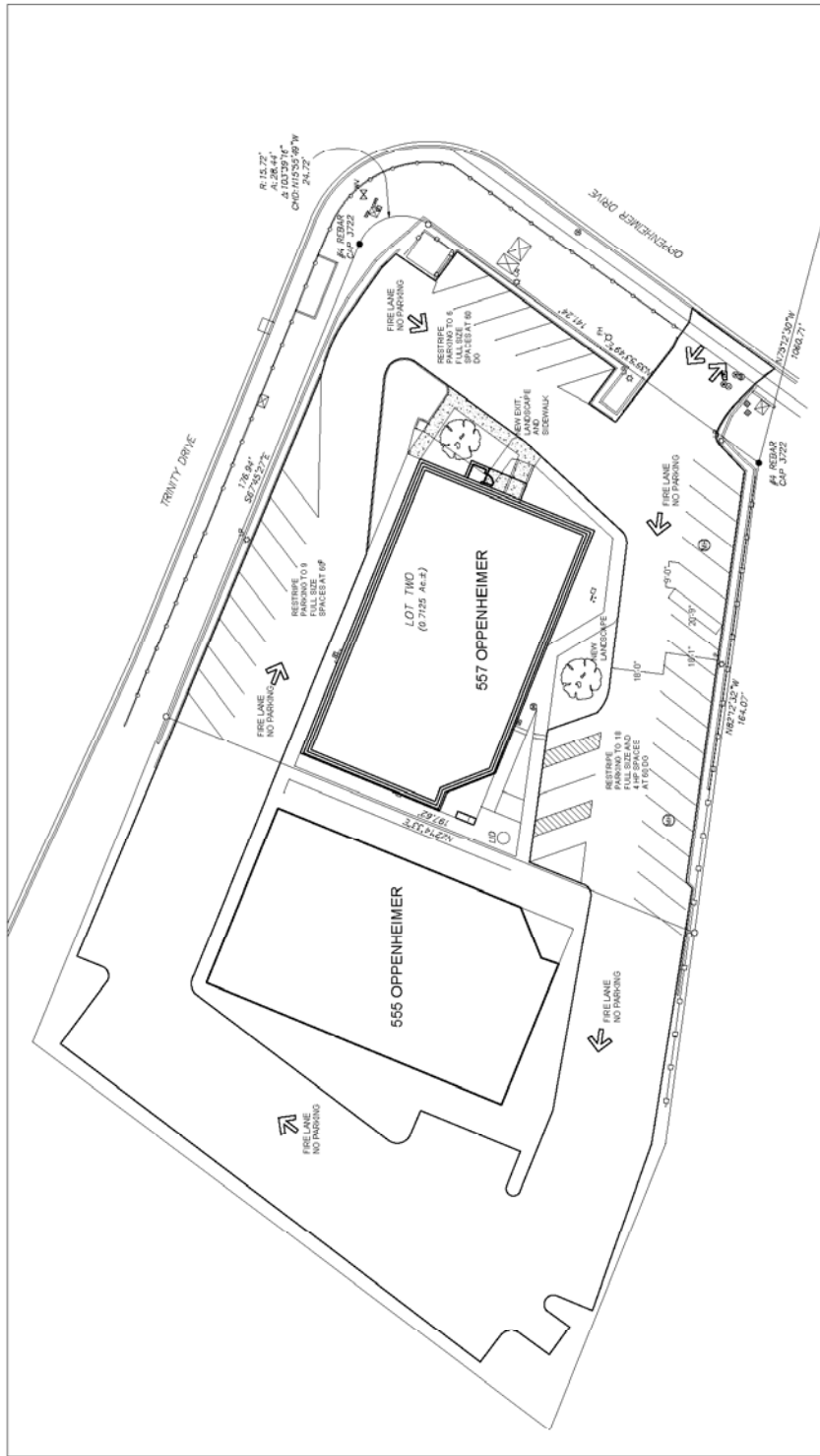
	Factor	Total
Second Level Residential	5,439	
Third Level Residential	5,278	
	10,717 nsf	750 14 spaces
Office Use Lease Area A	3,587	
Office Use Lease Area B	1,952	
	5,549 nsf	350 16 spaces
Total	16,266 nsf	30 spaces
Hand capped spaces included in total		2 hp spaces

557 Oppenheimer Parking Provided

557	32 spaces
Total	32 spaces
Hand capped spaces included in total	
d spaces for 555 are included in workarea	
2 hp spaces	

Lot and Building Areas

Lot One - 555 Oppenheimer	0.7304 acres	31,818 s'
Building footprint	7,265 s'	
Lot Coverage	22.8%	
Building Area		
Lot Two - 557 Oppenheimer	0.7125 acres	31,036 s'
Building footprint	7,309 s'	
Lot Coverage	23.6%	
Existing Building Area	14,509 s'	
Proposed Building Area	21,572 s'	

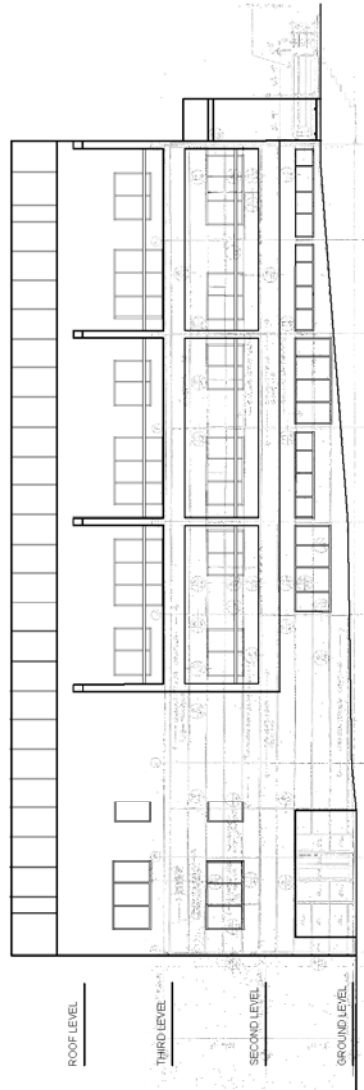


BAER ARCHITECTURE
ARCHITECTURE
NM LLC
 ALLIANT BASED AIA
 227 EAST PALACE AVENUE SUITE C
 SANTA FE, NEW MEXICO 87501
 505-470-8836
 allanbaer@comcast.net
 © 2017 BAER ARCHITECTURE, LLC

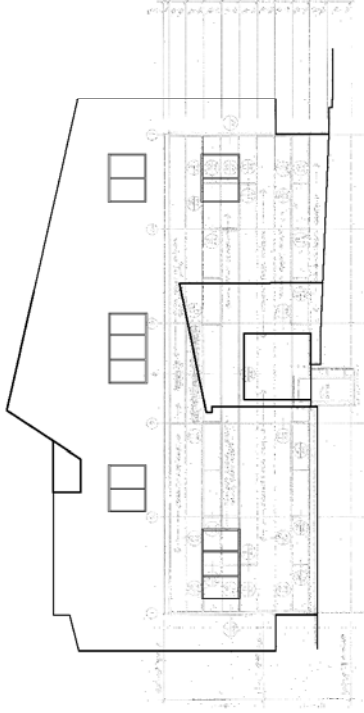
PROJECT
557 OPPENHEIMER DRIVE
 LOS ALAMOS, NEW MEXICO
 LOS ALAMOS PROFESSIONAL INVESTMENT PARTNERSHIP
 PO BOX 9146
 SANTA FE, NEW MEXICO 87504

SHEET TITLE
SITE PLAN
SCALE
 1" = 20'-0"

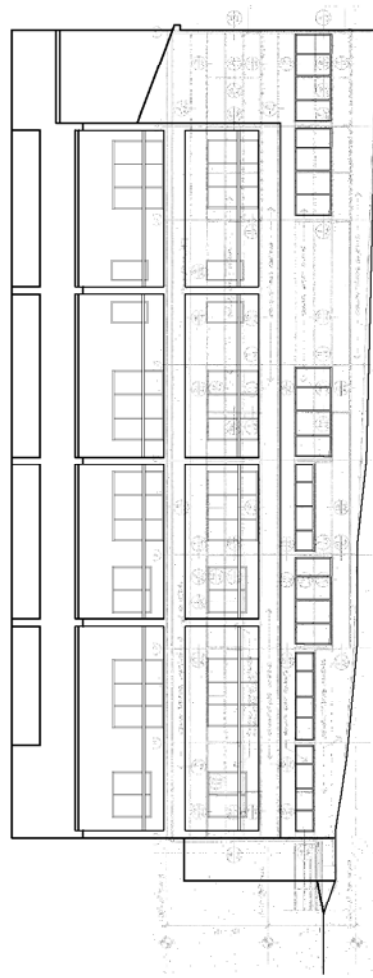
DATE AND ISSUE
 NOVEMBER 9, 2017
SHEET NUMBER
SPS-1



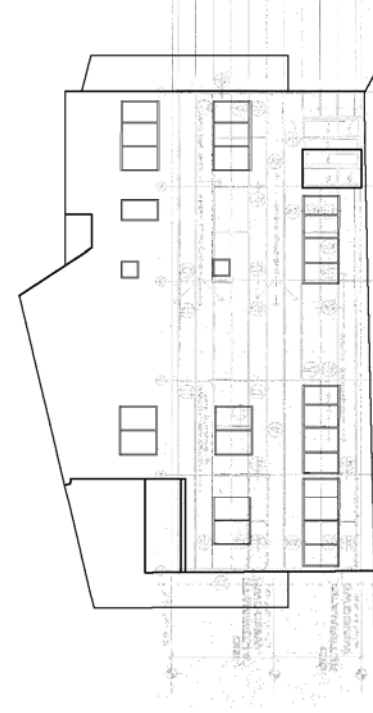
SOUTH



EAST



NORTH



WEST

BAER ARCHITECTURE
ARCHITECTURE
 NM LLC
 ALLIANT BAER AIA
 227 EAST PALACE AVENUE SUITE C
 SANTA FE, NEW MEXICO 87501
 505-470-8886
 allanbaer@comcast.net
 © 2017 BAER ARCHITECTURE NM LLC

PROJECT
557 OPPENHEIMER DRIVE
 LOS ALAMOS, NEW MEXICO
 LOS ALAMOS PROFESSIONAL INVESTMENT PARTNERSHIP
 PO BOX 9146
 SANTA FE, NEW MEXICO 87504

SHEET TITLE
ELEVATIONS

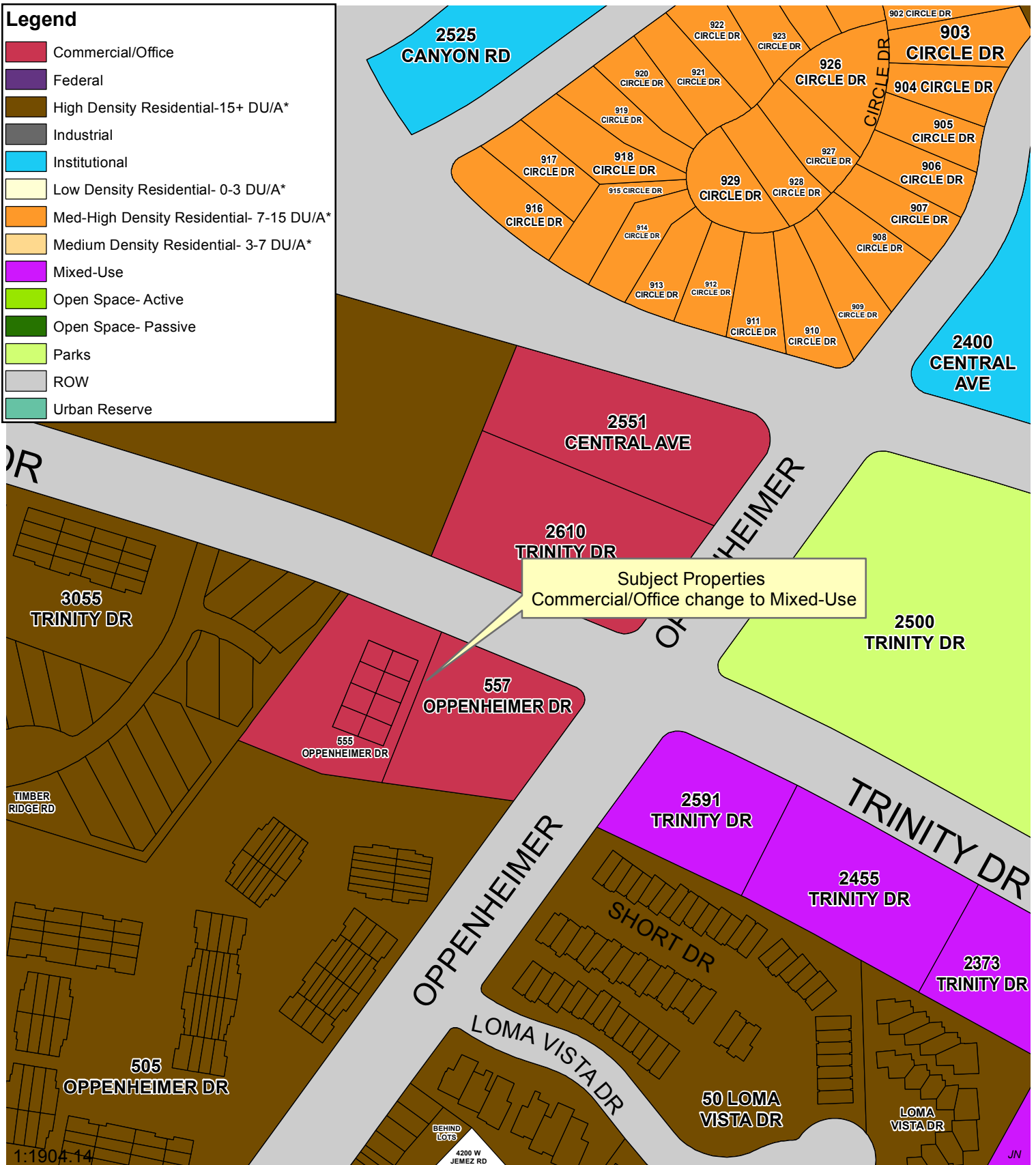
SCALE
 1/8" = 1'-0"

DATE AND ISSUE
 NOVEMBER 9, 2017

SHEET NUMBER
SPS-2

Legend

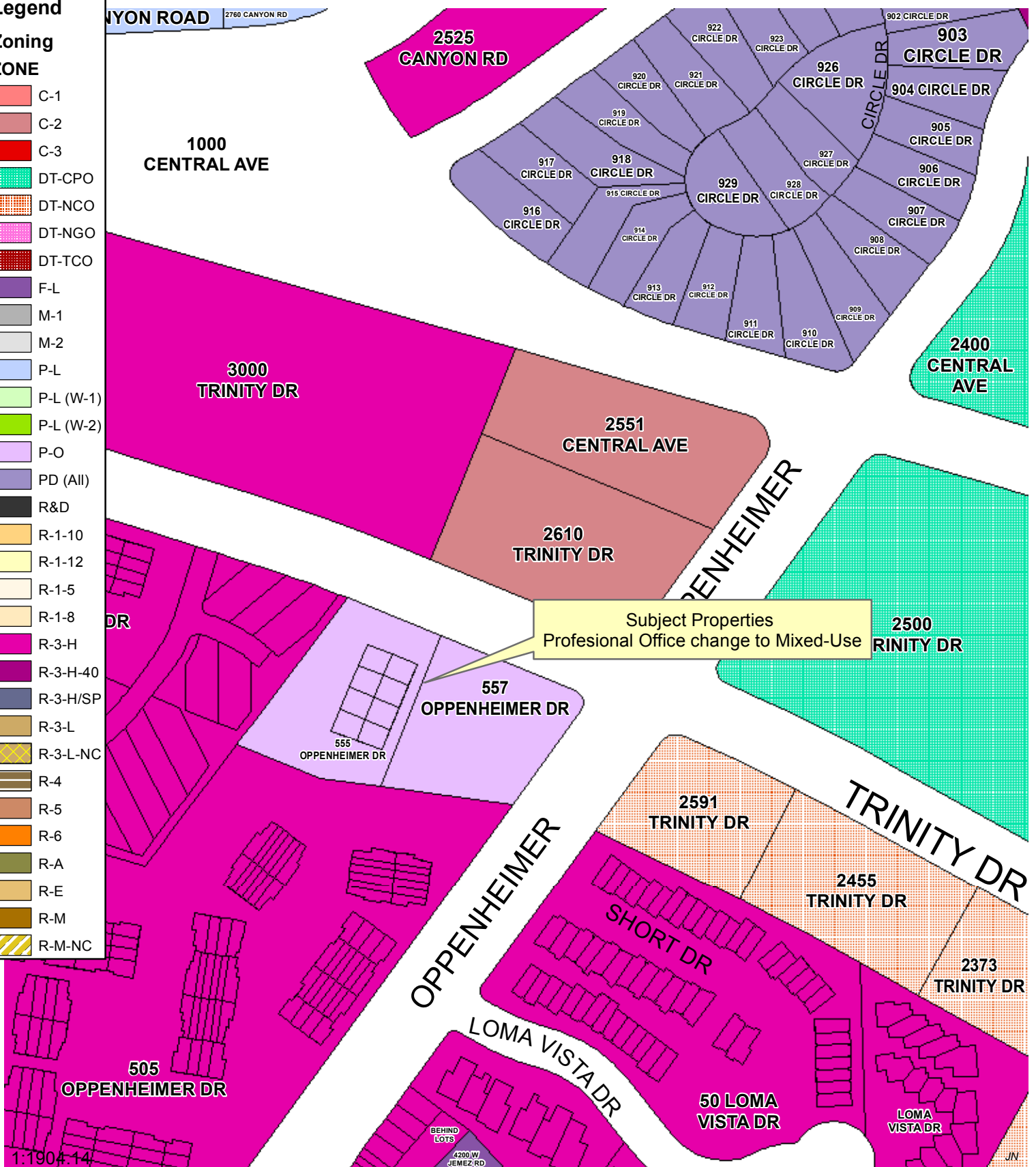
- Commercial/Office
- Federal
- High Density Residential-15+ DU/A*
- Industrial
- Institutional
- Low Density Residential- 0-3 DU/A*
- Med-High Density Residential- 7-15 DU/A*
- Medium Density Residential- 3-7 DU/A*
- Mixed-Use
- Open Space- Active
- Open Space- Passive
- Parks
- ROW
- Urban Reserve



555 Oppenheimer & 557 Oppenheimer Future Land Use Map



- Legend**
- Zoning**
- ZONE**
- C-1
 - C-2
 - C-3
 - DT-CPO
 - DT-NCO
 - DT-NGO
 - DT-TCO
 - F-L
 - M-1
 - M-2
 - P-L
 - P-L (W-1)
 - P-L (W-2)
 - P-O
 - PD (All)
 - R&D
 - R-1-10
 - R-1-12
 - R-1-5
 - R-1-8
 - R-3-H
 - R-3-H-40
 - R-3-H/SP
 - R-3-L
 - R-3-L-NC
 - R-4
 - R-5
 - R-6
 - R-A
 - R-E
 - R-M
 - R-M-NC



555 Oppenheimer & 557 Oppenheimer Rezone

All mapping information is for reference only.
Users are solely responsible to confirm data accuracy.
Los Alamos County assumes no liability for errors
associated with these data.

Attachment B

VERTEX HOSPITALITY 1 LLC
51 BROADWAY SUITE 111
FARGO ND 58102

HAKONSON-HAYES AUDREY C
47 TIMBER RIDGE
LOS ALAMOS NM 87544

BRAND HOLMANN V REVOCABLE TRUST
3948 TRINITY DR
LOS ALAMOS NM 87544

CAP INVESTORS LIMITED PARTNERSHIP
1926 A 24TH ST
LOS ALAMOS NM 87544

LIER KARI
45 TIMBER RIDGE RD
LOS ALAMOS NM 87544

NELSON TIMOTHY & LINDA REVOC TRUST
242 GARVER LANE
WHITE ROCK NM 87547

REAL DEAL THEATER LLC
2610 TRINITY DR SUITE 4
LOS ALAMOS NM 87544

WALTHERS LIVING TRUST
44 TIMBER RIDGE RD
LOS ALAMOS NM 87544

RUTHERFORD STEVEN WILLIAM
2356 FERGUSON AVE
BOZEMAN, MT 59718

TIMBER RIDGE PROPERTY OWNERS
P O BOX 30
LOS ALAMOS NM 87544

SHERWOOD JANE C
43 TIMBER RIDGE RD
LOS ALAMOS NM 87544

NERI FILIPPO
505 OPPENHEIMER DR 206
LOS ALAMOS NM 87544

DEAL FAMILY LLC
2610 TRINITY DR SUITE 4
LOS ALAMOS NM 87544

VAN LYSSEL R M INC
2591 TRINITY DR
LOS ALAMOS NM 87544

HAN CLIFF S & LANA L
635 NAVAJO RD
LOS ALAMOS NM 87544

LOS ALAMOS COUNTY
P O BOX 30
LOS ALAMOS NM 87544

DAUN KEITH B & PATRICIA C
42 TIMBER RIDGE
LOS ALAMOS NM 87544

WIGGINS MINH & LEE
505 OPPENHEIMER DR #202
LOS ALAMOS NM 87544

LIM LA SEI REVOC TRUST
50 TIMBER RIDGE RD
LOS ALAMOS NM 87544

RIDGE PARK LUXURY CONDOMINIUMS
505 OPPENHEIMER DR
LOS ALAMOS NM 87544

FOISY JENEVRA M & TODD R
505 OPPENHEIMER #204
LOS ALAMOS NM 87544

CAO YOUFANG & WU XIAN
49 TIMBER RIDGE RD
LOS ALAMOS NM 87544

GRIFFIN JOE A & SHARON E REVOC TRUST
505 OPPENHEIMER #417
LOS ALAMOS NM 87544

DEMANGE PAUL & ALMA I
505 OPPENHEIMER #201
LOS ALAMOS NM 87544

SEDLACEK CHERYL M & WILLIAM B
48 TIMBER RIDGE RD
LOS ALAMOS NM 87544

CIDDIO JACQUELINE S
505 OPPENHEIMER DR 413
LOS ALAMOS NM 87544

OPSAHL RICHARD B & JUDITH E
501 PORTOLA RD 8100
PORTOLA VALLEY CA 94028

HSU HSIAO HUA & FLORENCE M
31 RIM ROAD
LOS ALAMOS NM 87544

ZEYTUN AHMET
2487A 45TH ST
LOS ALAMOS NM 875441624

LITTLE DENNIS J
505 OPPENHEIMER DR #211
LOS ALAMOS NM 87544

KOGAN ALEKSANDR & BERMAN L
505 OPPENHEIMER DR 212
LOS ALAMOS NM 87544

PHILLIPS JOHN C TRUST
PO BOX 221
GALLINA NM 87017

WIBBERT ADRIANNE
505 OPPENHEIMER DR #316
LOS ALAMOS NM 87544

STEGER MARK J
505 OPPENHEIMER DR # 207
LOS ALAMOS NM 87544

VALDEZ SARAH A
505 OPPENHEIMER DR 112
LOS ALAMOS NM 87544

SHAO XUAN-MIN & YAN MEILIN REV TR
1327 SAN ILDEFONSO RD
LOS ALAMOS NM 87544

PETER WILLIAM K REV TRUST
5710 KINGSWOOD ROAD
BETHESDA MD 20814

ARVAI ANDREW S
7111 DENNISON PLACE
SAN DIEGO CA 92122

KIM CHANG YUB & HEUNGBOK
1620 SOLANA
LOS ALAMOS NM 87544

NAJERA LORENZO & CHERISE
4934 DREAM DANCER DR NE
RIO RANCHO NM 87144

KOOP MYRON L
505 OPPENHEIMER DR 108
LOS ALAMOS NM 87544

SHULL CHARLES A & BILLIE B REV TRUST
400 OPPENHEIMER DR
LOS ALAMOS NM 87544

ZHAO XINXIN & SHAOPING CHU
191 PIEDRA LOOP
WHITE ROCK NM 87547

TRAHAN ALEXIS & TRAVIS & KAPLAN FAMILY TRUST
PO BOX 2342
STATELINE NV 89449

FISCHER SAMUEL & KRAEMER CHRISTINA
5250 QUEMAZON
LOS ALAMOS NM 87544

BOROVINA DAN L & KAREN G
3056 MONTE SORENO
SANTA FE NM 87506

NASISE JOSEPH E & ROBERT S
13930 PARK PLACE
RED BLUFF CA 96080-7939

LITTLE DENNIS
505 OPPENHEIMER DR 305
LOS ALAMOS NM 87544

MODL DAVID G & RIEBE JOYCE J REVOC TRUST
6800 NAGOYA RD NE
RIO RANCHO NM 87144

SMELTZER MARLENE E
505 OPPENHEIMER DR #109
LOS ALAMOS NM 87544

QUINTANA AUDREY J L
3003 CALLE QUIETA
SANTA FE NM 87507

HAN SHUNSHENG & LENG NA
505 OPPENHEIMER DR #101
LOS ALAMOS NM 87544

OPPENHEIM ELIZABETH J
505 OPPENHEIMER DR 318
LOS ALAMOS NM 87544

GUTIERREZ REVOC TRUST
9 PRIMROSE LANE
LOS ALAMOS NM 87544

KATZ MAURICE & ELIZABETH
PO BOX 290
TESUQUE NM 87574

EPPLER CAROLYN
150 WEST 58ST 11A
NEW YORK NY 10019

COFFIN FAMILY TRUST
3727 N KINGS PEAK CIRCLE
MESA AZ 85215-7745

SANCHEZ MARK & TERRY
423 RIVERSIDE DR
ESPANOLA NM 87532

CARLTON PROPERTIES
P.O. BOX 1073
GOLDEN CO 80402

ORTIZ STEPHANIE BOONE
275 EL VIENTO ST
LOS ALAMOS NM 87544-2419

YOUNG JUDITH
505 OPPENHEIMER DR #409
LOS ALAMOS NM 87544

HGC LLC
1625 SONRISA
LOS ALAMOS NM 87544

ADKINS PROPERTIES LLC
5514 AMIGO WAY NE
ALBUQUERQUE NM 87111

MULLEN MARK F
505 OPPENHEIMER DR #410
LOS ALAMOS NM 87544

ROBERTS PATRICIA A REVOC TRUST & GARTZTROSS
6 DESERT RAIN
SANTA FE NM 87506

TRADING SOLUTIONS LTD
1720 Louisiana Blvd NE, Ste 402
ALBUQUERQUE NM 87110

HALL MARICA
P.O. BOX 1308
LOS ALAMOS NM 87544

DINKEL JAMES A & ROBIN
P O BOX 1414
LOS ALAMOS NM 87544

SAENZ JASON
46 SHORT DR
LOS ALAMOS NM 87544

OWCZAREK ROBERT M & MAKARUK HANNA E
505 OPPENHEIMER DR 320
LOS ALAMOS NM 87544

DINKEL JAMES A & ROBIN A
P.O. BOX 1414
LOS ALAMOS NM 87544

MILLER JEFFREY L REVOC TRUST
44 SHORT DR
LOS ALAMOS NM 87544

MONTOYA THERESA V
505 OPPENHEIMER DR #301
LOS ALAMOS NM 87544

TREASTER BYRON L/GRAY JANE L
P O BOX 659
TESUQUE NM 87574

SANDIN JAN HENRIK
50 SHORT DR
LOS ALAMOS NM 87544

MOAZZAMI RHETA P
505 OPPENHEIMER DR 302
LOS ALAMOS NM 87544

LOS ALAMOS PROF INVEST PARTNER
P.O. BOX 9146
SANTA FE NM 87504

FRANK DAVID F
54 SHORT DR
LOS ALAMOS NM 87544

BECKMAN MARY
P O BOX 2798
SANTA FE NM 87504

LISA SHIN LLC
637 47TH ST
LOS ALAMOS NM 87544

CLANTON ROBERT C
53 SHORT DR
LOS ALAMOS NM 87544

HARRIS JANET M
505 OPPENHEIMER DR #312
LOS ALAMOS NM 87544

BOROVINA DAN & KAREN
32 SHORT DR
LOS ALAMOS NM 87544

DUQUE ISABEL C
51 SHORT DR
LOS ALAMOS NM 87544

GUTIERREZ BENJAMIN S & ALICE R REV TR
9 TIMBER RIDGE RD
LOS ALAMOS NM 87544-2317

ANGELO FAMILY TRUST
221 TURKEY TRACK TRAIL
CANYON TX 79015

MARIAM FESSEHA
49 SHORT DR
LOS ALAMOS NM 87544

LAMBERT LINDA K
15 LOMA VISTA ST
LOS ALAMOS NM 87544

CAFFREY MICHAEL
PO BOX 1222
LOS ALAMOS NM 87544

SMITH J ALLYN & ODERMANN JEANNE M
1030 HAGGARD DR
CLARKSVILLE TN 37043-5643

MILLER JASON C
41 SHORT DR
LOS ALAMOS NM 87544

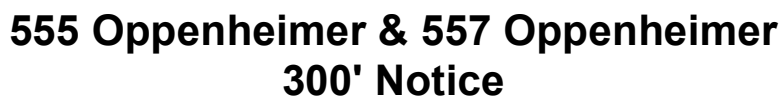
XIE GARY GANG & HSU HUI-WEN REVOC TRUST
2310 CANYON GLEN
LOS ALAMOS NM 87544

JARAMILLO COX MARGARET 2011 IRREVOC TRUS
301 GRIFFIN ST.
SANTA FE NM 87501

SULLIVAN GRAHAM ENID JOAN REVOC TRUST
5070 CARRIAGE HOUSE
LOS ALAMOS NM 87544

LOMA VISTA LLP
21 CAMINO A LAS ESTRELLAS
PLACITAS NM 87043

GARNER BOROVINA PROPERTIES LLC
3056 MONTE SERENO DR
SANTA FE NM 87506





IDRC REPORT

Cases: CPA-2017-0005, REZ- 2017- 0009, & SIT-2017-0023 557 OPPENHEIMER DRIVE

Date of Meeting: November 17, 2017

Member/ Alternate	Dept.	Attended	Recommended Conditions/Comments	Approved	Approved conditions	Abstained
M. Arellano / J. Dudziak	Building	X			X	
T. Baer /	Planning					
D. Erickson	Traffic					
J. Alarid / C. Moseley	Utilities	X			X	
A. Gurule / L. Martinez	Env. Serv.					
E. Martinez/ B. Aragon	PW	X			X	
A. Millmann / J. Naranjo	Planning	X			X	
J. Wetteland / S. Rinaldi	Fire	X			X	
OTHERS ATTENDING:						
A Barela	Planning	X			X	
Paul Andrus	CDD					
K Powers	PW					
M Smith	IM					
Joanie Ahlers	Econ Dev					
* Blue strikethrough indicates not present at meeting.						

MOTION: Steve Rinaldi moved and Eric Martinez seconded that Case SIT-2017-0023 be forwarded to the P&Z Commission with a recommendation for approval with the understanding that the stated concerns and conditions* discussed by IDRC are addressed prior to submittal of the final plat.

Motion passed 7-0

Michael Arellano moved and Steve Rinaldi seconded that Case REZ- 2017- 0009 be forwarded to the P&Z Commission with a recommendation for approval with the understanding that the stated concerns and conditions* discussed by IDRC are addressed prior to submittal of the final plat.

Motion passed 7-0

Subsequent to the Nov 17, 2017 meeting, Michael Arellano moved and James Alarid seconded that Case CPA-2017- 0005 be forwarded to the P&Z Commission with a recommendation for approval with the understanding that the stated concerns and conditions* discussed by IDRC are addressed prior to submittal of the final plat.

Motion passed 7-0

*All conditions as discussed are included as Recommended Conditions of Approval in the combined Staff Report for Comprehensive Plan Future Land Use Amendment, Rezoning, and Site Plan.



1 – From Oppenheimer Drive Looking West



2 – From Intersection of Oppenheimer Drive and Trinity Drive, Looking Southwest



3 – View from Trinity Drive of 555 Oppenheimer Drive



4 – Space between 555 & 557 Oppenheimer Drive, looking south from Trinity Drive



5 – View from Trinity Drive showing parking along north side of both structures



6 – West Property Line



7 – Parking along north side of property



8 – View from Southwest corner of property



9 – 557 Oppenheimer Drive



10 – Parking along south side of property



11 – Parking along south property boundary



County of Los Alamos

Meeting Minutes - Action Only

Planning and Zoning Commission

1000 Central Avenue
Los Alamos, NM 87544

Michael Redondo, Chair; Ashley Mamula; Larry Warner; Melissa Arias; Craig Martin; Jessie Dixon; and Amy Woods, Commissioners.

Wednesday, January 10, 2018

5:30 PM

Council Chambers
1000 Central Avenue

1. **CALL TO ORDER/ROLL CALL**
2. **PUBLIC COMMENT**
3. **APPROVAL OF AGENDA**
4. **PUBLIC HEARING(S)**

- A. Staff Report for the Following Cases Presented to the Planning And Zoning Commission Meeting on January 10, 2018.

Case No. CPA-2017-0005: A request for Comprehensive Plan Future Land Use Map amendment for two (2) lots from Commercial/Office designation to Mixed Use designation, located at 555 and 557 Oppenheimer Drive, also known as Lot 1 and Lot 2 on the Trinity/Oppenheimer Subdivision Final Plat

Case No. REZ-2017-0009: A request to rezone two (2) lots from P-O (Professional Office) District, to MU (Mixed Use) District, located at 555 and 557 Oppenheimer Drive, also known as Lot 1 and Lot 2 on the Trinity/Oppenheimer Subdivision Final Plat

Case No. SIT-2017-0023: A request for Site Plan approval for redevelopment activities for one (1) lot at 557 Oppenheimer Drive, also known as Lot 1 and Lot 2 on the Trinity/Oppenheimer Subdivision Final Plat
The cases are discussed in one report but each case will have a separate motion.

Commissioner Mamula moved that the Planning and Zoning Commission recommend that the Los Alamos County Council approve Case No. CPA-2017-0005 for a Comprehensive Plan Future Land Use Map amendment, for two (2) parcels, from Commercial/Office designation, to Mixed Use designation, located at 555 and 557 Oppenheimer Drive (also known as Lot 1 and Lot 2 on the Trinity/Oppenheimer Subdivision Final Plat)

Commissioner Warner seconded the motion. The motion passed 6-0

Commissioner Arias moved that the Planning and Zoning Commission recommend that the Los Alamos County Council approve Case No. REZ-2017-0009 to rezone two (2) parcels from P-O (Professional Office) district, to MU (Mixed Use) district, located at 555 and 557 Oppenheimer Drive (also known as Lot 1 and Lot 2 on the Trinity/Oppenheimer Subdivision Final Plat);

Commissioner Warner seconded the motion. The motion passed 6-0

Commissioner Dixon moved that the Planning and Zoning Commission approve Case No. SIT-2017-0023 site plan for redevelopment activities for one (1) parcel, located at 557 Oppenheimer Drive (also known as Lot 2 on the Trinity/Oppenheimer Subdivision Final Plat). I further move that the applicant refer to the Staff Report's site plan discussion of the IDRC's recommendations for building permits on this case.

Commissioner Martin seconded the motion. The motion passed 6-0

5. PLANNING AND ZONING COMMISSION BUSINESS

- A. Minutes from the Planning And Zoning Commission Meeting(s) on December 13, 2017.
- Commissioner Mamula moved that the Commission approve the Minutes for December 13, 2017..
- Commiiisioner Warner seconded the motion.

- B. Elections - Discussion, possible action

6. COMMISSION/DIRECTOR COMMUNICATIONS

- A. Department Report
- B. Chair's Report
- C. Committee Reports
- D. Board of Adjustment Report
- E. Commissioner's Comments

7. PUBLIC COMMENT

8. ADJOURNMENT

PLEASE NOTE: Any action by the Planning and Zoning Commission in granting approval, conditional approval or disapproval of an application may be appealed by the applicant or by persons who have a personal or pecuniary interest adversely affected by the decision as defined by Section 16-454 of the County Code. Such appeals must be filed with the Community Development Department within 15 days of the action in accordance with Section 16-492.

If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing or meeting, please contact the County Human Resources Division at 505-662-8040 at least one week prior to the meeting or as soon as possible.

Public documents, including the agenda and minutes can be provided in various accessible formats. Please contact the personnel in the Community Development Department Office at 505-662-8006 if a summary or other type of accessible format is needed.

BEFORE THE INCORPORATED COUNTY OF LOS ALAMOS

PLANNING & ZONING COMMISSION

IN THE MATTER OF:

Case No. CPA-2017-0005. A proposal to)
 amend the Comprehensive Plan Future Land)
 Use Map, changing a parcel, addressed 555 and 557)
 Oppenheimer, and consisting of 1.43± acres, from)
 "Professional Office" to "Mixed Use".)

FINAL ORDER APPROVING APPLICATION

THIS MATTER came before a quorum of the Los Alamos County Planning and Zoning Commission ("Commission") for a public hearing, on Wednesday, January 10, 2018, based on the application by Los Alamos Professional Investment Partners, A proposal to amend the Comprehensive Plan Future Land Use Map, changing two (2) parcels, addressed 555 and 557 Oppenheimer Drive, and consisting of 1.43± acres, from "Professional Office" to "Mixed Use". The Commission, having taken sworn testimony, considered relevant evidence of record and argument of the parties, and the Commission being otherwise well and sufficiently advised in the premises, finds as follows:

1. The Land is owned by Los Alamos Professional Investment Partners.
2. The request is consistent with the overall goals and policies of the 2016 Los Alamos Comprehensive Plan as adopted by the County Council in December 2016.
3. The parcel under consideration is approximately 1.43± acres.
4. Adequate infrastructure is available or can be designed to serve the proposal.
5. Utilities, infrastructure, and emergency services will be provided to the site at the time of development in compliance with development standards.
6. Public Notice has been made in compliance with the County Development Code.

After full hearing and consideration, the Planning and Zoning Commission finds that the Applicant has met each applicable review criteria for Comprehensive Plan Amendments contained in §16-161 of the Los Alamos County Development Code,

and therefore is acting under the authority granted it by §16-452(j)(1)(a) of the Development Code.

NOW THEREFORE, the request to amend the Comprehensive Plan Future Land Use Map, changing parcel, addressed 125 DP Road, also known as A-8-A, and consisting of 21.69+ acres, from "High Density Residential" to "Mixed Use", **IS HEREBY RECOMMENDED TO COUNCIL.**

APPROVED this January 12, 2018.

BY: 

Michael Redondo, CHAIR
Planning and Zoning Commission
County of Los Alamos



County of Los Alamos

Minutes

County Council - Regular Session

Los Alamos, NM 87544
www.losalamosnm.us

David Izraelevitz, Council Chair; Christine Chandler, Council Vice Chair; James Chrobocinski, Antonio Maggiore, Susan O'Leary, Rick Reiss, and Pete Sheehey, Councilors

Tuesday, February 27, 2018

6:00 PM

Council Chambers - 1000 Central
Avenue
TELEVISION

1. OPENING/ROLL CALL

The Council Chair, David Izraelevitz, called the meeting to order at 6:01 p.m.

The following Councilors were in attendance:

Present 6 - Councilor Chandler, Councilor Maggiore, Councilor Izraelevitz,
Councilor Sheehey, Councilor Chrobocinski and Councilor O'Leary

Remote 1 - Councilor Reiss

2. PLEDGE OF ALLEGIANCE

Led by: All

3. STATEMENT REGARDING CLOSED SESSION

March 6, 2018 Closed Session Motion

A motion was made by Councilor Chandler, seconded by Councilor Maggiore, that Council approve the following statement for inclusion in the minutes: "The matters discussed in the closed session held on February 15, 2018 that began at 5:00 p.m. were limited only to those topics specified in the notice of the closed session, and no action was taken on any matter in that closed session."

The motion passed by acclamation with the following vote:

Yes: 6 - Councilor Chandler, Councilor Maggiore, Councilor Izraelevitz,
Councilor Sheehey, Councilor Reiss and Councilor Chrobocinski

Abstain: 1 - Councilor O'Leary

4. PUBLIC COMMENT

Mr. James Whitehead, 200 Camino Encantado, spoke regarding a letter to the editor written May 21, 2017 and announced his candidacy for Sheriff.

5. APPROVAL OF AGENDA

A motion was made by Councilor Sheehey, seconded by Councilor Chandler, that the agenda be approved as presented.

The motion passed by acclamation with the following vote:

Yes: 7 - Councilor Chandler, Councilor Maggiore, Councilor Izraelevitz, Councilor Sheehey, Councilor Reiss, Councilor Chrobocinski and Councilor O'Leary

6. PUBLIC COMMENT FOR ITEMS ON CONSENT AGENDA

None.

7. CONSENT AGENDA**Consent Motion -**

A motion was made by Councilor Chandler, seconded by Councilor Maggiore, that Council approve the items on the Consent Agenda, as presented and that the motions contained in the staff reports be included for the record.

A. [AGR0557-18](#)

Award of Bid No. IFB18-19 in the Amount of \$929,856 plus Applicable Gross Receipts Tax to American Environmental Group LTD, LLC for the Landfill Gas Collection and Control System Project; Establish a Project Budget in the Amount of \$1,281,490.00; Approve Related Budget Revision 2018-11 in the Amount of \$281,490; and approve Amendment No.1 to Agreement No. 16-060 with Stearns, Conrad and Schmidt Consulting for Engineering and Design Services increasing compensation in the amount of \$83,550.00.

I move that Council Award Bid No. IFB18-19 in the Amount of \$929,856 plus Applicable Gross Receipts Tax to American Environmental Group LTD, LLC for the Landfill Gas Collection and Control System Project; Establish a Project Budget in the Amount of \$1,281,490; Approve Related Budget Revision 2018-11 in the Amount of \$281,490; and approve Amendment No.1 to Agreement No. 16-060 with Stearns, Conrad and Schmidt Consulting for Engineering and Design Services increasing compensation in the amount of \$83,550.00.

B. [10394-18](#)

Award of Bid No. IFB18-22 for the Purpose of Otowi Well #2 Transmission Line Improvements

I move that Council approve the Award of Bid No. 18-22 for the Purpose of the Otowi Well #2 Transmission Line Improvements with General Hydronics Utilities, Inc. in the amount of \$181,775.88 and a contingency in the amount of \$25,000.00, for a total of \$206,775.88, plus Applicable Gross Receipts Tax.

- C. [10344-18](#) Acceptance of the Tourism Strategic Plan and Consideration of an Ad Hoc Tourism Implementation Task Force

I move to accept the Tourism Strategic Plan, appoint an Ad Hoc Tourism Implementation Task Force composed of tourism stakeholders and citizens, direct staff to return to Council with proposed members and charter of Task Force in the next 45 days.

- D. [10425-18](#) Consideration of Budget Revision 2018-12

I move that Council approve Budget Revision 2018-12 as summarized on attachment A and that the attachment be made a part of the minutes of this meeting.

- E. [10437-18](#) Approval of the Transfer of Profit from Electric and Gas Funds to the General Fund for Operations During Fiscal Year 2017.

I move that Council approve the transfer of revenues from the electric and gas funds to the general fund for electric and gas operations during fiscal year 2017 in accordance with Incorporated County of Los Alamos Resolution 97-07.

- F. [10472-18](#) County Council Minutes for January 30, 2018 and February 6, 2018

I move that Council approve the County Council Minutes for January 30, 2018 and February 6, 2018.

Approval of Consent Agenda

The motion passed with the following vote:

Yes: 7 - Councilor Chandler, Councilor Maggiore, Councilor Izraelevitz, Councilor Sheehey, Councilor Reiss, Councilor Chrobocinski and Councilor O'Leary

8. PUBLIC HEARING(S)

- A. **OR0798-18b** Incorporated County of Los Alamos Ordinance No. 677. An Ordinance Authorizing Revision No. 2018-01 In Textual form to the Official Zoning Map of Los Alamos County by Rezoning Two (2) Contiguous Parcels with a total of approximately 1.44 acres of land located at 555 Oppenheimer, owned by 555 Oppenheimer Condominium Association, Inc., and 557 Oppenheimer, owned by Los Alamos Professional Investment Partnership, Timber Ridge Subdivision 2, Unit 2, Lot 1 and Lot 2, from P-O (Professional Office District) to MU (Mixed Use).

Mr. Harry Burgess, County Manager, spoke.

Mr. Andrew Harnden, Housing and Special Projects Manager, presented.

Mr. Alvin Leaphart, County Attorney, spoke.

Mr. Kevin Powers, Assistant County Attorney, spoke.

Mr. Paul Andrus, Community Development Director, spoke.

Mr. Ryan Markey, Applicant, spoke.

Public Comment:

None.

A motion was made by Councilor Chrobocinski, seconded by Councilor Sheehey, that Council adopt Incorporated County of Los Alamos Ordinance No. 677 Authorizing Revision No. 2018-01 In Textual form to the Official Zoning Map of Los Alamos County by Rezoning Two (2) Contiguous Parcels with a total of approximately 1.44 acres of land located at 555 Oppenheimer, owned by 555 Oppenheimer Condominium Association, Inc., and 557 Oppenheimer, owned by Los Alamos Professional Investment Partnership, Timber Ridge Subdivision 2, Unit 2, Lot 1 and Lot 2, from P-O (Professional Office District) to MU (Mixed Use); and further moved that the Ordinance be published in summary form.

The motion passed with the following vote:

Yes: 6 - Councilor Maggiore, Councilor Izraelevitz, Councilor Sheehey, Councilor Reiss, Councilor Chrobocinski and Councilor O'Leary

No: 1 - Councilor Chandler

9. COUNCIL BUSINESS

A. Appointments

- 1) [10406-18](#) Board/Commission Appointments for the Planning and Zoning Commission

A motion was made by Councilor Maggiore to nominate Ralph Chapman, Jean Dewart, Todd Haagenstad, Neal Martin, Beverly Neal-Clinton, Dave North, Terry Priestley, Jacqueline Shen, Richard Thompson, or April Wade to fill five (5) vacancies on the Planning and Zoning Commission; and further moved that Council appoint the five (5) nominees to the vacant positions by roll call vote. The nominees with the three highest votes of four or more will be appointed to the terms beginning April 01, 2018 and ending on March 31, 2021 and the two nominees with the next highest votes of four or more will fill partial terms ending on March 31, 2019.

Councilor Izraelevitz called for a roll call vote to appoint members to the Planning and Zoning Commission.

Councilor's Sheehey, O'Leary, and Chrobocinski voted for:
Ralph Chapman

Councilor's Izraelevitz, Sheehey, Chandler, Maggiore, and Reiss voted for:
Jean Dewart

Councilor O'Leary voted for:
Todd Haagenstad

Councilor's Izraelevitz, Chandler, Chrobocinski, Maggiore, O'Leary, Sheehey, and Reiss voted for:
Neal Martin

Councilor's Izraelevitz, Chandler, Chrobocinski, Maggiore, O'Leary, Sheehey, and Reiss voted for:
Beverly Neal Clinton

Councilor's Izraelevitz, Chandler, Chrobocinski, Maggiore, Sheehey, and Reiss voted for:
Terry Priestly

Councilor Chrobocinski voted for:
Jacqueline Shen

Councilor's Izraelevitz, Chandler, Maggiore, O'Leary, and Reiss voted for:
April Wade

After a roll call vote, Neal Martin, Beverly Neal Clinton, and Terry Priestly were appointed to the Planning and Zoning Commission for the terms beginning April 01, 2018 and ending on March 31, 2021; Jean Dewart, and April Wade were appointed to the Planning and Zoning Commission for partial terms ending on March 31, 2019.

A motion was made by Councilor Maggiore, seconded by Councilor Chrobocinski, that Council acknowledge that Terry Priestley intends to continue serving on the Personnel Board while serving on the Planning and Zoning Commission, Council finds these two positions not incompatible, Council approves of him serving concurrently on both boards, and hereby appoints Terry Priestley to the Planning and Zoning Commission.

The motion passed with the following vote:

Yes: 7 - Councilor Izraelevitz, Councilor Chandler, Councilor Chrobocinski, Councilor Maggiore, Councilor O'Leary, Councilor Reiss, and Councilor Sheehey

2) [10446-18](#) Board/Commission Appointment - Transportation Board

A motion was made by Councilor Maggiore to nominate Julie Bennett, Terence Foecke, Neal Martin, Ryan McIntyre, David Sherrill, Sriram Swaminarayan, and Kyle Wheeler for the Transportation Board to fill three full term vacant positions which begin March 1, 2018, and end on February 28, 2020 and one partial term which begins March 1, 2018 and ends February 28, 2019. By roll call vote, Councilors vote for four (4) nominees and the three (3) with the highest vote totals of four or more will be appointed to fill the three (3) full terms which will expire on February 28, 2020. The next highest nominee with a vote of four or more will be appointed to a partial term ending February 28, 2019.

Councilor Izraelevitz called for a roll call vote to appoint members to the Transportation Board.

Councilor's Izraelevitz, Chandler, Chrobocinski, Maggiore, O'Leary, Sheehey, and Reiss voted for:
Julie Bennett

Councilor's Izraelevitz, Chandler, Chrobocinski, Maggiore, O'Leary, Sheehey, and Reiss voted for:
Terence Foecke

Councilor Izraelevitz voted for:
Ryan McIntyre

Councilor's Izraelevitz, Chandler, Chrobocinski, Maggiore, O'Leary, Sheehey, and Reiss voted for:
Sriram Swaminarayan

Councilor's Chandler, Chrobocinski, Maggiore, O'Leary, Sheehey, and Reiss voted for:
Kyle Wheeler

After a roll call vote, Julie Bennett, Terence Foecke, and Sriram Swaminarayan were appointed to the Transportation Board for the full terms positions which begin March 1, 2018, and end on February 28, 2020, Kyle Wheeler was appointed to the Transportation Board for the partial term which begins March 1, 2018 and ends February 28, 2019.

B. Board, Commission and Committee Liaison Reports

None.

C. County Manager's Report

1) [10431-18](#) County Manager's Report for February 2018

County Manager Harry Burgess reported on the case regarding the Pajarito Cliffs Site, in the month of January residential and commercial permits exceeded the sales from last year at this same time, there is a new play lot at East Park, the median at 36th and Arizona is planted and has a watering system in place, mitigation activities are being planned in the graduated canyon area, 55 wayfinding signs were installed on the trails in the month of January, the Teen Center has achieved LEED Certified status, HVAC and lighting upgrades will occur in August, roll carts for yard trimmings are available free of charge, and Buzz buses will be available on March 17.

D. Council Chair Report

Councilor Izraelevitz reported that Council is awaiting a decision on Senate Bill 17.

E. General Council Business

1) [10228-18](#) Approval of the 2018 Federal Agenda

Mr. Harry Burgess, County Manager, spoke.

Public Comment:
None.

A motion was made by Councilor Maggiore, seconded by Councilor Chandler, that Council adopt the Los Alamos County 2018 Federal Agenda with the following amendment; the request for \$229 million in EM funds be changed to \$214 million.

The motion passed with the following vote:

Yes: 7 - Councilor Chandler, Councilor Maggiore, Councilor Izraelevitz, Councilor Sheehey, Councilor Reiss, Councilor Chrobocinski and Councilor O'Leary

- 2) [RE0365-18](#) Incorporated County of Los Alamos Resolution No. 18-04: A Resolution Supporting the Retention and Expansion of Plutonium Pit Production at Los Alamos National Laboratory.

Mr. Harry Burgess, County Manager, spoke.

Public Comment:

None.

A motion was made by Councilor Chandler, seconded by Councilor Chrobocinski, that Council adopt Incorporated County of Los Alamos Resolution No. 18-04, a resolution supporting the Retention and Expansion of Plutonium Pit Production at Los Alamos National Laboratory.

The motion passed with the following vote:

Yes: 7 - Councilor Chandler, Councilor Maggiore, Councilor Izraelevitz, Councilor Sheehey, Councilor Reiss, Councilor Chrobocinski and Councilor O'Leary

- 3) [10322-18](#) Approval of 2018 Strategic Leadership Plan Update

Mr. Harry Burgess, County Manager, spoke.

Public Comment:

None.

A motion was made by Councilor Reiss, seconded by Councilor Sheehey, that Council approve the Los Alamos County updated 2018 Strategic Leadership Plan with the amendments noted by the chair as follows: Economic Vitality: Promote vitality in our neighborhoods and downtown areas and eliminate blight in Los Alamos and White Rock as part of an overall property maintenance and beautification effort; Quality Governance: Maintain and improve quality essential services and supporting infrastructure including updated enterprise software and permitting.

The motion passed with the following vote:

Yes: 7 - Councilor Chandler, Councilor Maggiore, Councilor Izraelevitz, Councilor Sheehey, Councilor Reiss, Councilor Chrobocinski and Councilor O'Leary

F. Approval of Councilor Expenses

A motion was made by Councilor Maggiore, seconded by Councilor Chandler, to approve travel expenses for Councilors to attend the ECA (Energy Communities Alliance) trip and the Regional Coalition in April.

The motion passed by acclamation with the following vote:

Yes: 7 - Councilor Chandler, Councilor Maggiore, Councilor Izraelevitz, Councilor Sheehey, Councilor Reiss, Councilor Chrobocinski and Councilor O'Leary

G. Preview of Upcoming Agenda Items

None.

10. COUNCILOR COMMENTS

Councilor O'Leary thanked the tourism work group for volunteering their time and guidance.

Councilor Chandler acknowledged Councilor Izraelevitz and Councilor Reiss for the coordination and work they did on Senate Bill 17.

11. PUBLIC COMMENT

Mr. Michael Redondo, 390 Manhattan Loop, advised board of adjustment meetings have been postponed due to the lack of a quorum and requested those who were appointed to be notified soon.

12. ADJOURNMENT

The meeting adjourned at 8:06 p.m.

INCORPORATED COUNTY OF LOS ALAMOS

David Izraelevitz, Council Chair

Attest:

Naomi D. Maestas, County Clerk

Meeting Transcribed by: Victoria L. Martinez, Deputy Clerk



County of Los Alamos

Staff Report

April 03, 2018

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.: A.

Index (Council Goals):

Presenters: Paul Andrus, Community Development Director

Legislative File: RE0368-18

Title

Resolution No. 18-01 Amending the Comprehensive Plan Future Land Use Map changing Two Parcels Totalling +/- 1.44 acres located at 555 and 557 Oppenheimer Drive, Owned by 555 Oppenheimer Condominium Association, Inc. and Los Alamos Professional Investment Partnership, Sub: Timber Ridge 2, Unit 2, Lot 1 and Lot 2, from "COMMERCIAL / OFFICE" To "MIXED-USE."

Recommended Action

I move that Council Adopt Resolution No. 18-01 Amending the Comprehensive Plan Future Land Use Map changing Two Parcels Totalling +/- 1.44 acres located at 555 and 557 Oppenheimer Drive, Owned by 555 Oppenheimer Condominium Association, Inc. and Los Alamos Professional Investment Partnership, Sub: Timber Ridge 2, Unit 2, Lot 1 and Lot 2, from "COMMERCIAL / OFFICE" To "MIXED-USE." I further move that the Resolution be published in summary form.

County Manager's Recommendation

The County Manager recommends approval of this Resolution.

..Council Action Required Before Resolution 18-01 Can Be Adopted

Before Resolution No. 18-01 can be adopted by Council, Council must first hold a Public Hearing to consider the recommendation of the Planning Commission to approve the Comprehensive Plan Future Land Use Map Amendment. If after the Public Hearing Council votes to approve the Comprehensive Plan Future Land Use Map Amendment, Council may adopt the Resolution.

Board, Commission or Committee Recommendation

At its January 10, 2018 meeting, the Planning and Zoning Commission considered 3 related cases and recommended that the Los Alamos County Council approve Case No. CPA-2017-0005: Request to Amend the Comprehensive Plan Future Land Use Map for 2 Lots located at 555 and 557 Oppenheimer Drive, from Commercial/ Office designation to Mixed-Use designation; and Case No. REZ-2017-0009: Request to Rezone 2 lots located at 555 and 557 Oppenheimer Drive, from P-O (Professional Office) District, to MU (Mixed Use) District. The Commission also approved Case No. SIT-2017-0023: Request for Site Plan Approval for 1 Lot at 557 Oppenheimer Drive for redevelopment, conditional to Council approval of the Requests for Future Land Use Map Amendment and Rezoning.

Body

The Applicant submitted applications to the Community Development Department for: Comprehensive Plan Future Land Use Map Amendment; Rezoning; and Site Plan approval. Site plan approval is conditional to the Applicant's proposal to amend the Future Land Use Map of

the 2016 Comprehensive Plan and to the Rezoning of the two properties. The application for Site Plan Approval for 557 Oppenheimer Drive is to add a third story to the existing 2-story building in order to create two floors of 16 total new residential units. At its January 10, 2018 meeting, the Planning and Zoning Commission recommended that the Los Alamos County Council approve the request to Amend the Comprehensive Plan Future Land Use Map and the request for the Rezoning, and approved the request for Site Plan approval, conditional to Council approval of the requests for Future Land Use Map Amendment and Rezoning. At its February 27, 2018 meeting, the County Council voted to adopt Ordinance 677 for the Rezoning of the two lots from P-O (Professional Office) District to MU (Mixed Use) District. The rezoning of the two lots from P-O (Professional Office) to MU (Mixed Use) District will allow the Applicant's intended additional use of new residential units and will not disallow any of the properties' current uses.

The Applicant's proposal conforms to the goals and policies of the Comprehensive Plan and is consistent with Council's Strategic Leadership Plan Goals for promoting the creation of a variety of housing options for all segments of the Los Alamos Community, including infill opportunities as appropriate. The application for Comprehensive Plan Future Land Use Map Amendment is consistent with County Code Section 16-161 which establishes the criteria for Comprehensive Plan Future Land Use Map Amendments.

Amendment of the Future Land Use Map designation for the two lots from Commercial/Office to Mixed-Use will create a Future Land Use Map designation that is compatible with the two lots' Zoning designation of Mixed Use.

Public Notification for this hearing has been done in accordance with County Code.

No public comment has been received.

Alternatives

The County Council could choose not to Adopt Resolution 18-01 to Amend the Future Land Use Map.

Attachments

A - Publication Notice for Resolution No. 18-01

B - Resolution No. 18-01

NOTICE OF RESOLUTION NO. 18-01

STATE OF NEW MEXICO, COUNTY OF LOS ALAMOS

Notice is hereby given that the Council of the Incorporated County of Los Alamos, State of New Mexico, has directed publication of Los Alamos County Resolution No. 18-01. This will be considered by the County Council at an open meeting on Tuesday, April 3, 2018 at 6:00 p.m., at the Los Alamos County Municipal Building: 1000 Central Avenue, Los Alamos, New Mexico 87544. The full copy is available for inspection or purchase, during regular business hours, in the County Clerk's Office: 1000 Central Avenue, Suite 240.

INCORPORATED COUNTY OF LOS ALAMOS RESOLUTION NO. 18-01

A RESOLUTION AMENDING THE COMPREHENSIVE PLAN / FUTURE LAND USE MAP CHANGING TWO PARCELS TOTALING +1.44 ACRES, LOCATED AT 555 OPPENHEIMER, OWNED BY 555 OPPENHEIMER CONDOMINIUM ASSOCIATION, INC., AND 557 OPPENHEIMER, OWNED BY LOS ALAMOS PROFESSIONAL INVESTMENT PARTNERSHIP, SUB: TIMBER RIDGE 2, UNIT 2, LOT 1 AND LOT 2, BOTH FROM "COMMERCIAL / OFFICE" TO "MIXED-USE"

Council of the Incorporated County of Los Alamos

By: /s/ David Izraelevitz, Council Chair

Attest: /s/Naomi D. Maestas, County Clerk

INCORPORATED COUNTY OF LOS ALAMOS RESOLUTION NO. 18-01

**A RESOLUTION AMENDING THE COMPREHENSIVE PLAN / FUTURE LAND USE MAP
CHANGING TWO PARCELS TOTALING ±1.44 ACRES, LOCATED AT 555 OPPENHEIMER,
OWNED BY 555 OPPENHEIMER CONDOMINIUM ASSOCIATION, INC., AND 557
OPPENHEIMER, OWNED BY LOS ALAMOS PROFESSIONAL INVESTMENT
PARTNERSHIP, SUB: TIMBER RIDGE 2, UNIT 2, LOT 1 AND LOT 2, BOTH FROM
“COMMERCIAL / OFFICE” TO “MIXED-USE”**

WHEREAS, State Statutes and the Los Alamos of County Code of Ordinances (“Code”) require that the Incorporated County of Los Alamos (“County”) have and maintain a Comprehensive Plan (“Plan”), and that zoning regulations be in accordance with the Plan; and

WHEREAS, the existence of the Plan is fundamental to any future public or private development of the County; and

WHEREAS, the current Comprehensive Plan Future Land Use Map, approved previously with extensive community involvement, was adopted by Council of the Incorporated County of Los Alamos (“Council”) in December, 2016; and

WHEREAS, the request is consistent with the overall goals and policies of the 2016 Los Alamos Comprehensive Plan as adopted by Council in December 2016; and

WHEREAS, the current Plan is a document that includes many details which will change and adapt over time as market and physical conditions change; and

WHEREAS, the Plan is an overall vision, fundamental planning and development principles, major land uses, and a general implementation strategy that that should continue through the life of the Plan; and

WHEREAS, the parcels under consideration are approximately 1.44 acres; and

WHEREAS, adequate infrastructure is available or can be designed to serve the proposal; and

WHEREAS, on January 10, 2018, after a properly-noticed public hearing, the Planning and Zoning Commission voted to recommend to Council that Council amend the Comprehensive Plan Future Land Use Map as part of the plan to allow Mixed-Use development on the south side of Trinity in an area formerly indicated as Commercial / Office.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Incorporated County of Los Alamos that:

1. The amendment conforms to the vision statement and policy plan of the comprehensive plan and to the Strategic Leadership Plan of the county council; and
2. The amendment responds to changed conditions; and
3. The amendment does not conflict with other parts of the comprehensive plan; and

4. The Los Alamos County Comprehensive Plan is amended to adopt the amendment to the Future Land Use Map.

PASSED AND ADOPTED this 27th day of February, 2018.

**COUNCIL OF THE INCORPORATED
COUNTY OF LOS ALAMOS**

Council Chair

ATTEST: (SEAL)

**Naomi D. Maestas
Los Alamos County Clerk**



County of Los Alamos

Staff Report

April 03, 2018

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.: B.

Index (Council Goals):

Presenters: Antonio Maggiore, Councilor and James T. Chrobocinski, Councilor

Legislative File: RE0369-18

Title

Incorporated County of Los Alamos Resolution No. 18-08: A resolution declaring a Moratorium of sixty (60) days on the Enforcement of or Issuance of Various Notices and Citations of Article II of Chapter 18 and Chapter 16 of the Los Alamos County Code of Ordinances, Except for Violations Immediately Affecting Health, Safety, and Welfare.

Recommended Action

I move that Council adopt Incorporated County of Los Alamos Resolution No. 18-08, a resolution declaring a Moratorium of sixty (60) days on the Enforcement of or Issuance of Various Notices and Citations of Article II of Chapter 18 and Chapter 16 of the Los Alamos County Code of Ordinances, Except for Violations Immediately Affecting Health, Safety, and Welfare

Body

This Resolution is being proposed to give a 60 day (or shorter depending on if and how quickly the citizen board is formed) break from code enforcement activities. This is down from the previously proposed 90 day moratorium. This moratorium still allows for the enforcement of violations that pose a direct and immediate risk to the public's health, safety and welfare. It is hoped that this will be seen as a good faith acknowledgement from council that the current status quo operations of CDD code enforcement staff have at times been poorly received by the public. Code enforcement is a vital and necessary program, and this should not be seen as an attempt to diminish or punish the code enforcement department, rather the intention of this Resolution is to provide both staff and the public with a short break from code enforcement activities to prevent the strained relationship from becoming even more fractured and animus. During this 60 day period it is expected that staff will pursue outreach efforts with the community as well as internally looking at ways to clarify the Notices of Violation to include not just the county code but the specific issues on each property being noticed as well as remediation efforts requested/required, as well as ensuring that there are clear departmental procedures in place for how and when to issue NOVs.

Alternatives

The County Council can choose to not adopt this resolution which will have no impact to current County operations, but may leave citizen concerns unaddressed. The Council may also recommend that the resolution be returned for additional consideration, comment or editing based on further staff, public, or Council comments.

Attachments

A - Publication Notice for Resolution No. 18-08

B - Incorporated County of Los Alamos Resolution No. 18-08

NOTICE OF RESOLUTION NO. 18-08

STATE OF NEW MEXICO, COUNTY OF LOS ALAMOS

Notice is hereby given that the Council of the Incorporated County of Los Alamos, State of New Mexico, has directed publication of Los Alamos County Resolution No. 18-08. This will be considered by the County Council at an open meeting on Tuesday, April 3, 2018 at 6:00 p.m., at the Los Alamos County Municipal Building: 1000 Central Avenue, Los Alamos, New Mexico 87544. The full copy is available for inspection or purchase, during regular business hours, in the County Clerk's Office: 1000 Central Avenue, Suite 240.

INCORPORATED COUNTY OF LOS ALAMOS RESOLUTION NO. 18-08

A RESOLUTION DECLARING A MORATORIUM OF SIXTY (60) DAYS ON THE ENFORCEMENT OF OR ISSUANCE OF VARIOUS NOTICES AND CITATIONS OF ARTICLE II OF CHAPTER 18 AND CHAPTER 16 OF THE LOS ALAMOS COUNTY CODE OF ORDINANCES, EXCEPT FOR VIOLATIONS IMMEDIATELY EFFECTING HEALTH, SAFETY, AND WELFARE

Council of the Incorporated County of Los Alamos

By: /s/ David Izraelevitz, Council Chair

Attest: /s/Naomi D. Maestas, County Clerk

INCORPORATED COUNTY OF LOS ALAMOS RESOLUTION NO. 18-08

A RESOLUTION DECLARING A MORATORIUM OF SIXTY (60) DAYS ON THE ENFORCEMENT OF OR ISSUANCE OF VARIOUS NOTICES AND CITATIONS OF ARTICLE II OF CHAPTER 18 AND CHAPTER 16 OF THE LOS ALAMOS COUNTY CODE OF ORDINANCES, EXCEPT FOR VIOLATIONS IMMEDIATELY EFFECTING HEALTH, SAFETY, AND WELFARE

WHEREAS, the Incorporated County of Los Alamos ("County") is a home rule charter municipality, as allowed by N.M. Constitution, Article X, Section 6; and

WHEREAS, New Mexico statutes, Chapter 3, Article 21, grants home rule municipalities, including the Incorporated County of Los Alamos, the power to regulate land and its uses within its jurisdiction; and

WHEREAS, New Mexico Statutes, Chapter 3, Article 18, authorizes home rule municipalities to regulate, abate, and impose penalties upon persons who create and maintain nuisances; and

WHEREAS, the County, in Chapter 18, Article II of the Los Alamos County Code of Ordinances ("Code"), and in other Code provisions, has adopted various ordinances regulating the use of land including the exterior of private property within the County; and

WHEREAS, the County Council ("Council"), as part of its strategic goals in 2016 and 2017, directed the Community Development Department (CDD), through its Code Enforcement Division ("Code Enforcement"), to enhance its property maintenance inspections to remove blight within the County; and

WHEREAS, some County citizens have expressed concern that the current enforcement activities of exterior property by CDD has not provided them with sufficient time to correct the alleged violations; and

WHEREAS, Council is currently considering the amendment of Code Section 18-36, to increase the minimum time provided to citizens to correct alleged violations of the Code; and

WHEREAS, Council is also considering the adoption of a code ordinance to create a citizen board to receive and provide citizen input to Council on property maintenance enforcement recommendations; and

WHEREAS, until the code ordinances have been enacted and become effective, Council finds that it is necessary to restrict and/or limit further CDD Code Enforcement activity related to Chapter 18, Article II; and

WHEREAS, CDD and Code Enforcement shall continue to enforce Article II of Chapter 18, where such alleged violations directly and immediately affect the public's health, safety, and welfare or create a public nuisance; and

WHEREAS, Council finds that the moratorium is necessary to allow Council time to amend Section 18-36 of Article II, Chapter 18, to provide the owners, occupants or tenants with additional time to correct alleged violations and to create the citizen board; and

WHEREAS, Council further finds that such moratoria will not adversely impact the public's health, safety, and welfare as CDD staff are directed to continue to enforce Article II, Chapter 18, where it immediately effects or impacts the public's health, safety, and welfare.

NOW THEREFORE BE IT RESOLVED by the governing body of the Incorporated County of Los Alamos, that:

Section 1. Moratorium. That upon the effective date of this Resolution and for a period of sixty (60) days or until such time as the Community Development Advisory Board is appointed and has their first meeting, whichever is less, CDD and Code Enforcement staff shall not act upon any complaint or act including issuance of a notice or citation for an alleged violation of the following County Code provisions:

- (a) 18-33, "Responsibility", subsection (b);
- (b) 18-42, "Weeds, brush piles, refuse and rubbish", subsection (b);
- (c) 18-44, "Outdoor storage of materials";
- (d) 18-45, "Rodent Harborage";
- (e) 18-52, "Protective treatment";
- (f) 18-59, "Overhang extensions";
- (g) 18-61, "Chimneys and towers"; and
- (h) 16-281, "Inoperable vehicles", subsection (a).

Section 2. This Resolution shall not in any way apply to or limit any County staff to take appropriate action where such violations constitute an emergency or which directly affects or impacts the immediate health, safety, and welfare of the County or community.

Section 3. Severability. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or enforceability of that section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 4. Effective Date. This Resolution shall become effective upon adoption.
PASSED AND ADOPTED this 3rd day of April, 2018.

INCORPORATED COUNTY OF LOS ALAMOS

**David Izraelevitz,
Council Chair**

ATTEST:

**Naomi D. Maestas,
Los Alamos County Clerk**



County of Los Alamos

Staff Report

April 03, 2018

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.: C.

Index (Council Goals): * 2018 Council Goal – Quality Governance - Operational Excellence and Communication – Establish and implement a mechanism for effective Utility policy setting and review.

Presenters: Ken H. Milder, County Assessor and Joaquin Valdez, Chief Deputy Assessor

Legislative File: 10388-18

Title

Los Alamos County Assessor Valuation and Maintenance Plan.

Recommended Action

I move that Council approve the Los Alamos County Assessor Valuation and Maintenance Plan.

..Administrator's Recommendation

The County Manager recommends that Council approve the motion as presented.

Body

In accordance with 7-36-16 (E) NMSA 1978, to aid the County Council in determining whether the county assessor is operating an efficient program of property valuation maintenance and in determining the amount to be allocated to him for this function, the county assessor shall present with his annual budget request a written report. The report contains improvements of property added to valuation records during the year, additions of new property to valuation records during the year, increase and decrease of valuation during the year, the relationship of sales prices of property sold to values of the property for property taxation purposes and the current status of the overall property valuation maintenance program in the county.

In accordance with 7-38-38-1 D NMSA 1978, expenditures from the Property Tax Valuation fund shall be made pursuant to a property valuation program presented and approved by the majority of the County Councilors.

Fiscal and Staff Impact/Planned Item

No fiscal impact for this approval; expenditures from this Valuation Fund for related appraisal projects will be submitted to the County Council during the regular budget cycle for approval.

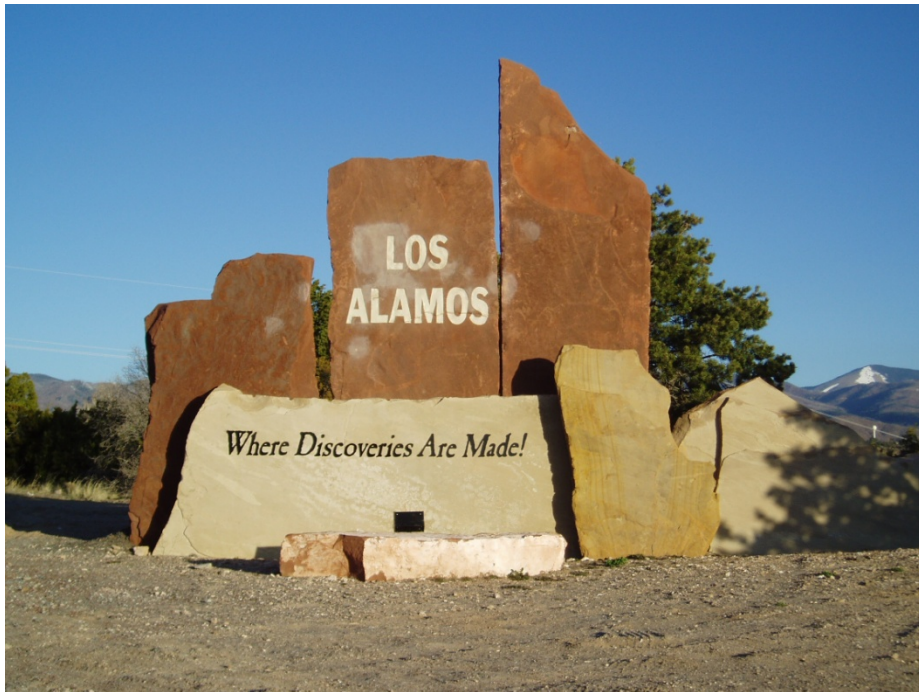
Attachments

- A - Los Alamos County Assessor Valuation and Maintenance Plan
- B - 2018 Valuation and Maintenance Plan Presentation

LOS ALAMOS

Assessor's Office

Property Valuation and Maintenance Plan



Submitted By:
Kenneth H Milder, Los Alamos County Assessor
January 31, 2018

LOS ALAMOS

Assessor's Office

INDEX

PREFACE	3
MISSION / GOALS.....	4
ASSESSOR'S OFFICE AT A GLANCE	5
ASSESSMENT PROCESS	6
INTRODUCTION.....	7 - 8
APPRAISALS AND THE THREE APPROACHES TO VALUATION	8 - 10
APPRAISAL MODELS AND MASS APPRAISALS.....	11 - 12
REAPPRAISAL PROCESS.....	13
PUBLIC RELATIONS.....	14 - 16
PERFORMANCE ANALYSIS – RATIO STUDY	17 - 20
REAPPRAISAL AND ANALYSIS OF AVAILABLE RESOURCES.....	21 - 26
PLANNING AND ORGANIZATION	27 - 34
SYSTEMS DEVELOPMENT.....	35 - 40
NOTIFICATION AND VALUE DEFENSE	41 - 43
COMPONENTS OF A MASS APPRAISAL SYSTEM	44
ADDENDUM	45
I. 2017 LOS ALAMOS COUNTY ASSESSOR'S EVALUATION	A - N
II. LOS ALAMOS EIGHT YEAR STATISTICAL SUMMARIES.....	O - Q
III. RANKING OF COUNTIES BY NET VALUATION	R
IV. COUNTIES TAX RATES COMPARISONS.....	S - U
V. 2017 COUNTIES IMPOSED RATES	V
VI. 2017 MUNICIPALITIES IMPOSED RATES	W - Y
VII. COUNTY PROPERTY VALUATION FUND STATUTE.....	Z
DEPARTMENT OF FINANCE AND ADMISTRATION MEMOS.....	AA - BB
VIII. NEW MEXICO PROPERTY TAX CALENDAR	CC
IX. EXAMPLES	DD - EE
X. PUBLIC RELATIONS PROGRAMS.....	FF

LOS ALAMOS

Assessor's Office

PREFACE

This Property Valuation and Maintenance Plan is prepared in accordance with 7-36-16 (E) and 7-38-38.1 (D) NMSA 1978 to aid the County Council in determining whether the Los Alamos County Assessor is operating an efficient program of property valuation maintenance. The County Assessor shall submit a report annually setting forth new improvement values added to the valuation records due to new construction, addition to buildings, remodeling and any deletion of properties. The report shall contain the relationship of sale prices of property sold, to values of property for tax assessment purposes.

The County Assessor and County Council acknowledges that the implementation of the Property Valuation Plan is a joint responsibility. The success or failure of this plan is dependent on the cooperation effort of both parties. Each Council member voting to accept this plan acknowledges reading the plan in its entirety and understands their commitment to its successful completion.

All provisions and requirements regarding property valuation are made pursuant to the New Mexico Constitution and the New Mexico Property Tax Code. In the implementation of this plan the Los Alamos County Assessor will comply with the standards and code of ethics of the International Association of Assessing Officers and the Uniform Standards of Professional Appraisal Practices.

By a majority vote, the Los Alamos County Council will approve this plan as submitted by the Los Alamos County Assessor. A copy of this approved plan will be submitted to the Taxation and Revenue Department as part of our evaluation process.

LOS ALAMOS

Assessor's Office

MISSION

The mission of the Los Alamos County Assessor's Office is to provide excellent public service by providing complete, accurate and timely assessments of all property subject to taxation in accordance with the Property Tax Code's applicable statutes, orders, regulations and laws, and the tenets of the International Association of Assessing Officers and the Uniform Standards of Professional Appraisal Practice, with a well-managed office and professional staff.

GOALS

The goals of the Los Alamos County Assessor's Office are to:

- Provide for a Property Valuation Maintenance Program that implements the processes utilized in the valuation of property taxation and complies with the Property Tax Code.
- Provide fair, uniform and equitable assessments on all real and personal property subject to property taxation by utilizing a computer assisted mass appraisal (CAMA) system incorporated with a geographic information system (GIS).
- Meet or exceed the requirements of the New Mexico Property Tax Division and the Property Tax Code for level of assessment and uniformity by constant market analysis.
- Provide current, accurate information to the public as well as other departments and governmental entities upon which they base decisions.
- Conduct educational outreach programs to increase public awareness of assessment process and taxpayer benefits available.
- Provide and maintain a professional, certified, and knowledgeable staff.

COUNTY ASSESSOR'S OFFICE AT A GLANCE

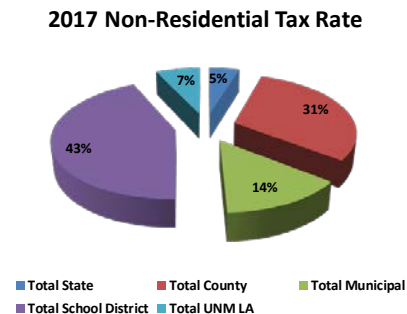
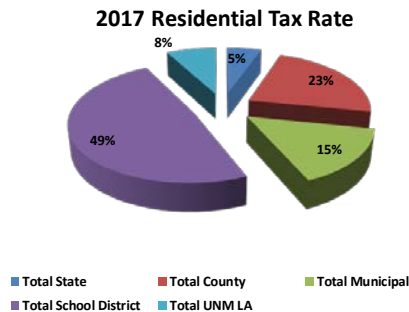
Population (2010 Census): 17,950

Land Area (Sq. Mi.): 109

Parcels:	2017	2016	Change
Residential	7,280	7,264	16
Non-Residential	963	966	-3
Livestock	313	324	-11
<u>Exempt Properties</u>	<u>613</u>	<u>611</u>	<u>2</u>
Total	9,169	9,165	4

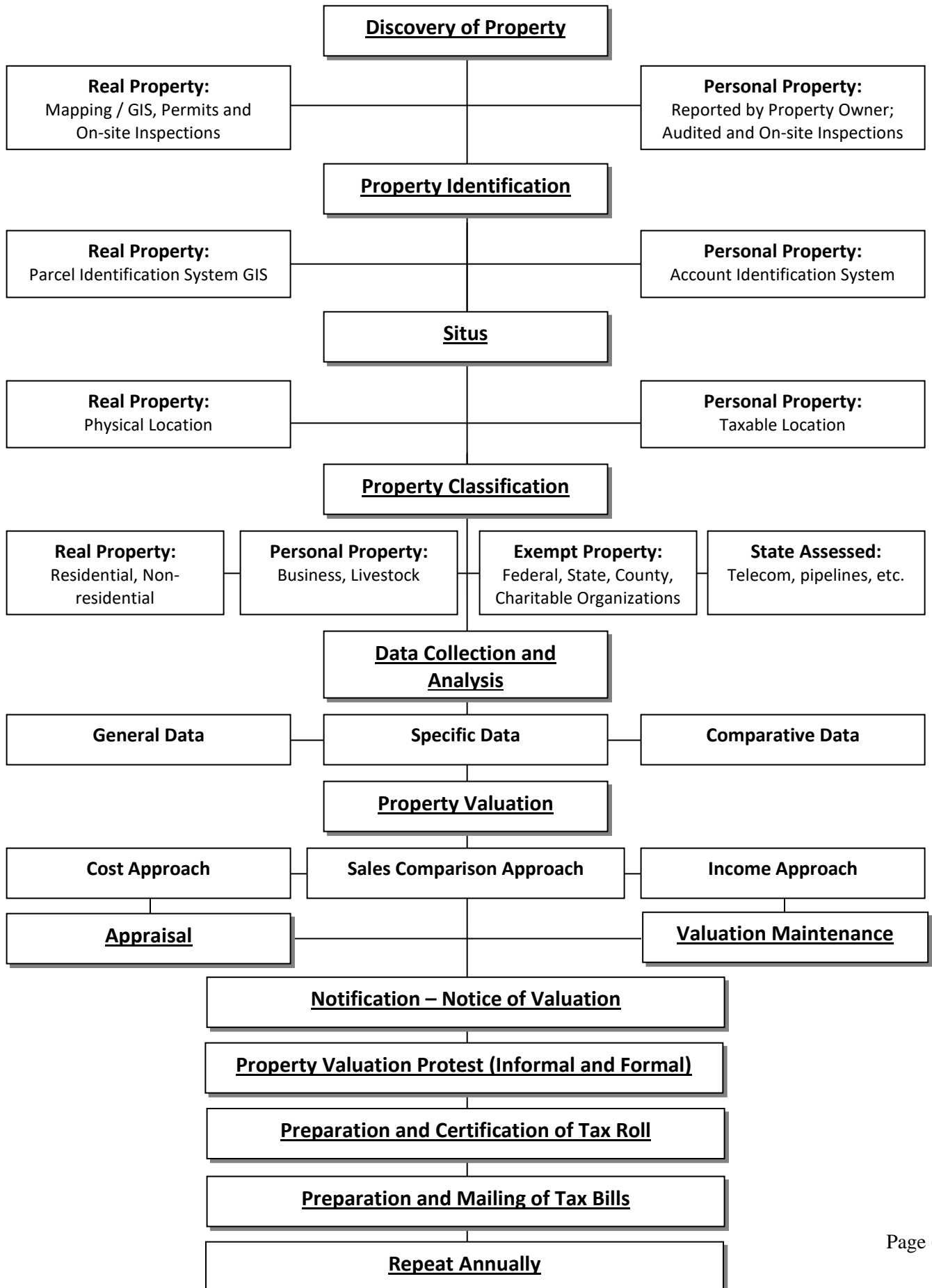
Assessment Uniformity Measurements:	2017	2016	Change
Mean	99.47%	98.37%	1.10%
Median	98.16%	97.47%	0.69%
Weighted Mean	98.91%	98.35%	0.56%
Standard Deviation	9.16%	7.41%	1.75%
Coefficient of Dispersion	6.93%	6.36%	0.57%
Coefficient of Variance	9.21%	7.53%	1.68%
Price Related Differential	100.56%	100.03%	0.53%

Tax Rates:	Residential			Non-Residential		
	2017	2016	Change	2017	2016	Change
Total State	1.360	1.360	-	1.360	1.360	-
Total County	5.761	5.873	-0.112	8.850	8.850	-
Total Municipal	3.875	3.950	-0.075	3.998	3.998	-
Total School Dist.	12.268	12.203	0.065	12.500	12.367	0.133
<u>UNM LA Branch</u>	<u>1.969</u>	<u>0.988</u>	<u>0.981</u>	<u>2.000</u>	<u>1.000</u>	<u>1.000</u>
Total	25.233	24.374	0.859	28.708	27.575	1.133



	2017	2016	Change
Net Taxable Value: (Certification)	\$714,067,380	\$687,392,479	\$26,674,901
New Construction:	\$2,506,590	\$1,672,150	\$ 834,440
Property Tax Revenue:	\$18,542,902	\$17,188,234	\$1,354,668
FY Assessor Budget Adopted:	\$597,048 <u>FY 18</u>	\$553,693 <u>FY 17</u>	\$43,365
Staff Size: (Excluding Assessor)	6.00 (FTE's)	6.00 (FTE's)	-

THE ASSESSMENT PROCESS



INTRODUCTION

This report, as required under section 7-36-16 NMSA 1978, paragraph E and section 7-38-38.1 NMSA 1978, paragraph D, is hereby submitted to aid the Los Alamos County Council in determining whether the County Assessor is operating an efficient program of property valuation and maintenance for budgetary purposes. Also, to comply with the requirements of section 7-36-16 NMSA 1978, subsection D and E, the written report setting forth increase and decrease in values and the sales ratio studies is incorporated into this Property Valuation and Maintenance Plan.

Except as limited in section 7-36-21.2 NMSA 1978, the County Assessor shall implement a program of updating assessed property values so that current and correct values of property are maintained. The Los Alamos County Assessor shall have sole responsibility and authority, at the county level, for property valuation and maintenance, in accordance with Chapter 7, articles 35 to 38 NMSA 1978, referred to as the New Mexico Property Tax Code, regulations, orders, rulings and instructions of the New Mexico Taxation and Revenue Department, Property Tax Division.

Limitation on value mentioned in section 7-36-21.2 NMSA 1978, refers to residential property that did not have a change of ownership prior to the annual revaluation cycle, these properties shall not be more than one hundred and three percent from its value in the prior tax year. This limitation in value does not apply to:

- A residential property valued for the first time (new construction units);
- Any physical improvements made to the property in the prior tax year or property omitted in a prior tax year;
- A change in ownership (sold / transfers) or change in use or zoning.

Residential property consists of one or more dwellings together with appurtenant structures, and the land, which includes single family, multi-family, and manufactured home units. All other property, classified as non-residential, which includes commercial, industrial personal property, livestock and all vacant land, which includes vacant residential lots, shall be valued at its market value of the prior tax year.

County Assessors are annually evaluated on their operations, functions, and performance to insure compliance with the Property Tax Code with special emphasis on each County Assessor's valuation activities and the maintenance of current and correct values, (section 7-26-16 NMSA 1978). A copy of the Assessor Evaluation is sent to the county assessor and County Manager. The current Property Tax Division 2017 Assessor Evaluation is herein attached in the addendum section of this report.

The taxable status of all property is affixed as of January 1st of each tax year. All parcels must be valued as of that date with notification of set values to be mailed out to property owners by no later than April 1st of each tax year. Protests of property values, classification, or exempt status must be submitted within thirty days of the mailing of the Notice of Value.

The Property Tax Code requires valuation of 100% of parcels each year. All potentially taxable property, including exempt and government owned are valued. In accordance with the International Association of Assessing Officers (IAAO) standards and as required by the New Mexico Property Tax Division, every parcel regardless of classification, shall be physically inspected at least every six years. Los Alamos uses a 5 year cycle. That is 20% of parcels are physically inspected and appraised on a rotating schedule. The remaining 80% is revalued through our valuation maintenance program using mass appraisal modeling techniques.

The appraisal methods and techniques utilized in valuing properties, for property tax purposes, will be in accordance with the Property Tax Code, IAAO Appraisal Standards and Code of Conduct, and the Uniform Standards of Professional Appraisal Practices, hereafter referred to as USPAP.

The County Assessor must certify the total county net taxable values to the New Mexico Property Tax Division on or before June 15th annually, for the purpose of tax levy setting by the NM Department of Finance and Administration.

In addition to valuing properties, the County Assessor is also the custodian of all parcel information for the county. Although the parcel information maintained by the County Assessor is primarily used for property taxation purposes, this information is utilized and made available to all taxpayers, county departments, state and federal agencies in a format which is readily available and does not require special customization. Much of the information and forms are conveniently located on our website as well.

The parcel information constitutes the primary layer of data that various users and departments will need to further develop their layer of specific needs, such as emergency management, police, and planning.

Railroads, communication systems, pipelines, public utilities, airlines, and businesses operating in multiple counties are assessed separately by the New Mexico Taxation and Revenue Department, Property Tax Division, hereafter referred to as the Property Tax Division.

APPRAISALS

An appraisal is an opinion of value based on a process through which conclusions of property values or property facts are obtained and is commonly the report setting forth the conclusion of the value estimate.

According to the Property Tax Code, the purpose of appraisals for property tax purposes is to estimate market value. Market value, as defined by the courts, is the highest price estimate in terms of money which a property will bring if exposed for sale in the open market, allowing a reasonable time to find a purchaser who buys with knowledge of all uses to which it is adapted and for which it is capable of being used and assumes a willing buyer and seller. Market value is not the same as sales price but if the market is reasonably competitive, sales price can be strong evidence of market value. Market values must be time adjusted to the statutory status date of January 1st of the current tax year.

THE THREE APPROACHES TO VALUATION

Appraisal, the act of estimating the value of property, has its roots in economic theory. Modern appraisal theory views market value (probable sale price) as that value determined by the interaction of the forces of supply and demand. Prices determined in actual market transactions by sellers and buyers can provide sound evidence of the market value of similar property.

The three approaches to estimating market value have been in existence since the early 1900's. All have been refined through the years and variations have been developed for specific appraisal problems. The three approaches to estimating value are: sale comparison, cost, and income.

1. Sales Comparison Approach

The sales comparison approach derives a value estimate by comparing the property being appraised or value maintained, the subject property, to similar properties, comparables, that have recently sold,

applying appropriate units of comparison to the sales prices of the comparables. Because no two real properties are ever exactly alike, systematic methods must be used to adjust the prices of sold properties for dissimilar features by adding or subtracting a dollar amount or percentage. The adjustments are market derived and based on contribution value and not cost. For example, if the subject property being appraised does not have a garage and a comparable property has a single car garage, a dollar amount must be subtracted from the comparable sale price to make the comparable property similar to the subject property. All property sales are adjusted to January 1st of the current year.

The real estate market in Los Alamos County has been relatively level the past few years with some areas showing slight increases and others slight decrease. We have adjusted our valuation models appropriately to provide accurate assessment values. Although the actual market value of the real estate market has been adjusted downward, in some cases, some actual assessments could still see an increase until it reaches its current market value. This is true with most properties affected by section 7-36-21.2 NMSA 1978, the Valuation Limitation on residential property. Since calendar year 2016 the Los Alamos real estate market has seen a steady increase, which continues into 2018. We are anticipating that the real estate market will continue to increase and property assessments will follow.

Terms and conditions of a sale have to be analyzed and, if required, adjusted to market based equivalence. If the adjusted prices of several comparables turn out to be similar, the appraiser has good evidence as to the market value of the subject property.

The sales comparison approach is most suitable when there are numerous and frequent sales of similar properties. This approach is widely used in the appraisal of single-family residential properties and vacant land. The reliability of the sales comparison approach rests on the number and quality of available sales. When sufficient and valid sales are available, this approach tends to be the preferred valuation method.

The increased number of foreclosures has made it difficult to analyze the market. Many of these foreclosures sales have undue stimulus, considered non market sales, and therefore require extensive research and adjustments during our validation of sales. Similar situation exists with "for sale by owner" sales through (private) negotiations. That is, for property not sold through the normal open market transactions.

2. Cost Approach

The cost approach estimates the replacement cost new of improvements, less the estimated accrued depreciation plus the market value of land. This approach is sometimes referred to as the summation approach.

Construction cost and depreciation schedules can be developed internally, based on a systematic study of local construction cost, obtained from firms specializing in such information, or custom generated by a contractor. Cost and depreciation schedules are verified for accuracy by applying them to recently constructed improvements of known cost. Construction and depreciation schedules are updated before every revaluation cycle.

One weakness in the cost approach is the estimation of accrued depreciation. This estimate must be based on non-cost data (primarily sales) and can involve considerable subjectivity, which increases as the improvement continues to age.

The cost approach is most reliable for new construction and special purpose properties, where there is little to no sales data, and sometimes in commercial and industrial properties.

3. Income Approach

The income approach requires an appraiser to capitalize net income, after allowable expense, of a property into an estimate of market value. Successful application of the income approach requires the collection, maintenance, and careful analysis of income and expense data.

The most direct method involves the application of gross income multipliers, which express the ratio of market value to gross income. At a more refined level, net income multipliers or their reciprocals, the overall capitalization rates, can be developed and applied. These multipliers and rates should always be extracted from actual income and sales price data obtained from properties that have recently been sold. Income multipliers and overall rates provide reliable, consistent, and readily supported valuations when good sales and income data are available.

The income approach is the best method to use when dealing with income producing properties. This approach recognizes that potential investors demand property because they anticipate a future income stream.

In Table 1, the lower numbers represents the most preferred valuation approach to use for that type of property.

Table 1
Rank of Typical Usefulness of the Three Approaches to
Value in the Mass Appraisal of Major Types of Property

<u>Property Type</u>	<u>Cost approach</u>	<u>Sales Comparison approach</u>	<u>Income approach</u>
Single-family residential	2	1	3
Multifamily residential	3	1,2	1,2
Commercial	3	2	1
Industrial	1,2	3	1,2
Non-agricultural land-	-	1	2
Agricultural*	-	2	1
Special-purpose**	1	2,3	2,3
*Includes farm, ranch, and forest properties **Includes institutional, resort, and recreational properties			

APPRAISAL MODELS

Appraisal models represent a systematic way of thinking. They are useful because they help state an appraisal problem systematically and identify the data needed to solve it. The development of models by selecting supply and demand factors, for example square feet of living area, is called model specification. Quantifying the coefficients (percentage or price adjustment), for example the dollar amount the market places on each square foot of living area, is called model calibration. Ongoing, careful and extensive market analysis is required for both specification and calibration of a model that estimates values accurately. All three approaches to value (sales comparison, cost, and income) are modeled for mass appraisal.

Mathematical models that once would not have been feasible are now handled easily on computers that process large amounts of data, referred to as Computer Assisted Mass Appraisals (CAMA). This development is important because many properties are appraised and large quantities of data analyzed as of a given period or date. However, the models must be continually analyzed and calibrated for accuracy to avoid the “garbage in, garbage out” scenario.

All models are rooted in the market place. The sales comparison model begins with actual sale prices, that is, prices at which supply and demand have intersected. Open market transactions involving knowledgeable buyers and sellers are good evidence of the value at which similar properties would sell.

Cost models emphasize the supply side of the market. Cost schedules represent the prices at which new buildings with certain specifications would be supplied. If the subject property is new, and similar property is being constructed and sold, as in a new subdivision, it can be safely assumed that there is a demand for the property at a price equal to cost. The demand side of the market is reflected in land values and in adjustments to the replacement cost of older buildings for physical deterioration and functional and external obsolescence (depreciation).

Income models focus on investor expectations and demand. The appraiser must determine the income to be capitalized and then select an appropriate capitalization rate. This rate reflects a return on and return of the investment. These rates are extracted from sales and market data.

MASS APPRAISALS

Mass appraisal is the systematic appraisal of groups of properties as of a given date. In New Mexico by law the statutory date is January 1st. Mass appraisal builds on the same principle as single property appraisal. Mass appraisal techniques, however, emphasize valuation models (expressed as equations, tables, and schedules), standardized practices, and statistical quality control. Single property appraisal is the valuation of a particular property as of a given date. Mass appraisal and single property appraisal differ in their handling of market analysis and quality control, but they have similar valuation steps and are based on the same principles: supply and demand, highest and best use, anticipation, balance, change, competition, contribution, substitution, surplus productivity, and variable proportions.

Mass appraisal involves data collection and maintenance, market analysis, the development of mass appraisal models and tables, quality control, and review of valuation output. Effective mass appraisal requires an adequate budget, staff, and resources.

As mentioned before quality control is handled differently in single property appraisals and mass appraisals. In a single property appraisal, the reliability of valuations can be judged by the depth of research and analysis or by comparison with sales of comparable properties. In mass appraisal,

statistical methods are used to gauge the accuracy and consistency of valuations. The single property appraiser usually has one client to satisfy, although regulatory agencies do establish standards. Assessors however, must satisfy all taxpayers, supervisory agencies, and taxing bodies that assessments are fair, equitable and at the statutory assessment level.

The primary function of a mass revaluation system is valuing and maintaining accurate market values. As market conditions change, properties must be evaluated and adjusted to reflect current conditions. Four values are maintained in the CAMA system: calculated market value, full value, taxable value, and net taxable value. Calculated market value is the opinion of a property's likely sale price if it was sold on January 1st of the current year. Full Value is the market value adjusted by any applicable statutory limitations. Taxable Value is one-third the full value. Net Taxable Value is the taxable value minus any approved exemptions and used to apply the annual tax levy to compute the property tax bill. All except the calculated market Value appear on the annual Notice of Value. Calculated Market Value is not shown on the NOV. The 2018 NOV's will increase a flag to identify the properties that are affected by the residential limitation. The allowable increases in value for these properties are considered maintenance and not reappraisal.

All properties in New Mexico, regardless of the revaluation or maintenance cycle, are required to be physically inspected every six years, pursuant to state law and in accordance with IAAO standards. In Los Alamos County all properties that may be subject to taxation are valued annually, including government owned and otherwise exempt properties (non-governmental). One-fifth of these properties are physically inspected and reappraised on a 5 year cycle. The process and procedure utilized to physically inspect property every six years is explained in the System Development Section of this report, page 35.

Performing a reappraisal is a major undertaking for any Assessor and should not be approached or rushed in a casual manner. The fairness and equitability of a property tax system depends on how well it is administered.

Successful implementation of a revaluation and maintenance plan requires all employees to perform their assigned duties in a professional manner, adhering to office policies following procedural and quality control.

For budgetary purposes, the costs associated with physical inspection and reappraisal are allowable expenses from the Property Valuation Fund. Costs associated with Valuation Maintenance are paid from the General Fund.

REAPPRAISAL

The following is an overview of the Components required for a revaluation.

Components of Revaluation

1. Public Relations
2. Performance Analysis
3. Reappraisal Decision
4. Analysis of Available Resources
 - Budget
 - Staff
 - Data processing support
 - Maps and GIS
5. Planning and Organization
 - Objectives
 - Work plans
 - Valuation cycles
 - Parcel summary
 - Production
 - Assignment of responsibilities
6. System Development
 - Forms and manuals
 - Data Collection
 - Sources
 - Quality control
 - Data Maintenance
7. Valuation
 - Valuation
 - Testing and refinement
8. Notification and Valuation Defense
 - Notices of value
 - Protest Remedies
 - Informal hearings
 - Formal hearings
9. Repeat Annually

PUBLIC RELATIONS

In any successful revaluation program planning and organizational development begins with an effective public relations program. This program is managed through established laws, policies and procedures. It further recognizes that, in the eyes of the public, perception is reality.

The success of the revaluation program is dependent upon the level of understanding and support given by the general public. For this reason the County Assessor's staff will develop a complete and effective public relations program. Informational materials will be prepared for use in conjunction with public notices, handouts, and public appearance. The news media will be kept informed as to program objectives, progress, and accomplishments.

The news media can reach wide audiences. News media are orientated towards unusual immediate coverage of unusual events and are not in the business of providing public service coverage for free. Assessments usually become news only after some unusual event, such as revaluation. To avoid misrepresentation of such events, we will issue press releases to clarify major points of the assessment process. The news media must be kept informed as to programs objectives, changes, progress, and accomplishments.

Press releases are the responsibility of the Chief Deputy Assessor. Technical terms will be avoided and process will be expressed in layman's terms.

The Los Alamos County Assessor public relations program will be primarily an in-house activity, and the responsibility of all employees involved in the revaluation program, with primary responsibility for implementation being with the County Assessor and Chief Deputy Assessor.

In a Public Relations Programs little things do count and special consideration will be given to:

A. Basic items

- County issued identification card and name tags
- County issued clothing / uniform(s)
- Business cards
- Desk Name Plates
- That unfamiliar / technical terms should be carefully explained
- Office policies and guidelines for personal contact with the public is a set procedure utilized by the Assessor's office
- Maintaining a welcoming, professional office

B. Correspondence and forms

- These are usually the public's primary contact with the County Assessor
- Letters and memoranda should be plain and not unduly expensive and use County Assessor templates
- Forms to be filled out should be brief with clear instructions
 1. Explain reason(s) for form
 2. Avoid multi part forms / wrong size envelopes

C. Notice and information brochures

- Notices of Value have statutory information required to be printed
 1. Name and address

2. Legal description, map code and class
 3. Full value and taxable value
 4. Exemptions, protest procedures, and classification applications
- Brochures and forms, need to be kept simple and will be annually reviewed

Recognizing that a taxpayer contact represents a public relations opportunity, employees will be trained in telephone and face-to-face communication etiquette.

In discussing assessment matters, the staff will be courteous and businesslike at all times. It should be noted that most taxpayers are not familiar with assessment terminology, therefore technical and assessment terminology will be expressed in layman's terms. In discussing assessment matters the following strategy will be followed:

1. Although we are provided with employee identification items, as previously discussed, it is our policy to identify ourselves by our first name. This policy prevents the "a person in your office, said" syndrome.
2. Obtain the name of the person(s) with whom one is conversing and the legal description of the property in question.
3. Allow the person to describe the problem / inquiry. Actively listen.
4. Obtain and record necessary information. If this information is not immediately available, take steps to obtain it. Do not make excuses, if you do not know, find out or direct inquiry to a supervisor.
5. If the inquiry involves research and the person(s) is on hold on the telephone, provide progress reports. If the research is lengthy, obtain phone number and get back to them.
6. Carefully explain any unfamiliar and or technical terms.
7. Assure the person that the matter will be attended to and corrected if needed. If the person is wrong and the matter will not be overturned and becomes extremely argumentative, it is better to end the conversation immediately and report it to your supervisor and/or direct the person to your supervisor.
8. Always advise the property owners of their rights under the Property Tax Code and assist them in any way possible with the available appeal procedures.

All questions or concerns pertaining to the valuation of property and the functions and responsibilities of the county assessor will be answered and inquires followed through.

Field personnel need to know and understand what they say and what they do. Their actions and their appearance are representative of the assessor's office. Again, county issued identification is required on any field inspection. Field personnel will make contact with the property owner, if available before beginning any inspection or measuring improvements. They will provide property owners with their name, offer a business card, purpose of the inspection, duration of the inspection, and a representative's name in the assessor's office for verification or to answer any questions or misunderstandings.

The following guideline will be used when doing field inspections:

DO NOT	DO
Do not inspect a residence when a minor or minors are the only ones present.	Present identification and business card
Enter a residence when wet and or muddy.	Obtain as much information as possible at the curb site.
Quarrel with a property owner, if they withhold permission to inspect.	Be neat in dress and appearance. Be professional.
Voluntarily make statements regarding merits or any discrepancies in previous appraisals.	Estimate the value of the improvements with the best information available if the property owner denies inspection.
Have a know-it all-attitude or be argumentative.	Review the property record card in advance of inspection to acquaint yourself with the property you are about reappraise.
Answer question about various matters or programs pertaining to assessments that you do not know the correct answers.	Listen respectfully to comments or valid complaints without prolong conversation; use tact and patience.
Bring up voluntarily, references about previous protest or complaints.	Be frank, if you do not know, state it and get back to them. If necessary, refer them to your supervisor.
Discuss or make statements regarding adjoining properties or personalities.	Advise the property owner that upon request the County Assessor can review all property values believed to be in excess of market value.
Attempt to provide a value on the property you are estimating on site.	Listen if conversation is pertinent to appraising; minimize your comments.
Deter anyone from filing an appeal or petition of protest.	Advise the taxpayer on the notification of value process.
	Explain the filing process for appeals or petition of protest.

If a property owner refuses inspection of the property, the property measurements, characteristics, and attributes will be estimated and valued with the best information available. Section 7-38-2 NMSA 1978 and 7-38-93 NMSA 1978 provides for procedures and penalties for refusal of inspections of property and other reports. Appraisal staff will notify their immediate supervisor and note refusal to inspect on their reports.

This plan is a guide that is constantly undergoing modification to adapt to special circumstances as they arise.

Usage of county vehicle(s) are for business use only. Staff will use their own vehicle for lunch break or any other non-business use. Personal business is strictly prohibited. A log is kept with the appropriate information to track time, person, and reason for usage by non-assessor personnel.

PERFORMANCE ANALYSIS

According to section 7-36-16 D NMSA 1978 of the Property Tax Code, a County Assessor must be adequately funded in order to perform their statutory requirements. To assist the County Council in determining the performance of the County Assessor's office, the County Assessor must submit this valuation and maintenance plan and report growth factors in the county.

An eight-year Los Alamos County summary on pages N through P fully describes this year's activities in comparison to the previous seven years. This summary details the change in each of the major categories of the County Assessor's Office to include valuation and revenue. For the tax year 2017, the Los Alamos County Assessor's office valuations will have generated over \$18.5 million of revenue. This is about a 7.88% increase from 2016. The residential tax rate increased 0.859 mills or 3.52% to 25.233 mills while the Non-Residential tax rate increased 1.133 mills or 4.11% to 28.708 mills. The change in the tax rate was due in part to the increase in Net Taxable Value and the 1 mill increase for the UNMLA GO Bond. The Net Taxable Value saw an increase of 4.23% for residential and an increase of 1.72% for non-residential from 2016 to 2017. Through the DFA Yield Control Formula, the tax rates have an inverse effect of the value, when values decrease the tax rates increase, when values increase tax rates decrease.

To insure compliance with the Property Tax Code and an adequate budget to carry out the statutory requirements, the Property Tax Division evaluates the County Assessor annually. A copy of this evaluation can be found on pages A through M of this report. According to this evaluation, the Los Alamos County Assessor is in full compliance with the Property Tax Code.

Section 7-36-16 NMSA 1978 requires County Assessor to determine and maintain current and correct values of properties. (For residential properties purchased last year, new construction, or had a zoning or use change and non-residential property, **current and correct means the property market values of the prior tax year.**) The County Assessor therefore must achieve and maintain the required statutory level of assessments, current and correct values, and uniformity within classes of properties. The problem, of course, is that only a number, a sample, of properties sell. Thus the Assessor must infer assessment levels and uniformity measures for all properties on the basis of statistical indicators of sold properties. In other words, how does the Assessor know the degree of performance of his office in regard to complying with the statutory level and uniformity of assessments? The Assessor must rely on ratio studies to gauge performance in determining assessments of all properties.

In measuring an Assessor's performance the most important gauge is the sales ratio study. These analysis determines whether values are fair and equitable to the taxpayers and consistent with the Property Tax Code. CAMA measures the level (current and correct values) and uniformity, the deviation from the level of assessments.

Sales ratio studies are done to determine the current status of the level and uniformity of current property assessments and again during the reappraisal program to insure that the reappraisal is producing fair and equitable values. When the reappraisal has been completed, a final ratio study will be conducted to gauge the overall level and uniformity of the reappraisal.

The primary objective in a ratio study is to develop and maintain a level of assessment that is consistent with statutory requirements and standards. Properties that have sold are used to develop a sales ratio. A sales ratio compares appraised values to market values. Actual sales prices are adjusted for time, financing, personal property or other considerations that are required to be considered in determining market values. Market value is the most probable price in cash that a property would bring in a

competitive and open market assuming the buyer and seller are acting knowledgeably, sufficient time is allowed for the sale, and price is not affected by special influences. All sales are confirmed and verified. Sales that are not an arms-length transaction are not used in a sales ratio study. These nonmarket sales with undue stimulus are Short sales, Foreclosure sales, Sheriff's sales, REO Sales (real estate owned or lender sales), FHA sales, VA sales, plus other types of sales that have conditions to the sale.

Level of Assessments (sales ratio) refers to the overall ratio at which properties are statutorily required to be assessed. Measures of appraisal level are calculated statistically by measurements of central tendency, which describes the level of appraisals by a single number. Three such measures are the median, mean and weighted mean. The median is the middle ratio when arrayed in order of magnitude. The mean, the average ratio, is found by summing the ratios and dividing by the number of ratios. The weighted mean (aggregate mean or ratio of aggregates) is found by dividing the sum of appraised values of sales by the sum of their sales prices. Because each measure has advantages and disadvantages, all of them are computed and used in the Los Alamos ratio study. The State of New Mexico legal sales ratio must be at market value (current and correct). For the tax year 2017, Los Alamos County's level or ratio of assessment is 99.47% (mean). The IAAO standard of assessment ratio is within 10% percent of market value.

The second most important objective is the quality of a reappraisal. This requires measuring the uniformity of the assessments by classes. There are six measurements of uniformity. The most important ones are the coefficient of dispersion, standard deviation, and the price-related differential. The others are the range, average absolute deviation, and the coefficient of variance.

The coefficient of dispersion (COD) is the most used measure of uniformity in ratio studies. The COD measures appraisal uniformity that is independent of the level of assessment and permits comparison between property groups. The COD measures the average deviation from the level of assessment. Low CODs (15% or less) are associated with good appraisal uniformity. Los Alamos County COD is 6.93%, which is considered exceptional. This is due in part to land values being very similar, regardless of location, and the homogeneity of neighborhoods, the exceptional and professional relationship the office has with the real estate community, and the staff's aggressive sales verification program.

The standard deviation indicates whether the uniformity of the appraisals is normally distributed. In ratio studies, the larger the standard deviation, the wider the range of values appraised relative to the level of assessment (market value). Depending on the representativeness of the sample and the distribution of the data, standard deviation can be a powerful tool. The County Assessor must verify that the data approximate a normal distribution before placing credence in the statistic. In a normal distribution (bell shaped curve), the sample data would fall as follows:

- Sixty-eight percent (68%) would fall within plus or minus one standard deviation
- Ninety-five percent (95%) would fall within plus or minus two (2) standard deviations
- Ninety-Nine percent (99 %) of the total sample used would fall within plus or minus three standard deviations

The standard deviation for Los Alamos is 9.16.

Property appraisals sometimes result in unequal tax burdens between high and low value properties in the same property group. Appraisals are considered regressive if high value properties relative to

low value properties are under appraised and progressive if high value properties are over appraised. The price related differential (PRD) is a statistic that measures regressively and progressivity. IAAO standard range for PRDs is between 98% and 103%. Los Alamos has a PRD of 100.56%, which indicates excellent treatment of low and high-end value properties.

Table 2 shows the comparison of the various ratio study results for Los Alamos County versus the IAAO standards.

Table 2
COMPARISON OF STATISTICAL MEASURES
FOR LOS ALAMOS COUNTY

	IAAO <u>STANDARDS</u>	STATUTORY <u>2017 Assess. vs. 2016 Sales</u>
Mean	90%-110%	99.47%
Median	90%-110%	98.16%
Weighted Mean	90%-110%	98.91%
Standard Deviation	Low #	9.16
COD	20% or Less	6.93%
COV	Varies with the Mean	9.21%
PRD	98% – 103%	100.56%

Analysis of the comparison of statistical measures by categories of Los Alamos County to the IAAO standards indicate fair and uniform treatment of property owners within similar classifications of properties.

Table 3 on the following page is the State of New Mexico ratio studies for the 2017 tax year for all thirty-three counties conducted by the Taxation and Revenue Department, Property Tax Division. Los Alamos is highlighted and the IAAO standards are listed at the bottom of the table.



Taxation & Revenue Department
Property Tax Division
8/10/2017

REAPPRAISAL

Reappraisal is imposed by state statutes and administrative rules, known as the Property Tax Code. In the State of New Mexico, the reappraisal is currently a law, section 7-36-21.2 NMSA, which requires that residential property that sold in the prior tax year, new construction and non-residential property be at market value prior to the reappraisal, therefore we are required to reappraise every year.

In recent years, there has been many debates about repealing or changing this law and it has even been ruled as unconstitutional by two District Court Judges in Bernalillo County and one in Dona Ana County. These court rulings were heard by the NM Court of Appeals on October 17, 2011 and ruled as being constitutional. On March 13, 2013 arguments were heard before the NM Supreme Court and an opinion issued June 30, 2014 with a conclusion stating the section does not violate the NM Constitution. Many legislators, County Assessors, and tax experts continue the debate, however, there is not a unanimity on how to fix it. As of January 1, 2016, Section 7-36-21.2 NMSA 1978 is the current law Los Alamos will continue to adhere to until the law is changed or ordered to do otherwise by some legal proceedings such as the Department, Court order/ruling, or Legislation. Noncompliance with the Property Tax Code could lead to a county assessor being suspended of their functions per section 7-35-6 NMSA 1978.

The New Mexico Association of Counties has been working with the NM Assessor's Affiliate, Legislators, Realtors Association, County officials, and numerous other groups with the knowledge of property taxation to draft and introduce a bill that would fix the current issues, currently called "tax lightning", with the least effect. It was one of their top priorities for 2014, however, there is not a clear consensus on how to resolve it.

With the active real estate market it is most likely that the talks will continue. The 2018 Legislative session did not see any language addressing these issue, however, the upcoming, 60 day session, might in 2019.

Legislative changes most often require mandates that are unfunded and the burden usually fall upon the county assessors.

The Property Tax Division does monitor annually the ratio studies of every county to gauge the level and uniformity of assessed values as stated on the previous Performance Analysis section of this report.

ANALYSIS OF AVAILABLE RESOURCES

Budget

Before defining goals and objectives for the reappraisal, the jurisdiction must take stock of available resources: budget, staff, existing data, maps and GIS capabilities. An assessor's budget is an expression of the political support for accurate and equitable assessments.

Funding for the assessor's office comes from two funds, the general fund and the county property valuation fund. The general fund is used for maintenance and daily office operations. The property valuation fund is statutorily restricted for offsetting reappraisal cost.

The county property valuation fund, pursuant to section 7-38-38.1 NMSA 1978, requires that the Los Alamos Office of Management and Budget collect from all property tax revenue, prior to distribution to recipients, an amount equal to one (1) percent of total property tax entitlements and deposit that

amount into the property valuation fund. Recipients in this case means, Incorporated County of Los Alamos, Los Alamos Public Schools, State of New Mexico, UNM at Los Alamos, and the livestock board.

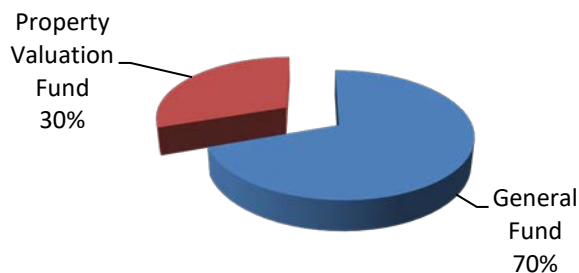
Expenditures from this fund shall be made pursuant to the property valuation program presented by the County Assessor and approved by the County Council, in accordance within the guidelines as set forth by the Department of Finance and Administration (DFA), Local Government Division for allowable expenditures. The funds remaining at the end of the fiscal year are transferred to the beginning cash balance for the next fiscal year. A copy of 7-38-38.1 NMSA 1978 and guidelines and ruling from the DFA are herein attached as Addendum VII of this report.

For the total FY 2017 budget, the Los Alamos County Assessor's Office saw a below budget expenditure of \$21,205 or 3.83% from the FY 2017 Adopted Budget of \$553,693 to the actual FY 2017 Budget of \$532,488. This under expenditure is due to some funds allocated to the updating of the parcel map view that was done in-house, training for staff that did not require out of state travel, and other budget cutting efforts. The assessor's office will continue to find areas to trim expenditures while continuing to operate the office in an effective and efficient manner and continuing to comply with all statutory requirements. The increases for FY 2017 and FY 2018 were a result of salary and benefit increases, appraisal certificate pay, additional training for the staff, software, equipment, and service for the new CAMA/GIS system.

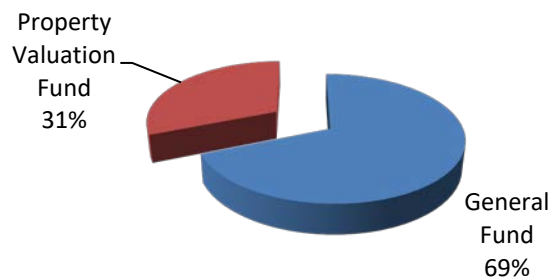
Breakdown by Funds

Fund	FY 2016 Actual	FY 2017 Adopted	FY 2018 Adopted	% Variance
General Fund	\$ 385,723	\$ 385,723	\$ 411,243	6.62%
Property Valuation Fund	\$ 145,061	\$ 167,970	\$ 185,805	10.62%
Total	\$ 530,784	\$ 553,693	\$ 597,048	7.83%

FY 2017 Adopted



FY 2018 Adopted



Staff

County Assessors and their staff must be very familiar with traditional appraisal methods, real estate markets, capital markets, and local conditions. Other technical and professional skills needed are: statistical skills for building and applying statistical models, management skills for recruiting, training and directing staff, data processing skills for designing and maintaining computer programs, and public relation skills for dealing with the public and the media. Employees in smaller offices usually perform more than one function.

The Los Alamos County Assessor's Office is very fortunate to have six fulltime employees designated as New Mexico Certified Appraiser by the New Mexico Taxation and Revenue Department, Property Tax Division. To receive a NMCA certificate, an individual must have taken and received credit for qualifying educational courses offered by the International Association of Assessing Officers. The certification requires the individual to complete a minimum of 30 hours of continuing education every three years. Our employees are able to appraise/develop values for all property types within Los Alamos County and are able to defend those values at every level of appeal. Ongoing training, education, and certification are major contributions to the success and performance of the office and is highly recommended and enforced. In 2013, four of our staff were accepted for the IAAO professional designation program and are working towards their IAAO designations.

The number of employees required by an assessor's office is influenced by many factors. The most important of these, however, are the size of the jurisdiction, its growth rate, usage of temporary positions, and the non-assessment duties of the County Assessor.

The International Association of Assessing Officers¹ has conducted large-scale surveys of assessment budgets and expenditures and has developed certain assessment standards for various taxing jurisdictions. Based on its survey, the IAAO has determined that for small jurisdictions with 10,000 or fewer parcels one employee for every 1,000 to 1,500 is required.

Adhering to IAAO staffing standard, Los Alamos County currently with its 9,169 parcels, requires needs 6-9 full time employees excluding the County Assessor ($9,169 / 1,500 = 6.11$). Currently the Assessor's office is staffed with six fulltime employees, not including the Assessor. Furthermore, one FTE position for a mapper has been avoided by the current staff fulfilling those duties.

The following is the current breakdown of the County Assessors' staff by primary function. However, due to the small staff size and need for cross-training, all functions are shared.

Table 5

Title	Primary Function	FTE	Plan FTE
County Assessor	Elected Official- limited	.1	0
Chief Deputy Assessor	Administrator	1	1
Chief Appraiser	Appraiser / Technical services	1	1
Senior Assessment Specialist	Appraiser	1	1
Assessment Specialist	Clerical / Assistant Appraiser	1	1
Appraiser	Appraisals / Value Maintenance	1	1
Appraiser Apprentices	Reappraisals / field inspections	1	1
Totals		6.1	6

In Los Alamos County the County Assessor's involvement in daily operations is limited to administration and oversight and is not considered to be a full time elected official. Therefore, for the purpose of the projections incorporated herein, the County Assessor was not considered as a valuation plan FTE (fulltime employee).

¹ Assessment Practices 1991 edition by Richard Almy

From the IAAO standard, it is concluded that the current staff of six is adequate for a county and office of this size.

The Chief Deputy Assessor and Chief Appraiser are in charge of all valuation maintenance and reappraisal programs. They are responsible for implementing administrative policy, enforcing procedural and quality control standards, directing, training, and assigning duties to temporary personnel and performing the other statutory ongoing administrative duties.

Property assessment is a field for which there are only minimal opportunities of specialized academic preparation prior to entry. Yet the State of New Mexico and governing bodies have an interest in ensuring that the property tax is competently administered. Certification / re-certification programs not only ensure that assessment personnel, not just appraisers, are able to obtain the qualifications necessary to perform their duties early in their careers, but also continue education and to keep abreast of new developments in the assessment field.

The Los Alamos County Assessor is committed to the employment and retention of competent personnel to carry out the Valuation and Maintenance Plan. Persons recruited and employed by the Los Alamos County Assessor have demonstrated the ability to deal with people, understand the concepts involved in a reappraisal program, communicate effectively, make accurate judgments, and work effectively with minimal supervision.

The Los Alamos County Assessor believes that education should be an ongoing program. Although it is not essential nor a requirement, the Property Tax Division of the New Mexico Taxation and Revenue Department recently revised Regulation 3.6.3.16 outlining the process of strengthening the certification requirements that includes a recertification program to maintain the New Mexico Certified Appraiser designation.

The Protest Boards and Court of Appeals gauge the level of professional expertise of an appraiser by the appraiser's credentials. Therefore, assessment personnel are expected and encouraged to attend all Property Tax Division's accepted appraisal courses and any licensing or certification program. This will benefit Los Alamos County by successfully defending valuation protests that ultimately impact stakeholder budgets and maintains property tax fairness.

The State of New Mexico, Taxation and Revenue Department, Property Tax Division grants certification and 4-39-5 NMSA 1978 allows for additional compensation for successful completion of IAAO (International Association of Assessing Officers) courses appropriate for each level of expertise, Appraiser I through Appraiser IV.

Upon completion of the four certifications listed above, the Property Tax Division designates the individual as a "New Mexico Certified Appraiser".

Recognizing the importance of fair and equitable assessments, the legislators passed House Bill 348, introduced during the 2015 New Mexico Legislature, and signed by Governor Susan Martinez effective July 1, 2015 which amended 4-39-5 NMSA 1978 to increase the amount of pay for the different levels of additional compensation to appraisers. The new law increased the additional compensation, cumulative, as follows:

		<u>Old</u>	<u>New</u>
Appraiser I	compensation for "appraiser I certification"	\$ 500	\$ 500
Appraiser II	compensation for "appraiser II certification"	\$1,500	\$2,000
Appraiser III	compensation for "appraiser III certification"	\$2,500	\$4,500

Appraiser IV	compensation for “appraiser IV certification”	\$3,500	\$7,500
--------------	---	---------	---------

Appraisal certification ensures adequate knowledge of the principles of property appraisals, assessment techniques, and property tax laws. Certification also enhances an individual’s and the public confidence in the work being performed by the assessor office.

The Los Alamos County Council approved the following certification pay for the Los Alamos County Assessor’s staff at its January 31, 2017 meeting. They did not grant the full amount of \$7,500 allowed under 4-39-5 NMSA 1978, but have allowed up to a total of \$3,750 for an appraiser IV level. The certification pay is an allowable expenditure from the Property Valuation Fund. No expenditure from the General Fund is required.

		<u>Allowed</u>	<u>Granted</u>
Appraiser I	compensation for “appraiser I certification”	\$ 500	\$ 250
Appraiser II	compensation for “appraiser II certification”	\$2,000	\$1,000
Appraiser III	compensation for “appraiser III certification”	\$4,500	\$2,250
Appraiser IV	compensation for “appraiser IV certification”	\$7,500	\$3,750

Data processing support

The Information Management Department of the county provides computing support for the Assessor’s office. The hardware is powerful enough to permit computerization of appropriate applications of the cost, sales comparison, and income approaches, as well as providing word processing, data inquiry, and activity summaries. The Information Technology Division of the county maintains the hardware and software.

The county assessor utilizes the Tyler CAMA system, *Eagleassessor* and together with *Eagletreasurer*, which is utilized by the Office of Management and Budget for the tax billing and collection of property taxes. The software is the latest version of Tyler Technologies, Eagle Division, assessment, appraisal, and tax billing and collection system. The newly developed software will continue to utilize the most up to-date appraisal methodology and GIS interface that includes level of securities and built-in quality control features. This integrated computer system consists of administrative, computer assisted mass appraisal, and property tax collection modules that not only improves assessment uniformity and efficiency but, with the built-in audit features, provides for a system of accountability of all users. Tyler Technologies provides this software to numerous counties in New Mexico, and is the most widely used CAMA system in the State of New Mexico. The New Mexico Tyler Users Group meets together annually to discuss issues and/or requests to improve the functionality of the CAMA system. This includes legislative regulatory mandates.

Maps and GIS

The Los Alamos County Assessor uses existing planimetric base maps for reappraisal efforts. They meet minimum specifications for property ownership mapping. These maps have to be developed to include subdivision according to section, township and range. Maintenance of the maps is performed by several county departments, and the County Assessor.

Los Alamos County has installed digital mapping by utilizing Geographic Information Systems (GIS). The County Assessor’s Office has been utilizing GIS for roughly 10 years and continues progress in fully integrating CAMA and GIS. By integrating these two systems we have made tremendous progress on modernizing the methodology for valuing property and have made the valuation process as effective and efficient as possible. We now have the ability to value property by using spatial information and

incorporate it into our valuation models that will produce current and correct values in accordance with the Property Tax Code. A CAMA/GIS system is one of the primary goals of the County Assessor's office. We are proud to have such a sophisticated system in place and we will continue to work on other avenues that will assist us in providing the best, most accurate valuation to the taxpayers of Los Alamos County.

Los Alamos County parcel map viewer, conveniently located on our website, provides current tax year assessment information for public use. The information is readily available to the public and accessible from the comfort of their own home or business. The parcel viewer underwent some upgrades in 2016 to improve its functionality with a modern feel, and user friendly features. The assessors office is exploring the benefits of the EagleWeb interface of their CAMA system. The EagleWeb interface is an internet program that allows users to access their assessment information online, much like the current parcel viewer.

Los Alamos County is partially mapped at 1"=100' on official zoning maps or at 1"=400' on official state required maps. These map sheets are maintained to correspond with new deeds or other information received of record. Parcelization used by the Base Mapping Program in developing the base maps is consistent with parcel definitions as required by Chapter 7 Article 38 Sections 9 and 10 of the Property Tax Code. The parcel-numbering scheme consists of a 13-digit unique parcel ID for each mapped parcel and a unique map number for each map sheet. Technical details of parcel numbering conventions will be established for the GIS as that work progresses.

The use of maps and the GIS system along with the existing property record identification numbers greatly ease the task of pinpointing a property's location.

Dimensioned maps along with original plats have been used for lot size verification. Map dimensions have been compared to deed or plat dimensions during lot sizing and land value determination. Either or both methods can be referenced as appropriate for determination of land value by the appraiser.

Mapping and the current GIS are ongoing processes that are never really completed. A Geographic Information System stores parcel information in a computer database that is utilized by other state, federal and local agencies and county departments. The database is made up of geography (lines), and attributes (information about the lines).

The County Information Technology Department (IT) and outside governmental agencies provide digital line work, thematic maps, aerial photography and global positioning data to assist with building the parcel land base map/layer.

The recorded plat maps obtained from the Los Alamos County Clerk's office are entered into the land base map/layer. Maintenance of the parcel base map is conducted at the Assessors' office. Parcel maps are electronically stored and linked to parcel data via the uniform parcel code used by all other departments in the county. Each department adds layers to the maps and maintains those layers.

PLANNING AND ORGANIZATION

Objective

The planning and organizational objective of a reappraisal program is the most important aspect of a revaluation project. Los Alamos must develop a specific plan and complete its reappraisal activities within a one-year time period. The revaluation plan defines critical activities, assigns responsibilities, and sets up production standards for data collection and fieldwork. Sufficient time is allocated for quality control, such as ratio studies. Lastly, adequate resources, including budget, must be obtained.

Work plan

A valuation cycle must statutorily begin on January 1st of every tax year. This determines the taxable status of all properties. Some of the reappraisal activities are continuously ongoing, while others do have a specific ending date.

A work plan consists of developing an annual valuation cycle that complies with Property Tax Code requirements, inventorying number and types of parcels, developing units of production, and developing a production table. The valuation cycle on the following page indicates the required tasks that must be completed annually.

Valuation Cycle

Phase	Begin	Status/End
Public Relations	Ongoing	Ongoing
Mapping and GIS Maintenance	Ongoing	Ongoing
Data Collection and Analysis		
Building permits reports	January 1	December 31
Real property sales	January 1	December 31
Compile and verify data base	Ongoing	Ongoing
Market/Economic factors	Ongoing	Ongoing
Property characteristics	Ongoing	Ongoing
Sales Ratio Studies	Quarterly	December 31
Field Inspection* and Review		
Permits	May 1	December 1
Inquiries/requests	April 1	December 31
Maintenance	Quarterly	December 31
Sales	Monthly	December 31
Subdivisions	January 1	December 31
Calculation and Data Entry*		
Calculations and data entry of field data	Ongoing	March 1
Quality control	Ongoing	Ongoing
Valuation*	January	March 1
Notices of Value	March 1	April 1
Rechecks and verification request	April 1	April 30
Certification of Values for Rate setting	May 15	June 15
Protest Hearing		
Informal		Formals
Prior to Formal Hearings		Within 180 days after Receiving Notices of value
Tax Schedule	September 15	October 1

**Includes 20% rotating field inspection reappraisal.*

An inventory of all parcels in Los Alamos County is verified annually to insure that all parcels are accounted for and are correctly classified.

The table on the following page summarizes all the parcels in the county and will serve as the basis for calculating production rates to insure that all valuation activities will be completed within the required reappraisal cycle.

PARCEL SUMMARY TABLE (as of September 27, 2017)

Residential						
Abstract	Parcel Count			Assessed Valuation		
Description	Land	Bldg.	Total	Land	Bldg	Total
Res. MH Park (257 Spaces)	2	2	2	\$ 826,410	\$ 1,058,860	\$ 1,885,270
Res Single Family	5,246	5,246	5,246	\$ 144,249,620	\$ 357,586,790	\$ 501,836,410
Res Town Home End	1,347	1,347	1,347	\$ 23,925,160	\$ 57,423,700	\$ 81,348,860
Res Town Home Inside	235	235	235	\$ 2,740,940	\$ 8,592,700	\$ 11,333,640
Res Condo	189	189	189	\$ 1,751,690	\$ 7,044,220	\$ 8,795,910
Res Mobile Home	21	192	213	\$ 365,140	\$ 1,274,690	\$ 1,639,830
Res Bed & Breakfast	5	5	5	\$ 228,530	\$ 829,490	\$ 1,058,020
Res Multi Family	33	33	33	\$ 2,984,360	\$ 14,526,740	\$ 17,511,100
Res Other Improvements	-	10	10	\$ -	\$ 33,910	\$ 33,910
Subtotal Residential	7,078	7,259	7,280	\$ 177,071,850	\$ 448,371,100	\$ 625,442,950
Non-Residential						
Abstract	Parcel Count			Assessed Valuation		
Description	Land	Bldg	Total	Land	Bldg	Total
Land Res Vacant	215	-	215	\$ 6,402,970	\$ -	\$ 6,402,970
Land Commercial Vacant	8	-	8	\$ 768,760	\$ -	\$ 768,760
Commercial	175	182	188	\$ 16,283,480	\$ 65,308,750	\$ 81,592,230
Bed & Breakfast	1	1	1	\$ 47,880	\$ 169,910	\$ 217,790
Hangers	-	45	45	\$ -	\$ 369,680	\$ 369,680
Stables	-	106	106	\$ -	\$ 222,950	\$ 222,950
Personal Property	-	341	341	\$ -	\$ 8,109,120	\$ 8,109,120
Commercial Manufactured Homes	-	33	33	\$ -	\$ 187,660	\$ 187,660
Other Improvements	-	1	1	\$ -	\$ 2,700	\$ 2,700
State Assessed	-	25	25	\$ -	\$ 6,048,100	\$ 6,048,100
Subtotal Non- Residential	399	734	963	\$ 23,503,090	\$ 80,418,870	\$ 103,921,960
Livestock						
Abstract	Parcel Count			Assessed Valuation		
Description	Units				Livestock	Total
Cattle	3				\$ 820	\$ 820
Goats	81				\$ 2,470	\$ 2,470
Horse	224				\$ 61,280	\$ 61,280
Sheep	4				\$ 90	\$ 90
Alpaca	1				\$ 30	\$ 30
Subtotal Livestock	313	-	-	\$ -	\$ 64,690	\$ 64,690
Other Exempt Properties						
Abstract	Parcel Count			Assessed Valuation		
Description	Land	Bldg	Total	Land	Bldg	Total
Church	30	30	30	\$ 4,950,560	\$ 11,735,850	\$ 16,686,410
School	20	15	20	\$ 6,966,350	\$ 29,656,990	\$ 36,623,340
County	334	21	334	\$ 103,306,370	\$ 18,551,260	\$ 121,857,630
State	3	0	3	\$ 144,860	\$ -	\$ 144,860
Federal	17	2	17	\$ 63,811,250	\$ 1,306,770	\$ 65,118,020
Miscellaneous	5	10	10	\$ 477,040	\$ 3,952,900	\$ 4,429,940
Open Area	44	0	44	\$ 1,357,130	\$ -	\$ 1,357,130
Common Area	155	1	155	\$ 1,398,170	\$ 116,070	\$ 1,514,240
Subtotal Exempt Properties	608	79	613	\$ 182,411,730	\$ 65,319,840	\$ 247,731,570

PARCEL SUMMARY TABLE (Continued):

Exemptions						
Abstract	Parcel Count			Assessed Valuation		
Description	Land	Bldg	Total	Land	Bldg	Total
Head of Family	-	-	2,262	\$ -	\$ 4,524,000	\$ 4,524,000
Veterans	-	-	660	\$ -	\$ 2,631,600	\$ 2,631,600
Disabled Veterans	-	-	22	\$ -	\$ 1,804,860	\$ 1,804,860
Limitation of Value	-	-	-	\$ -	\$ -	\$ -
Subtotal Exemptions	-	-	2,944	\$ -	\$ 8,960,460	\$ 8,960,460
2017 Total Parcels by Classification Summary						
Class	Parcels	Valuation				
Residential	7,280	\$ 625,442,950				
Non-Residential	963	\$ 103,921,960				
Livestock	313	\$ 64,690				
Other Exempt Properties	613	\$ 247,731,570				
Exemptions	2,944	\$ 8,960,460				
Total Parcels and Net Taxable Value	9,169	\$ 720,469,140				

PRODUCTION MONTHS:

In developing a production table consideration has to be made to the non-production days, such as vacation, sick, holidays and bad weather. The following table illustrates the number of days we anticipate in a year.

Item	Vacation	Holidays	Sick	Weather	Total
Days	10	11	10	6	37

The estimated non-production days are thirty-seven (37). The monthly production days would then be computed by dividing 2,080 work hours per year by an 8-hour workday, less the 37 non-production days, divided by 12 months. This would give us 18.6 production days per month.

Next, we estimated standards of production based on studies from the IAAO and adjusted to actual Los Alamos production standards as observed. This information is used to determine schedules and staffing requirements.

STANDARDS OF PRODUCTION PER DAY / PER PERSON

DATA COLLECTION / TRANSFER

Residential	100
Multi-Family	10
Commercial	10
Mobile Homes	100
Hangers and Stables	200
Personal Property	100
Vacant Land	100
Exempt Property	150

CLASSIFY AND REVIEW

Residential	100
Multi-Family	25
Commercial	25
Mobile Homes	100
Vacant Land	100
Hangers and Stables	200
Personal Property	200
Exempt Property	150

DATA ENTRY

Residential	200
Multi-Family	100
Commercial	60
Mobile Homes	200
Vacant Land	200
Stables/Hangers	200
Personal Property	200
Exempt Property	150

VALUATION REAL ESTATE

MICA (Residential) Modeling	500
Land Modeling	500
Income Modeling	40
Personal Property	500
Final Review Residential	400
Final Review Commercial	200

Utilizing data from the parcel summary and estimated production per day tables, we developed the production table on the following page.

PRODUCTION TABLE

Function /Task	Parcels	Production			Staff	Months			Yearly
Classification		Level	Days	Months		Required	Training	Total	Fraction
Data Collection & Transfers									
Residential *	7,027	100	70.27	3.78	4	0.94	0.05	0.99	0.08
Multi Family	41	10	4.10	0.22	2	0.11	0.05	0.16	0.01
Commercial	207	10	20.70	1.11	2	0.56	0.05	0.61	0.05
Mobile Homes**	225	100	2.25	0.12	4	0.03	0.05	0.08	0.01
Land (Res & NR)	7,477	100	74.77	4.02	2	2.01	0.05	2.06	0.17
Hangers & Stables	151	200	0.76	0.04	4	0.01	0.05	0.06	0.01
Personal Property***	654	100	6.54	0.35	4	0.09	0.05	0.14	0.01
Exempt Property	613	150	4.09	0.22	4	0.05	0.05	0.10	0.01
Totals	16,395	770	183.47	9.86		3.80		4.20	0.35
Classify and Review									
Residential*	7,027	100	70.27	3.78	3	1.26	0.05	1.31	0.11
Multi-Family	41	25	1.64	0.09	3	0.03	0.05	0.08	0.01
Commercial	207	25	8.28	0.45	3	0.15	0.05	0.20	0.02
Mobile Homes**	225	100	2.25	0.12	3	0.04	0.05	0.09	0.01
Land Res & NR	7,477	100	74.77	4.02	3	1.34	0.05	1.39	0.12
Hangers and Stables	151	200	0.76	0.04	4	0.01	0.05	0.06	0.01
Personal Property***	654	200	3.27	0.18	4	0.04	0.05	0.09	0.01
Exempt Property	613	150	4.09	0.22	4	0.05	0.05	0.10	0.01
Totals	16,395	900	165.32	8.89		2.93		3.33	0.28
Data Entry									
Residential*	7,027	200	35.14	1.89	4	0.47	0.05	0.52	0.04
Multi-Family	41	100	0.41	0.02	4	0.01	0.05	0.06	0.00
Commercial	207	60	3.45	0.19	4	0.05	0.05	0.10	0.01
Mobile Homes**	225	200	1.13	0.06	4	0.02	0.05	0.07	0.01
Land Res & NR	7,477	200	37.39	2.01	4	0.50	0.05	0.55	0.05
Hangers and Stables	151	200	0.76	0.04	4	0.01	0.05	0.06	0.01
Personal Property***	654	200	3.27	0.18	4	0.04	0.05	0.09	0.01
Exempt Property	613	150	4.09	0.22	4	0.05	0.05	0.10	0.01
Totals	16,395	1310	85.62	4.60		1.15		1.55	0.13
Valuation									
Mica (Res.) Modeling	7,259	500	14.52	0.78	2	0.39	0.05	0.44	0.04
Land Modeling	8,085	500	16.17	0.87	2	0.43	0.05	0.48	0.04
Income Modeling	254	40	6.35	0.34	2	0.17	0.05	0.22	0.02
Personal Property***	654	500	1.31	0.07	2	0.04	0.05	0.09	0.01
Final Residential Ratio Study	7,259	400	18.15	0.98	2	0.49	0.05	0.54	0.04
Final Non-Res. Ratio Study	908	200	4.54	0.24	2	0.12	0.05	0.17	0.01
Totals	24,419	2140	61.03	3.28		1.64		1.94	0.16
Down Time (Missed Days)								1.2	0.10
Grand Total									1.02

* Includes Single Family, Town Homes, and Condos

** Includes commercial mobile homes

*** Includes business fixtures and equipment and livestock

The difference in parcel numbers from the parcel summary and the production table is that improved parcels have been separated into land and building instead of being combined as one.

ASSIGNMENT OF RESPONSIBILITIES

Chief Deputy Assessor								
Training / Meetings	IAAO	Assessors	PTD School	Local / State	Others	Weeks	Months	% per Yr
Weeks	1	1	1	3		6	1.5	12.5%
Mapping / GIS	Coding	Maps						
Weeks	0.5	0.5				1	0.25	2.1%
Comp./Prg./Dev.	CAMA	Sales Ratio	CAMA / GIS					
Weeks	2	2	1			5	1.25	10.4%
Appraisal	Valuation	Data Mgt	Protests					
Weeks	3	2	2			7	1.75	14.6%
Administrative	Administrative	Legislative	Customer Srvc.	Reports				
Weeks	13	2	4	3		22	5.5	45.8%
Down Time	Vacation	Holidays	Sick	Weather				
Weeks	2	2.2	2	1		7.2	1.8	15.0%
					Totals		12	100%
Chief Appraiser								
Training / Meetings	IAAO	Assessors	PTD School	Local / State	Others	Weeks	Months	% per Yr
Weeks	1	1	1	1	1	5	1.25	10.4%
Mapping / GIS	Coding	Maps	Development					
Weeks	0.5	0.5	1			2	0.5	4.2%
Comp./Prg./Dev.	CAMA	Sales Ratios	CAMA / GIS					
Weeks	3	2	1			6	1.5	12.5%
Appraisal	Valuation	Data Mtg.	Protests	Inspections				
Weeks	5	3	5	3		16	4	33.3%
Adminstrative	Administrative	Reports	Customer Srvc.	Data Entry				
Weeks	4	2	4	2		12	3	25.0%
Down Time	Vacation	Holidays	Sick	Weather				
Weeks	2	2.2	2	1		7.2	1.8	15.0%
					Totals		12	100%
Appraiser								
Training / Meeting	IAAO	Assessors	PTD School	Local/state	Others	Weeks	Months	% per Yr
Weeks	1	1	1	1	1	5	1.25	10.4%
Mapping / GIS	Coding	Maps						
Weeks	0.5	0.5				1	0.25	2.1%
Comp./Prg./Dev.	CAMA	Sales Ratios	CAMA / GIS					
Weeks	3	1	1			5	1.25	10.4%
Appraisal	Valuation	Data Mtg.	Protests	Inspections				
Weeks	8	3	6	3		20	5	41.7%
Adminstrative	Administrative	Customer Srvc.	Data Entry					
Weeks	3	3	4			10	2.5	20.8%
Down Time	Vacation	Holidays	Sick	Weather				
Weeks	2	2.2	2	1		7.2	1.8	15.0%
					Totals		12	100%

ASSIGNMENT OF STAFF RESPONSIBILITIES (Continued):

Senior Assessment Specialist								
Training / Meetings	Assessors	PTD School	Local / State	Others	Others	Weeks	Months	% per Yr
Weeks	1	1	1	1		4	1	8.3%
Mapping / GIS	Deeds	Coding	Mapping					
Weeks	3.5	0.5	1			5	1.25	10.4%
Comp./Prg./Dev.	CAMA							
Weeks	3					3	0.75	6.3%
Appraisal	Valuation	Data Mtg.	Personal Prprty					
Weeks	1	2	4			7	1.75	14.6%
Adminstrative	Administrative	Reports	Customer Srvc.	Data Entry				
Weeks	4	1	12	5		22	5.5	45.8%
Down Time	Vacation	Holidays	Sick	Weather				
Weeks	2	2.2	2	1		7.2	1.8	15.0%
					Totals		12	100%
Assessment Specialist								
Training / Meetings	Assessors	PTD School	Local / State	Others	Others	Weeks	Months	% per Yr
Weeks	1	1	1	1		4	1	8.3%
Mapping / GIS	Asst. Deed	Coding						
Weeks	1	0.5				1.5	0.375	3.1%
Comp./Prg./Dev.	CAMA							
Weeks	2					2	0.5	4.2%
Appraisal	Valuation	Personal Prprty	Permits	Permits Insp.				
Weeks	1	3	2	2		8	2	16.7%
Adminstrative	Administrative	Customer Srvc.	Data Entry					
Weeks	4	12.5	9			25.5	6.375	53.1%
Down Time	Vacation	Holidays	Sick	Weather				
Weeks	2	2.2	2	1		7.2	1.8	15.0%
					Totals		12	100%
Appraiser Apprentice								
Training / Meetings	Assessors	PTD School	Local / State	Others	Others	Weeks	Months	% per Yr
Weeks	1	1	1	1		4	1	8.3%
Mapping / GIS	Asst. Deed	Coding						
Weeks	1	0.5				1.5	0.375	3.1%
Comp./Prg./Dev.	CAMA							
Weeks	1					1	0.25	2.1%
Appraisal	Permits	Inspections						
Weeks	2	20				22	5.5	45.8%
Adminstrative	Administrative	Customer Srvc.	Data Entry					
Weeks	1	7.5	4			12.5	3.125	26.0%
Down Time	Vacation	Holidays	Sick	Weather				
Weeks	2	2.2	2	1		7.2	1.8	15.0%
					Totals		12	100%

SYSTEM DEVELOPMENT

System development consists of developing forms, manuals, and procedures for collecting and processing property characteristics, sales, income, and cost data.

Forms and manuals

The forms, called property record cards, are electronically stored. The property record card(s) are printed and taken to the field when valuing or reviewing properties. Our CAMA system has the capability of integrating with electronic portable hand held computers where parcel data is down loaded for field inspection. We will be looking at implementing this functionality if the need arises. Property data, characteristics, improvements, and building sketches are verified and corrected. Once the property data has been modified, the corrected data and sketches are uploaded to the CAMA main system and the property information is automatically updated. This system can handle a large volume of parcels at a given time while eliminating double data entry and errors.

Valuation models have been created and serve as valuation and depreciation schedules for all taxable properties. Marshall Swift Valuation Services is used to support our valuation models and to value special purpose properties to include some commercial property.

Data collection

Sources

The appraisal staff first classifies all parcels in Los Alamos County as residential or non-residential. These two categories will then be further classified into type, class, and grade as required by law and professional appraisal standards. Field review is performed to insure correct classification and proper grade.

The data collection process is ongoing, and includes field inspection for the required five-year physical inspection cycle². All of the data collected through both the gathering of market and economic data and of property characteristics will be used as the basis for a detailed study of current market values in Los Alamos County. This will include construction indexes, cost schedules, depreciation tables, regression analysis, income and expense, and valuation models.

This data will be obtained from sources such as:

- | | |
|--------------------------------|--------------------------------------|
| 1. Assessor's Property Records | 2. Buyers and Sellers Questionnaires |
| 3. Real Estate Brokers | 4. Mortgage Companies |
| 5. Builders | 6. Property Managers |
| 7. Building Permits | 8. New Businesses |

Field data will be collected on each parcel in Los Alamos County in accordance with the specifications set out by the data control and records staff.

Sales questionnaires are statutorily required when property sells and this office also sends out request forms annually for income and expense data. The Assessor's Office maintains a close working relationship with local title companies who, as an added service to their clients and the county, files the questionnaires with the Assessor's Office.

² State statute requires physical inspection every six years. Los Alamos, however, uses a five-year inspection cycle.

Prior to field visits, property occupants will be notified by press releases prepared for the local media. All field personnel will be required to wear identification badges, uniforms, and use clearly marked county vehicles. The quality of the data gathered from the field inspection will be carefully monitored. The records control personnel will check all property record cards for missing data, etc., returning all incomplete or incorrect record cards to the field inspection personnel for correction.

Quality control

Quality control is critical. Data is thoroughly reviewed and tested to ensure consistency and accuracy before it is used for valuation. Supervisory personnel will check the accuracy of the data collected and will also conduct random re-inspections of sample properties. In addition, the current computer software used by the assessor's office has a quality control feature referred to as "versioning". This software provides an audit trail of changes made to a particular parcel. The system automatically records the person making a change, the work station, and type of change, including the time, date, and the change made.

Data maintenance

Data maintenance is the process of capturing any changes in our parcel data such as property transfers, new construction, and demolition. Los Alamos County has four components: recording, permits, personal property tracking, and re-inspections.

The first is the recording of property transfer data (deeds) and subdivisions in the County Clerk's office. As required by law, copies of transfers and official recorded subdivisions are provided to the County Assessor for our parcel database. Recorded subdivision plats means the creation of new parcels; lot splits or consolidation that will create substantial changes in value. These must be entered into the land data inventory database and field inspections.

The second is building permits. As the assessor's office receives copies of the permits that are filed with the Community Development Department, property record cards are pulled or flagged and inspections scheduled. All property owners are required to obtain a building permit for new construction, additions, remodeling or replacement of worn components such as roof covering, siding, or windows. The County Assessor receives these permits regularly and the initial property characteristics and sketches are entered into the CAMA system.

On all property inspections, when possible, contact with the property owner will be made. County Assessor's staff must always wear county issued identification items.

The basis for value on permits is market value, not cost.

There are basically three types of permits, a new unit, an addition, or a remodel of the building.

Los Alamos residential building types consist of the following:

- **Single Family** – single family unit.
- **Duplex** – two family units.
- **Tri – Plex** – Three family units.
- **Four – Plex** – Four family units.
- **Multi – Family** – More than four family units.

- **Townhouse End** – The first or last in a row of houses with common walls with ownership of land.
- **Townhouse Inside** – The middle unit in a row of house with common walls with ownership of land.
- **Patio – House** – These are similar to a town house but without a common wall. One or both of the sidewalls are on the zero lot line.
- **Condominium** – A set of properties that are one parcel where each unit has an interest in the common area (s). These units are generally valued separately plus a percentage of the common interest of the value for the common area.

For additions and remodels, the value obtained is the contributory value not the cost of the project. For example, the cost to replace roof covering might not add to the market value of a house on a dollar for dollar basis.

A new addition will require field verifications of dimensions, condition, quality and any other building attribute changes. Also, the structures effective age will change.

Remodels on structures are usually internal which creates an access problem; therefore we must rely on the building permit data.

On remodels, the area of remodel can be used to drive at a percentage of the total area for calculating the new effective age. The condition and any attribute changes must also be corrected with the new value being entered in the value tracking software of the CAMA system.

All valuations derived from the building permits is considered new value and must be entered and tracked on the CAMA system. The NM Department of Finance and Administration, as part of the allowable growth (yield control) for operations by governmental entities, uses the new values in the tax rate setting process.

The third component is the personal property tracking system. The assessor's office receives a listing from the Community Development Department of new businesses. For verification purposes, the county assessor's office also has access to the utility department database. Those business properties that are not on the tax roll are entered and a business personal property reporting questionnaire is mailed to the business.

The fourth essential component of a good data maintenance program is the requirement for periodic re-inspection of all properties in Los Alamos. No matter how good a permit reporting and monitoring system is, undetected changes will always occur. The Property Tax Division has directed assessors to implement a six-year re-inspection cycle for this purpose, which is also the IAAO standard. The county assessor, however, uses a more frequent, five-year inspection cycle. The main function of these inspections is to verify existing information.

Los Alamos County uses the permit tracking system, aerial photographs, and digital photographs, and field inspections to physically verify and update current information. The aerial photography software is capable of tagging changes from one fly-over period to the next.

One fifth of the county will be inspected annually, beginning at the northeastern portion of the county going by section and subdivision. There are approximately nine thousand one hundred sixty-nine

parcels (9,169) in Los Alamos County; therefore approximately one thousand eight hundred thirty-three parcels (1,834) would be inspected each year. Our 2017 field inspection effort included the Barranca Mesa and North Mesa areas. Through these inspections, we collected an additional \$586,400 of omitted value, which will amount to approximately \$14,797 in property taxes. Our target for the current tax year are North Community and Quemazon areas, which is phase 2 of our 5 year cycle.

VALUATION

In valuing property for property tax purposes, the Los Alamos County Assessor's office employs individuals who have appraisal background and who are trained and certified in the appraisal standards of IAAO and USPAP.

Los Alamos County uses a Computer Assisted Mass Appraisal (CAMA) system to value and maintain valuation data for all taxable properties in the county. The market value of each taxable property must be maintained regardless of ownership (government or schools), statutory value limitation, or exemption (non-governmental).

Mass appraisal requires the development of valuation models capable of replicating the forces of supply and demand over a large area. Appraisal judgments relate to groups of properties rather than to single properties.

The assessor must develop, support, and explain standardized adjustments, such as size, location, quality, view, etc in valuation models among use classes, construction types, neighborhoods and other property groups.

In mass appraisal, quality controls are handled through the use of statistical methods to gauge the accuracy and consistency of the valuations generated by the valuation models.

The valuation system used in Los Alamos County consists of mass appraisal applications using the three approaches to value; the sales comparison approach, the cost approach, and the income approach. The sales comparison approach application includes multiple regression and automated sales analysis. The cost approach requires maintenance of computerized cost schedules and equations, derivation of depreciation schedules from market data, and reconciliation of cost generated values with the market. Mass appraisal application of the income approach include the development and use of income multipliers and overall rates.

The valuation system uses property characteristics maintained in the data management system, along with sales data and ratio studies. Sales ratio studies refine valuation models and determine which valuation method produces the most accurate results. The analysis of the relationship of property characteristics to values within the valuation system indicates which data items are required to support effective valuation methods.

Valuation model are calibrated annually to adjust to current market trends and value as of January 1 of every tax year. Model calibration is the process of adjusting mass appraisal formulas, tables and schedules to the current market.

Valuation model development and creation for the different classes of taxable properties, as used in Los Alamos County, are:

- Land Models
 - Commercial Land

- Residential Land
- Improvement Models
 - Apartment
 - Commercial
 - Condo/Townhome
 - Residential
 - Mobile
 - XFOB

The most common models and schedules are:

- Land valuation tables: these tables contain land values per unit, along with standard adjustments for topography, depth, site view and other locational features.
- Cost approach tables: these tables include base rates, per square-foot adjustments, and lump sum used to estimate replacement cost new. Associated tables include depreciation, time, location and market adjustment factors.
- Sales comparison tables: includes market-adjusted tables that reflect current and local sales analysis.
- The income approach software model is currently under development. Sufficient income data essential for the development of this model is scarce. Therefore development has been slow, but progressing. It is, however, annually utilized on an individual basis for accurately valuing commercial property.

The statutory special methods of valuation for the applicable classes of properties will be utilized. They consist of:

- Business Personal Property (NMSA 1978 7-36-33) reported to the assessor are those fixtures and equipment used in businesses, which were depreciated and reported to the IRS for the previous year, excluding inventory.³
- Agricultural land and livestock, the land value is based on its capacity to produce agricultural products and the livestock values are derived from the livestock industry via the Property tax Division. Since the Property Tax Division establishes the livestock values, they are responsible for defending those valuations in case of a value protest. Application for agricultural lands must be submitted not later than the last day in February of each tax year. Los Alamos currently does not have agricultural land on its tax roll.
- Manufactured homes are classified as residential and subject to a special method of valuation as stated in NMSA 1978 7-36-26. The cost approach to value is used to determine cost new less depreciation. A manufactured home is taxed as real property if it is permanently affixed to the land and certain other criteria are met as outline in NMAC part 14.12.2 and NMSA 7-36-26, regulation 3.6.5.33. Manufactured homes not permanently affixed to the land must annually register with the NM Motor Vehicle Division.

³ Unlike IRS, New Mexico limits depreciation to 12.5% of initial cost.

Land will be valued separately from its improved parcels. Adjustments for size, shape, view, and any other pertinent, required adjustment will be made in accordance with accepted appraisal standards.

The limitation of value applied to residential property as applicable to NMSA 1978 7-36-21.2 and 21.3 will be enforced by the assessor and is monitored by the Property Tax Division annually to insure compliance with applicable laws.

Valuation initially involves market analysis, model development, model calibration, and calculations of preliminary values. A ratio study then evaluates the accuracy and consistency of values. When model results are statistically acceptable, field reviews are conducted.

Improvements made to residential properties made in the prior tax year and any omitted improvements from prior tax years will be valued according to their contributory values as indicated by market data.

Granting of exemptions to taxable value will be according to the Property Tax Code on forms developed and provided by the Property Tax Division and/or the Los Alamos County Assessor. The type and amount of available exemptions are:

- **Head of Family** (NMSA 1978 7-37-4), \$2,000 off of the net taxable value.
- **Veteran** (NMSA 1978 7-37-5), \$4,000 maximum per veteran in tax year 2006 and subsequent years off of the net taxable value.
- **Disabled Veteran** (NMSA 1978 7-37-5.1), totally exempted from paying property taxes.
- **Veterans' Organization** (NMSA 1978 7-37-5.3), totally exempted from paying property taxes.
- **Charitable/Education and Churches** (NMSA 1978 7-36-7), totally exempted from paying property taxes.
- Federal, State, Schools, County, and Municipal owned property are exempted from property taxation

In addition to the above exemptions there is a limitation on residential property owned by low-income taxpayers over sixty-five (65) years of age, or disabled. Currently, any taxpayer whose modified income does not exceed a certain amount determined by the Property Tax Division for the prior year can qualify for this limitation in value increase on their primary single-family residence. In addition to this limitation, Los Alamos County has also adopted an ordinance to provide for relief for low income property owners as a rebate on their personal income tax.

Regulation 3.6.5.41, Market Value of Affordable Housing, was enacted in 2009, allowing individual taxpayers to apply for special method of valuation on affordable housing. The regulation allows for the affordable housing subsidies and/or accrued interest to be deducted from a property's market value therefore reducing the property valuation and, in turn, might lower the property tax bill. As of 2017, there have been 57 property owners who have applied for this exemption.

The limitation on increase refers to state law (7-36-21.2) that limits increase of properties that did not sell in the immediate prior tax year to three percent per year. Properties that had a change of ownership (sold) in the immediate prior tax year are not subject to this limitation and are valued at market value.

Testing and refinement

Before notices of values are mailed notifying taxpayers of their property is estimated value, values must be tested and, if necessary, refined to insure fairness and accuracy. As earlier mentioned, ratio studies are utilized to gauge level and uniformity of the reappraised property. The process of testing is to compare the assigned values to known sales then determine if they are within accepted statutory and appraisal standards described on pages 17 - 20.

If refinement is required, then calibration is done on the specific model to obtain the acceptable standards. This is discussed in length in the valuation model section above.

NOTIFICATION AND VALUATION DEFENSE

Notice of value (NOV)

A preliminary change of value report will be generated and reviewed the first week of February. Notices of valuation will then be mailed to all property owners on or before April 1st. Information contained in the NOV's is governed by NMSA 7-38-20. These notices will show the value for property taxation purposes, taxable value, the classification(s) of the parcel, assessed value of the current and prior year, prior year tax amount and prior year tax rate. The notices will also contain information regarding claiming of exemptions, reporting requirements, procedures to file a valuation protest and a brief explanation on how to calculate your estimated taxes.

As the Los Alamos County residential market has been extremely active, most active since 2007, the gap between the Assessed value and the market value has increased significantly in recent years, due to the residential valuation limitation. For this reason, the assessor's office has made an effort to make the office as transparent as possible and has included an additional step to identify those residential properties affected by the limitation. New for the 2018 tax year, there will be a flag on those properties.

Protest Remedies

It is the policy and goal of the Los Alamos County Assessor's Office that all assessments be fair, equitable, correct and current. Property owners are encouraged to contact the assessor's office if they have questions concerning an assessment or feel the assessment is incorrect. No property owner should pay more tax than what is legally required.

There are two time windows per year when taxpayers can file a protest: 30 days after the mailing of the NOV or 60 days after the due date for their tax payment. Filing during the NOV window is less costly. Property owners may protest assessed values, classification, and allocation of value to a particular governmental taxing unit, denial of exemptions or limitation on increase in value determined by the county assessor. The most common type of protest is over assessed value, exceeds market value. If a property owner believes their assessment is higher than it should be, the first thing to do is to talk to a representative in the assessor's office, explaining why it is thought that the property is over assessed. The best time to do this is within thirty days of receiving your notice of value. After this time it becomes increasingly difficult and costly to change an assessment.

If a citizen remains convinced that their assessed value is too high, a protest may be filed by either:

- 1) filing a petition of protest with the county assessor no later than thirty days after the mailing of the notice of value, or

- 2) filing a claim for refund, in the district court, after paying the first installment of taxes due. A petition of protest and claim for refund cannot be filed in the same year for the same property.

Informal hearing

The process of a property valuation protest and a property valuation review has two separate functions. One is to provide a procedural method of reviewing assessments whereby any inaccuracies may be corrected, without having to protest. The other is to have the protest heard before an independent Valuation Protest Board.

Review allows the re-examination of assessments by the assessor to correct and clarify any discrepancies in the individual assessments within statutory limits, before certifying values.

Typically, approximately 150 property owners per year inquire about their property value and, of that, approximately 30-35 % will proceed to file an official protest. When an inquiry cannot be resolved quickly, taxpayers are offered the option to file a protest which extends the time for resolution from 30 days to 180 days. Once an appeal is filed, appraisal staff will conduct an informal hearing. If the taxpayer is not satisfied with the informal hearing, a formal hearing will be scheduled before the independent Los Alamos Valuation Protest Board.

A protest petition must be filed and will be tracked until the dispute is completely resolved. Protest petitions must contain the property owner's name, address and a description of the property. The petitioner must also state why the owner believes the value, classification; allocation of value, claim for exemption, or the limitation of value determined by the county assessor is incorrect. The owner must also state what (s)he believes is the correct value, classification, allocation of value, claim for exemption, or the limitation of value by the county assessor to be. The petition must also state what item(s) is not subject to protest. Petition forms are available at the county assessor's office and through our Los Alamos County website.

After receiving a petition, the assessor will set up an informal hearing with the property owner. The informal hearing is off the record where data is exchanged and verified. During or before this meeting, the property owner should review their property data to be sure that the information listed is correct. The assessor will provide the property owner with copies of this information.

The assessor will explain the method(s) used in determining assessment. Any pertinent data assembled by the property owner should be presented at this hearing. The goal of a protestant at this informal process should be:

- 1) verify all information on their property,
- 2) to make sure they understand how their assessed value or other taxing attributes were determined,
- 3) to be sure that they understand the protest procedure and how the assessor's office can help them, if they want to proceed with a formal protest.

If a change of value is warranted, then they will be notified of the change. The burden of proof is on the protestant. Pursuant to state statute the assessor's values are presumed to be correct and the protestant has the burden of overcoming that presumption.

Formal hearing

If a protestant chooses to continue with their protest, the assessor must schedule a formal hearing before the Los Alamos County Valuation Protest Board. Property owners will be notified by certified mail of the date, time and location of the formal protest hearing. An Order of No Show will be filed if the taxpayer or a representative of the taxpayer fails to appear at the hearing without reasonable justification.

As the current market conditions begin to stabilize, it is projected that approximately 30% of informal appeals will go to the Valuation Protest Board. Board hearings are planned for September, as they have been in recent years. The Los Alamos Chief Deputy Assessor, Chief Appraiser, and Appraiser will defend the county assessor's valuations.

The Valuation Protest Board is an unbiased, independent board which hears protests of assessments used for determining property taxes. The board consists of volunteers appointed by the county council for a two year term. To assure independence, the Assessor's Office must not participate in the selection of members. The board has three voting members, of which one is a property appraisal officer employed by the NM Taxation and Revenue Department and serves as the chairperson of the board. The other two members and two alternates must be electors of Los Alamos County. One member and one alternate must demonstrate experience in the field of valuation of property; the other member and alternate do not need such experience. The two locally appointed members can't be employed by the state, a political subdivision or a school district, can't hold an elective public office, and must be registered to vote in Los Alamos County. The board must make its decision and notify the property owner in writing within thirty days after the hearing, but the deadline may be extended if the taxpayer and board agree.

All protests must be decided within one hundred eighty (180) days of the date on which the protest was filed unless the parties agree otherwise. A copy of the decision must be sent to the property owner by certified mail. A copy of the decision must also be sent to the county assessor so that valuation records, if required, are changed in accordance with the decision.

The property owner or the county assessor can appeal the board's decision in the district court. The appellant will bear all costs associated with this appeal. Appeals by or against the County Assessor are litigated by the County Attorney's Office.

For the 2017 tax year there were twenty-seven (27) property valuation protests filed in Los Alamos County. Of those twenty-seven (27) protests eighteen (18) were residential and nine (9) were non-residential. All but three (3) protests were resolved through the informal hearings. All three (3) were scheduled before the Valuation Protest Board Hearing, however, only one (1) of the protestant attended the hearing and two (2) were no-shows. The county successfully defended all protests with the board ruling in favor of the county. The total revenue savings in tax dollars for all entities who receive revenue from the property tax is estimated at approximately \$191,467.

Claim for Refund in District Court

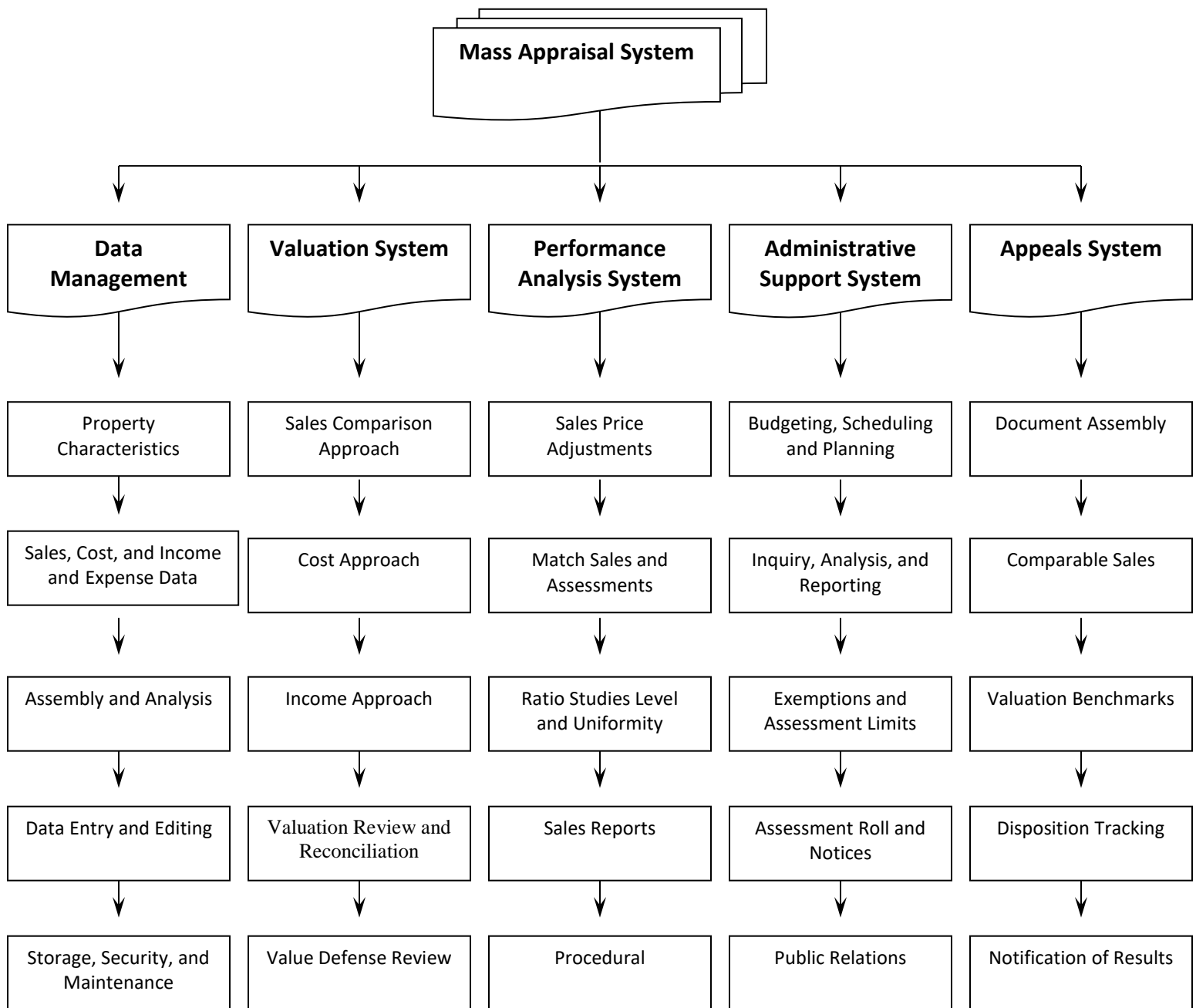
Refund claims are filed in the District Court. Claims must be filed against the county assessor, no later than the sixtieth (60) day after the due date for the first installment of the tax that is subject to a claim of refund. Payment of all taxes due in accordance with the tax bill must be made prior to the delinquency date before filing for a claim for refund. The payment is held in a suspense fund until the claim is resolved. Claims must contain the property owner's name and address, as well as other

persons receiving a tax bill for the property. The action must state the basis for the refund claim, the amount of the refund to which the owners believe they are entitled, and amounts paid. Property owners or the county may appeal final decisions or orders from a district court. The County Assessor is represented by the County Attorney.

Once the courts have determined the amount of refund, if any, the county treasurer will make the appropriate change to the tax records and issue the refund amount ordered by the court plus interest.

We currently have one Claim for Refund pending which was filed in District Court January 8, 2017. The protestant is claiming property taxes of \$7,000 which translates to a value of \$832,240 and a taxable value of \$277,410. The 2018 value, as per the County Assessor's records is \$2,692,840, a taxable value of \$897,610 and property taxes billed of \$22,649.40. The Los Alamos County Attorney has filed a response to the complaint.

COMPONENTS OF A MASS APPRAISAL SYSTEM



ADDENDUM

<u>ITEM</u>		<u>PAGES</u>
I.	2017 Los Alamos County Assessor's Evaluation	A - N
II.	Los Alamos Eight Year Statistical Summaries	O - Q
III.	Ranking of Counties by Net Valuation	R
IV.	Counties Tax Rates Comparison	S - U
V.	2017 Counties Imposed Rates	V
VI.	2017 Municipalities Imposed Rates	W - Y
VII.	County Property Valuation Fund	Z
	Department of Finance and Administration Memos	AA - BB
VIII.	New Mexico Property Tax Calendar for Property Owners	CC
IX.	Tax payer's Property Profile Example	DD - EE
X.	Public Relations Programs	FF

I. Annual Assessor Evaluation



State of New Mexico
Taxation & Revenue Department
Property Tax Division
ANNUAL ASSESSOR EVALUATION



COUNTY:	Los Alamos	Tax Year:	2017	Reviewer:	Rick Jenkins
Assessor:	Kenneth Milder	Review Date:	Monday, April 10, 2017		

ADMINISTRATION		STAFFING		CLERICAL	
Elected Assessor	0.1	Chief Appraiser	0.80	Administrative Clerks	0.40
Administrative Assistant	0	Residential Appraisers	0.90	Title Examiner	0.10
Chief Deputy Assessor	1	Commercial Appraisers	0.30	Deeds / Mapping	0.50
Deputy Assessor(s)	0	Manufactured Homes	0.30	Exemptions	0.20
GIS Director	0	Business Personal Property	0.50	Data Entry	0.30
		Agriculture / Grazing Land	0.00	Quality Control	0.30
		Livestock	0.40		

PARCEL COUNTS and VALUATION (Taxable Value)						
	TY 2016		TY 2017		Change - \$\$	Change %
	Parcels	Taxable Value	Parcels	Taxable Value		
REAL ESTATE						
Residential Land	7,069	529,659,240	7,079	531,300,390	1,641,150	0.31%
Residential Improvements	7,059	1,272,309,300	7,069	1,341,870,300	69,561,000	5.47%
Non-Residential Land (ALL)	406	71,278,350	399	70,839,990	(438,360)	-0.61%
Non-Residential Improvements	332	182,027,460	334	197,966,550	15,939,090	8.76%
PERSONAL PROPERTY						
Business Personal Property	340	24,583,140	338	24,166,920	(416,220)	-1.69%
Manufactured Homes	218	4,073,610	225	4,387,050	313,440	7.69%
Livestock (# of Accounts, not # of Head)	324	179,790	313	194,070	14,280	7.94%
STATE ASSESSED						
State Assessed	23	18,495,750	23	18,625,140	129,390	0.70%
Copper					-	
Other					-	
Other					-	
Agricultural/Grazing Land (If extractable)					-	
EXEMPT PROPERTY	611	733,218,300	612	742,972,500	9,754,200	1.33%
GRAND TOTAL	16,382	2,102,606,640	16,392	2,189,350,410	86,743,770	4.13%

PERSONAL EXEMPTIONS					PROTESTS	
	TY 2016		TY 2017		Tax Year:	2016
	Count	Taxable Value Exempted	Count	Taxable Value Exempted	Total Number Filed	76
Veterans	688	2,740,690	645	2,571,600	Resolved Prior to Scheduling	64
100% Disabled Veterans	20	1,502,960	22	1,804,860	Scheduled for Hearing	12
Head of Household	2,250	4,500,000	2,195	4,390,000	Resolved Prior to Hearing	8
Over 65 Value Freeze	7		6		Protests Heard	4

SALES RATIO STUDY - 2016 Values vs. 2015 Sales						2015 Values vs. 2015 Sales		
Sample Size	Median	Mean Ratio	Std Dev	COD	PRD	Median	COD	PRD
314	97.47%	98.37%	7.41%	6.36%	100.03%	97.26%	6.58%	100.45%
Sales Ratio Study Guidelines								
MEDIAN	IAAO Standards suggest that this figure should be within 10% of the statutory mandated assessment level. Since New Mexico Statutes require values to be at "Current and Correct" or Market Value, the Median Ratio should be between 90 and 110%.							
PRD	The Price Related Differential is a measure of equitability between properties within a jurisdiction. PRD should be between 98% and 103%, indicating fair and equitable assessment in all value ranges.							
COD	The Coefficient of Dispersion measures the dispersion of ratios around the Median Ratio. IAAO Standards suggest that this figure be below 15%, but in small rural jurisdictions COD's between 15 and 20% may be acceptable.							

I. Annual Assessor Evaluation



**State of New Mexico
Taxation & Revenue Department
Property Tax Division
ANNUAL ASSESSOR EVALUATION**



CONTACTS for LOS ALAMOS COUNTY			
	Name	Phone	E-Mail
Assessor	Kenneth H Milder	(505) 662-8030	kenneth.milder@lacnm.us
Chief Deputy	Joaquin Valdez	(505) 662-8359	joaquin.valdez@lacnm.us
Chief Appraiser	Lucas Fresquez	(505) 662-8029	lucas.fresquez@lacnm.us
MH Appraiser	Betty Martinez	(505) 662-8030	betty.martinez@lacnm.us
GIS Director / Mapper	Michael Smith	(505) 662-8097	michael.smith@lacnm.us
Online Access Web Address: www.losalamosnm.us/assessor/Pages/default.aspx			
DOCUMENTS REQUESTED			
1	Copy of Annual Report to County Commissioners (7-36-16-E; NMSA)		
2	Preliminary and Prior Year Budget		
3	Please provide your employee education tracking report listing all educational courses successfully completed, i.e., IAAO, Appraisal Institute, USPAP, etc. for the Assessor and Assessor's Staff		
4	Organization Chart (Please include name, title, phone, email, and certification level for all employees)		
5	Make available all Treasurer's change orders from October 1st to present (7-38-77, NMSA)		
6	Property Record Cards for Newly Elected Officials, County Manager, County Attorney, and Assessor's Staff		
7	Last Year's NOV and Current values for Elected Officials, County Manager, County Attorney, and for Assessor's Staff		
8	Listing of non-governmental Exempt Property showing Owner, Location, and Valuation (not personal exemptions) (7-38-8.1, NMSA)		
9	Review of building permits will be made at time of evaluation. Please make available at time of evaluation. (All Building Permits)		
10	List of properties receiving Special Method of Valuation for Agricultural Properties including: Location, Owner, Lessee, Acreage. (for Grazing properties, only those properties containing 50 or less acres, for Agricultural properties, only those containing 10 or less acres.)		
11	Review of transfer affidavits will be made at time of evaluation. Please make available at time of evaluation.		
12	Property Re-Inspection Plan with start / end dates and current status		
13	A listing of all properties that filed protest petitions in 2016 showing Parcel ID, Owner Name, Property Address, Original NOV value, Final Value after resolution, and reason for change. Please make protest files available for review.		
REVIEWER'S COMMENTS ON ABOVE DOCUMENTS		ASSESSOR'S COMMENTS ON ABOVE DOCUMENTS	
1	A hardcopy of the 2016 Annual Report to the County Commissioners was provided at the time of the evaluation. The report meets and the requirements under 7-36-16.E. No discrepancies were noted.	Approved on March 21, 2017. Copy provided.	
2	The preliminary and prior years budget was provided in hardcopy. No discrepancies were noted.	Copy of budget Provided.	
3	A hardcopy of the employee education tracking report was provided at the time of the evaluation, no discrepancies were noted.	Copy of the employee education tracking report provided.	
4	An organizational chart was provided with the employee's title, phone number and email address included in hardcopy.	Copy of organizational chart provided.	
5	All 21 Treasurer's change orders were made available and found to be compliant with 7-38-77 NMSA.	Change orders will be made available during evaluation scheduled for April 10-11, 2017.	
6	Property Record Cards for Newly Elected Officials, County Manager, County Attorney, and Assessor's Staff were provided in hardcopy. No discrepancies were noted.	Copy provided.	
7	Last Year's NOV and Current values for Elected Officials, County Manager, County Attorney, and for Assessor's Staff were provided in hardcopy. No discrepancies were noted.	Copy provided.	
8	A listing of all non-governmental exempt property was provided in hardcopy. No discrepancies were noted.	Copy provided.	
9	A listing of all 631 building permits were made available. Permit progress is noted and tracked to completion in their CAMA system. No discrepancies were noted.	Building permits will be provided during the evaluation scheduled for April 10-11, 2017.	
10	There are no properties receiving the special method of valuation for agricultural purposes in Los Alamos County.	N/A	
11	All transfer affidavits were made available at the time of evaluation. A review demonstrated all transferred properties are brought to current and correct market value.	Real Property Transfer Declaration Affidavit's will be provided during the evaluation scheduled for April 10-11, 2017.	

I. Annual Assessor Evaluation



**State of New Mexico
Taxation & Revenue Department
Property Tax Division
ANNUAL ASSESSOR EVALUATION**



12	A property re-inspection plan was included in the report to the County Commissioners. Start and end dates were included. No discrepancies were noted.	Copy provided.
13	A listing of all 76 protests was provided at the time of the evaluation in hardcopy. All pertinent information was included. No discrepancies were noted.	Property Master Log provided showing requested information.

I. Annual Assessor Evaluation



State of New Mexico
Taxation & Revenue Department
Property Tax Division
ANNUAL ASSESSOR EVALUATION



Los Alamos County <u>Assessment Administration</u>
1. What is your assessment cycle: a. Residential properties? b. Non-Residential properties?
Los Alamos County is on a 1 year assessment cycle for residential and non-residential properties.
2. When will the 2017 NOV's be mailed?
Los Alamos County 2017 NOV's were mailed on March 31, 2017.
3. When were NOV's mailed last year? a. If an extension was requested, why was it necessary?
Los Alamos County 2016 NOV's were mailed on March 31, 2016.
4. If you offer informal protest hearings, describe your procedures regarding informal protest hearings.
Los Alamos County makes every effort to have an informal hearing with the protestant as many protests are resolved during that period. A protest requires an in depth review of the property. The process starts with a field inspection where our measurements and overall characteristics of the property are reviewed. The next step is to gather comparable sales information, similar to the property and make proper adjustment to the sales prices to come up with an estimated market value of the property, an appraisal. We then schedule an informal hearing with the protestant or an authorized agent to exchange information and discuss our findings. If the opinion of value on our appraisal merits a change in value, and there is a mutual agreement between parties, we will make a valuation correction on the property for that tax year. If there is no agreement, the protest is scheduled before the Valuation protest Board.
5. Who on staff is allowed to make Treasurer's change orders, and do they require the signatures of the Assessor and Treasurer?
Los Alamos County Senior Assessment Specialist, Appraiser, Chief Appraiser, and Chief Deputy Assessor have the authority to make change orders. Treasure's signature is required on all change orders.
6. What software programs are used in your office for assessment data management?
Los Alamos County utilizes the Tyler Technologies, EagleAssessor for assessment data management.
7. Do you feel your staff is adequately trained on your valuation maintenance software?
Los Alamos County makes available training opportunities, to all staff, on the valuation maintenance software. Tyler also provides technical support if we encounter any issues.
8. Do you provide continuing training on valuation software for your staff?
Los Alamos County makes available training opportunities, to all staff, on the valuation maintenance software.
Reviewer Comments:
The assessment administration of the Los Alamos County Assessors office is well organized with no discrepancies noted.
Assessor Comments:

I. Annual Assessor Evaluation



State of New Mexico
Taxation & Revenue Department
Property Tax Division
ANNUAL ASSESSOR EVALUATION



Los Alamos County Data Management
<p>1. When was the last time your office physically inspected all properties in your county? (IAAO standard is every 4-6 years)</p> <p>Los Alamos County has a 5 year reappraisal plan where one-fifth of the parcels are physically inspected each year by sub-areas. Changes and photos are tracked in our CAMA system.</p>
<p>2. Do all improved properties have a current improvement sketch in the valuation system?</p> <p>Los Alamos County Maintains a sketch of all real property improvements on their property record cards using the Apex sketching program which is integrated with our CAMA system.</p>
<p>3. Are all property amenities and attributes entered into the valuation system for improved properties?</p> <p>Los Alamos County make an effort to enter all property amenities and attributes into to their valuation models.</p>
<p>4. What training and/or experience is required for appraisers who collect data in the field?</p> <p>Los Alamos County appraisers must have at least 2 years experience with data collection work in real estate, construction or a related field and a HS Diploma or GED. All Los Alamos County field appraisers are NM PTD State Certified. LAC also has a great mentoring program and in-house training and made part of our Property Valuation and Maintenance Plan.</p>
<p>5. How do you maintain field inspection data within your valuation system?</p> <p>a. Describe the accuracy of your current property inspection data and what steps are being taken to assure accurate records and assessments.</p> <p>Los Alamos County maintains field inspection data by entering the date of the latest field inspection on the valuation system. Property inspections are also verified through internal audit trails.</p>
<p>6. Does your re-inspection plan cover ALL property types, including Manufactured Homes valued as personal property?</p> <p>Los Alamos County re-inspection plan covers all property types, including manufactured homes. All manufactured homes that are not on a permanent foundation are inspected annually. Manufactured homes on a permanent foundation are included in our 5 yr reappraisal plan.</p>
<p>7. Do you use any alternative method to a periodic on-site review, i.e., Pictometry? Please explain your procedures.</p> <p>Los Alamos County utilizes Pictometry and ESRI software for periodic on-site reviews.</p>
<p>8. Describe the online services your office provides to the public.</p> <p>Los Alamos County provides essential services to the public via the internet. Forms are made available and are fillable PDF files. Updated information on where our field inspections efforts are taking place, when NOV's will be mailed out, tax rates, Tax Requests, and property assessment information and parcel viewer, are also provided.</p>

I. Annual Assessor Evaluation



State of New Mexico
Taxation & Revenue Department
Property Tax Division
ANNUAL ASSESSOR EVALUATION



Los Alamos County
<u>Data Management</u>
9. How many building permits were issued in your county in 2016?
Los Alamos County has issued 583 Residential Permits and 48 Commercial Permits for a total of 631 permits. Of the 631 permits issued, all were reviewed and inspected. About 15% of those issued remain under construction and will require a field inspection in the following year.
10. At what percentage of completion is new construction added to the tax roll?
Los Alamos County begins to add new construction at a minimum of 10% completion to the tax roll. Percentages from the Marshall and Swift /Local Cost Manuals are used to determine the percent complete of the improvement.
11. What governmental agencies provide you with building permits and do they include state assessed properties?
Building permits are issued by the Los Alamos County Community and Economic Development Department and the NM Construction Industries Division. These permits include state assessed properties as well. We get electronic copies of these permits.
12. Was all new construction, renovation, addition, or demolition field reviewed by an appraiser prior to valuation?
Los Alamos County field reviews all new construction, renovations, additions and demolitions prior to valuation. Properties are valued at its percent complete as of January st. Please see question #10.
Reviewer Comments:
Los Alamos County has done a very good job of inspecting all properties in the county and maintaining accurate property data and current and correct market values.
Assessor Comments:
Los Alamos County re-inspection plan can be summarized as Residential Property every 5 years and Non-Residential Property every year. All building permits require a field visit and are valued as a percent complete.

I. Annual Assessor Evaluation



State of New Mexico
Taxation & Revenue Department
Property Tax Division
ANNUAL ASSESSOR EVALUATION



Los Alamos County <u>Valuation - General</u>
1. Describe your sales verification process. Los Alamos County receives sales affidavits on residential properties. Non-residential property owners are mailed out a sales questionnaire. Sales are analyzed and verified through a third party such as title company, mortgages, MLS, listing information and estimated tax requests.
2. Have you stratified your county into separate market areas or neighborhoods? How were the market areas stratified? (Please provide a copy) Los Alamos County utilizes Super Neighborhoods (Market Areas) which are further separated into Neighborhoods.
3. Are cost schedules checked against local buildings of known cost and adjusted as necessary? Los Alamos does utilize Marshall Swift cost manuals and it is integrated with the CAMA system. Local costs tables are analyzed, tested and adjusted to reflect local conditions by comparing current tables to market sales analysis, permit information, and contractor and builders information.
4. Are new manufactured home accounts field reviewed prior to valuation and placement on the tax rolls? Los Alamos County field inspects and reviews all new and existing manufactured homes annually prior to placing them on the tax rolls.
5. What valuation manual or method is used in valuation of manufactured homes? Is there an established maximum depreciation? Los Alamos County utilizes valuation models comprised of market sales data to value manufactured homes. These values are verified with Marshall & Swift and NADA manuals.
6. Are personal property forms mailed to all businesses annually? (7-38-8 NMSA 1978) Los Alamos County sends any business or individual that applies for a business license a personal property reporting form in addition to all businesses that are currently on file with our office.
7. Are protested properties field inspected prior to determining whether a value change is necessary? Los Alamos County has a process in place to field inspect all protested properties and comparables used to determine an estimated market value of the property.
Reviewer Comments: The Los Alamos County Assessor's office does an excellent job analyzing and adjusting their values, both residential and non-residential.
Assessor Comments: <div style="height: 40px; border: 1px solid black;"></div>

I. Annual Assessor Evaluation



State of New Mexico
Taxation & Revenue Department
Property Tax Division
ANNUAL ASSESSOR EVALUATION



Los Alamos County	
<u>Land Valuation</u>	
1. Describe your land valuation process. When was the last time land values were updated?	
Los Alamos County develops and utilizes land valuation tables for the assessment of land. Land sales are reviewed yearly.	
2. Are land sales reviewed, confirmed, and maintained in a sales file? Please provide an example.	
Los Alamos County land sales are limited but looked at annually. All sales are maintained in our CAMA system (Eagle Assessor).	
3. Please explain the method of valuation used when recent land sales are not available.	
Los Alamos County utilizes the land extraction method when sufficient land sales are not available.	
4. How were your current land tables derived?	
Los Alamos County land tables were derived by analysis of land sales and using the extraction method.	
5. Do you perform sales ratio studies on vacant land?	
Los Alamos County performs sales ratio studies on vacant land to determine proper adjustments to our land valuation models.	
Reviewer Comments:	
Los Alamos County has developed a very extensive set of land valuation tables throughout the county.	
Assessor Comments:	
Because there are very few land sales in Los Alamos County, the Extraction Method is used to verify that our land values are conforming to the market.	

I. Annual Assessor Evaluation



State of New Mexico
Taxation & Revenue Department
Property Tax Division
ANNUAL ASSESSOR EVALUATION



Los Alamos County <u>Residential Valuation</u>	
1.	<p>How do you revalue transferred residential properties at "current and correct" market value?</p> <p>Los Alamos County values transferred residential properties at current market value in adherence with 7-36-16 NMSA 1978. Residential properties are valued by having two sets of values, market value, and assessed value. The internal control of our CAMA system looks at each residential assessed value and determines if there has been a transfer (sale) in the year prior and transfers the calculated market value as the assessed value for those properties. For residential properties that do not have a sale, the CAMA system applies the 3% increase, then adds the amount of new value, if there is value applied for new construction, and transfers that value as the assessed value. The assessed value shall never be higher than the calculate market value.</p>
2.	<p>Do you perform independent sales ratio studies on each neighborhood or market area to verify that non-transferred property values are current and correct?</p> <p>Los Alamos County performs statistical testing on each neighborhood to verify values reflect market value. A pre-sales ratio is performed prior to adjusting valuation models to specify target areas.</p>
3.	<p>What quality control measures are in place to assure "current and correct" property valuation in your county?</p> <p>Los Alamos County valued non-transferred residential properties at current and correct values. Calculated market value is estimated by our CAMA system. If the prior year valuation is less than the current calculated value, then the limitation is applied up to 3% and any new value, if applicable. If the calculated market value is less than the prior year valuation, the valuation is decreased to that value.</p>
4.	<p>How do you determine the need to raise or lower values in each area of stratification?</p> <p>Los Alamos County performs sales ratio studies on all valid sales and stratified be various groups to determine proper adjustments to the valuation models. Once the proper adjustments are determined, the valuation models are recalibrated and the new calculated market values are calculated for the individual accounts. The valuation maintenance system then runs its internal program and determines whether the assessment value increases or decreases. It applies the 3% limitation on residential properties and adds the new construction value if any. The assessment value will never be greater than the calculated market value.</p>
<p>Reviewer Comments:</p> <p>Los Alamos County does conduct statistical testing by market area prior to mailing NOV's. Residential values were raised by 3% for the current tax year.</p>	
<p>Assessor Comments:</p> <p>Los Alamos County adheres to the Property Tax Code and the regulations, orders, rulings and instructions of the department for the valuation of residential property.</p>	

I. Annual Assessor Evaluation



State of New Mexico
Taxation & Revenue Department
Property Tax Division
ANNUAL ASSESSOR EVALUATION



Los Alamos County <u>Commercial Valuation</u>
1. How are commercial properties stratified into separate market areas? Los Alamos County stratifies commercial properties by Super Neighborhood (Market Area) and further separated into Neighborhoods.
2. When was the last time a complete field review and reappraisal of commercial property was completed? Los Alamos County conducts an annual field inspection and reappraisal on commercial property.
3. Were commercial property values changed in 2016? Please provide the documentation used to determine if commercial values required a change in the 2016 tax year. Los Alamos County values commercial property at it current and correct value.
4. What is your procedure for collecting income and expense data? Los Alamos County utilizes questionnaires and personal interviews with real estate professionals to collect income and expense data.
5. What approaches to value are utilized for commercial properties? Los Alamos County utilizes the three approaches to value, Income, Cost and Sales Comparison approach when information is available. The valuation models are developed by the market and cost approach, Market Influenced Cost Approach (MICA).
6. Do you perform sales ratio studies on commercial properties? Los Alamos County performs sales ratio studies on all valid sales and stratified by various groups to determine proper adjustments to the valuation models.
Reviewer Comments: Los Alamos' commercial values are at current and correct market levels.
Los Alamos County adheres to the Property Tax Code and the regulations, orders, rulings and instructions of the department for the valuation of commercial property.

I. Annual Assessor Evaluation



State of New Mexico
Taxation & Revenue Department
Property Tax Division
ANNUAL ASSESSOR EVALUATION



Los Alamos County <u>Mapping</u>
1. Is there a link between the parcels in your digital maps and the ownership data in your CAMA system? If a link exists, briefly describe how it operates.
Los Alamos County's GIS and CAMA system are linked and utilized for valuation modeling.
2. Are your parcel maps available online?
Los Alamos County has parcel maps available online through our Parcel Viewer
3. Are your property tax boundaries consistent with your school district boundaries?
Los Alamos County tax boundaries are consistent with our school district.
4. Are deed splits and combinations mapped within 1 month?
a. What is your back log of deed splits and/or combinations?
b. Is it noted in your CAMA system that a change has occurred upon split or combination?
Los Alamos County completes all splits and consolidations in a timely manner, there is no back log. All splits and consolidations are maintained in our CAMA system.
5. Please describe your policies for providing parcel and ownership data to public and private entities. Please cite any local ordinances that govern your data sharing policies.
Los Alamos County parcel and ownership data is available online. Only information that is identified as confidential through IPRA is redacted.
6. Is the mapping department managed and maintained within the Assessor's Office? If not, where is this work performed and describe how the Assessor's Office maintains data authority?
Los Alamos County mapping is managed and maintained by the Los Alamos County Information Management (IM) Department.
Reviewer Comments:
Los Alamos County mapping appears in compliance with no discrepancies noted. Reviewed by LB from ITD 6/27/17; no comments.
Assessor Comments:
Los Alamos County adheres to the Property Tax Code and the regulations, orders, rulings and instructions of the department and are in compliance with the mapping requirements. Mapping functions are shared between the Assessor's office and IM.

I. Annual Assessor Evaluation



State of New Mexico
Taxation & Revenue Department
Property Tax Division
ANNUAL ASSESSOR EVALUATION



Los Alamos County
<u>Agriculture</u>
1. How do you periodically verify that properties receiving the special method of value are being used for agricultural purposes?
Los Alamos County does not have any agricultural properties.
2. What are your verification procedures when receiving an application for a Special Method of Valuation for Agricultural
Los Alamos County does not have any agricultural properties.
3. Are you inspecting and reappraising the residential portion of agricultural properties upon sale and bringing the improvements to current & correct?
Los Alamos County does not have any agricultural properties.
4. Do you maintain agricultural applications on file for all properties currently receiving special method of valuation?
Los Alamos County does not have any agricultural properties.
5. Do you require livestock to be rendered in order to apply the grazing special method of value on non-exempt tribal lands?
Los Alamos County does not have any grazing land
6. Do you revalue the portions of agricultural properties that are leased for commercial use?
Los Alamos County does not have any agricultural properties.
Reviewer Comments:
Los Alamos County does not have any agricultural properties within their jurisdiction.
Assessor Comments:

I. Annual Assessor Evaluation



**State of New Mexico
Taxation & Revenue Department
Property Tax Division
ANNUAL ASSESSOR EVALUATION
Los Alamos County Comments & Recommendation**



Kenneth Milder, Los Alamos County Assessor

The Assessor and his staff were present and available at the time of the evaluation. The office is very well organized and well run. All documents were made available and there were no discrepancies noted.

Rick Jenkins, Property Tax Division

II. Los Alamos Eight Year Summaries

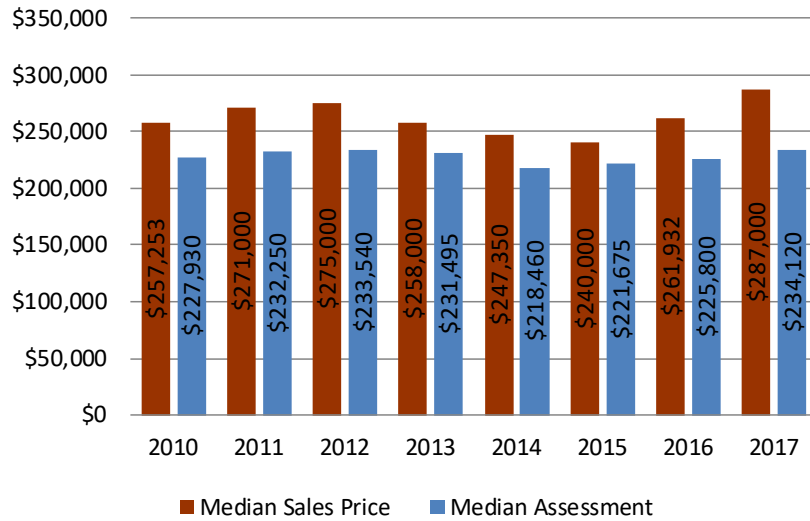
Single Family Units Sales								
Tax Years	2010	2011	2012	2013	2014	2015	2016	2017
Median Sales Price	\$257,253	\$271,000	\$275,000	\$258,000	\$247,350	\$240,000	\$261,932	\$287,000
Sales Price / Sq. Ft.	\$135.14	\$139.59	\$135.92	\$124.09	\$122.09	\$126.76	\$139.01	\$157.44
# of Sales	236	206	175	221	233	306	416	421
Single Family Units Assessed Values								
Tax Year	2010	2011	2012	2013	2014	2015	2016	2017
Median Assessment	\$227,930	\$232,250	\$233,540	\$231,495	\$218,460	\$221,675	\$225,800	\$234,120
Assessment / Sq. Ft.	\$122.09	\$123.80	\$123.66	\$121.93	\$115.12	\$116.84	\$118.44	\$122.71
# of Permits	994	563	597	681	668	544	631	814
Total Parcel Summary								
Tax Year	2010	2011	2012	2013	2014	2015	2016	2017
Residential**	6,995	7,001	7,003	7,004	7,019	7,034	7,040	7,048
M.H. Park	2	2	2	2	2	2	2	2
Residential Mobile Homes	218	218	203	194	189	178	185	192
Bed & Breakfast	6	6	6	7	6	6	5	5
Apartments	32	32	32	32	32	32	32	33
Total Residential Parcels	7,253	7,259	7,246	7,239	7,248	7,252	7,264	7,280
Commercial	181	181	180	179	183	182	186	188
Bed & Breakfast	1	1	1	1	1	1	1	1
Non-Residential Mobile Homes	40	39	39	41	40	40	33	33
Hangers	46	46	46	45	45	45	45	45
Stables	108	108	109	109	110	106	106	106
Other Improvements	1	1	1	1	1	1	1	1
Land Res. Vacant	254	246	243	240	234	231	222	215
Land Commercial Vacant	8	8	8	7	7	7	9	8
Personal Property	295	315	328	387	377	352	340	341
Livestock	340	319	331	354	320	348	324	313
State Assessed	19	18	20	18	21	18	23	25
Exempt Properties	532	538	539	611	607	610	611	613
Total Non-Residential	1,825	1,820	1,845	1,993	1,946	1,941	1,901	1,889
Total Residential & Non Res.	9,078	9,079	9,091	9,232	9,194	9,193	9,165	9,169
Personal Property Valuation								
Tax Year	2010	2011	2012	2013	2014	2015	2016	2017
Personal Property Valuation	\$9,243,150	\$10,083,870	\$7,894,730	\$7,441,000	\$8,075,980	\$8,390,600	\$8,194,380	\$8,109,120
Livestock Valuation	\$54,700	\$49,870	\$55,290	\$66,080	\$49,390	\$64,420	\$59,930	\$64,690
Total Valuation	\$9,297,850	\$10,133,740	\$7,950,020	\$7,507,080	\$8,125,370	\$8,455,020	\$8,254,310	\$8,173,810

II. Los Alamos Eight Year Summaries (continued)

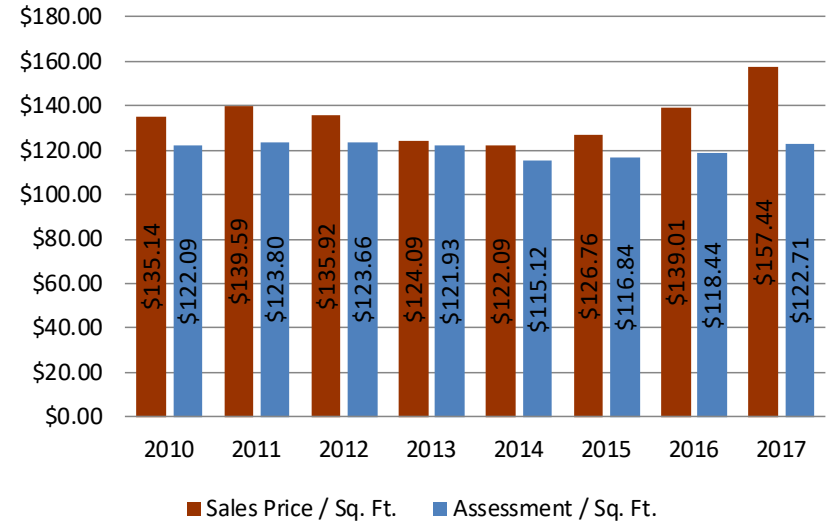
Manufactured Homes								
Tax Year	2010	2011	2012	2013	2014	2015	2016	2017
Mobile Home Residential Value	\$1,788,880	\$1,224,440	\$1,171,640	\$1,141,920	\$1,066,240	\$1,075,510	\$1,170,210	\$1,274,690
Mobile Home Non-Res. Value	\$232,920	\$205,600	\$199,840	\$201,630	\$212,070	\$212,070	\$187,660	\$187,660
Total M.H. Valuation	\$2,021,800	\$1,430,040	\$1,371,480	\$1,343,550	\$1,278,310	\$1,287,580	\$1,357,870	\$1,462,350
Los Alamos								
Residential	\$396,907,470	\$403,623,290	\$407,748,160	\$404,215,120	\$384,889,260	\$390,993,810	\$398,313,760	\$414,373,920
Non-Residential	\$80,813,750	\$81,687,150	\$79,020,910	\$78,577,960	\$80,966,980	\$85,442,900	\$84,797,220	\$89,294,040
State Assessed	\$7,027,020	\$7,300,910	\$6,051,950	\$5,478,780	\$5,601,990	\$5,762,060	\$6,165,250	\$6,048,100
Total Los Alamos	\$484,748,240	\$492,611,350	\$492,821,020	\$488,271,860	\$471,458,230	\$482,198,770	\$489,276,230	\$509,716,060
White Rock								
Residential	\$198,915,080	\$201,872,490	\$198,626,170	\$195,905,470	\$187,360,420	\$191,508,810	\$194,759,520	\$202,112,570
Non-Residential	\$8,055,000	\$7,867,210	\$8,259,760	\$8,605,590	\$8,479,380	\$8,379,320	\$8,089,480	\$8,640,510
Total White Rock	\$206,970,080	\$209,739,700	\$206,885,930	\$204,511,060	\$195,839,800	\$199,888,130	\$202,849,000	\$210,753,080
Total County	\$691,718,320	\$702,351,050	\$699,706,950	\$692,782,920	\$667,298,030	\$682,086,900	\$692,125,230	\$720,469,140
Percentage growth in valuation	-2.45%	1.54%	-0.38%	-0.99%	-3.68%	2.22%	1.47%	4.10%
Exemptions								
Tax Year	2010	2011	2012	2013	2014	2015	2016	2017
Head of Household	2,263	2,259	2,259	2,255	2,224	2,214	2,250	2,262
Veterans	743	760	748	735	718	714	688	660
Disabled Veterans	11	15	18	18	19	20	20	22
Age 65 & Low Income	9	5	5	6	7	6	7	7
Total Exemption Value	\$8,405,180	\$8,744,840	\$9,111,190	\$9,042,360	\$8,884,910	\$8,944,770	\$8,743,650	\$8,960,460
Tax Rates								
Tax Year	2010	2011	2012	2013	2014	2015	2016	2017
Residential	21.636	21.544	21.811	22.014	22.584	24.430	24.374	25.233
Non-Residential	25.599	25.433	25.464	25.445	25.652	27.496	27.575	28.708
Property Tax Revenue								
Tax Year	2010	2011	2012	2013	2014	2015	2016	2017
Total County	\$15,347,068	\$15,509,049	\$15,603,300	\$15,570,178	\$15,369,558	\$16,970,153	\$17,188,234	\$18,542,902
State Assessed Portion	\$179,885	\$185,684	\$154,107	\$139,408	\$143,702	\$158,434	\$170,007	\$173,629
County / City Portion	\$5,136,416	\$5,249,798	\$5,334,430	\$5,391,121	\$5,410,445	\$7,070,700	\$7,098,378	\$7,276,452
Percentage growth in tax \$'s	-8.88%	1.06%	0.61%	-0.21%	-1.29%	10.41%	1.29%	7.88%
** Includes Townhomes, Condos & Quads								

II. Los Alamos Eight Year Summaries (continued)

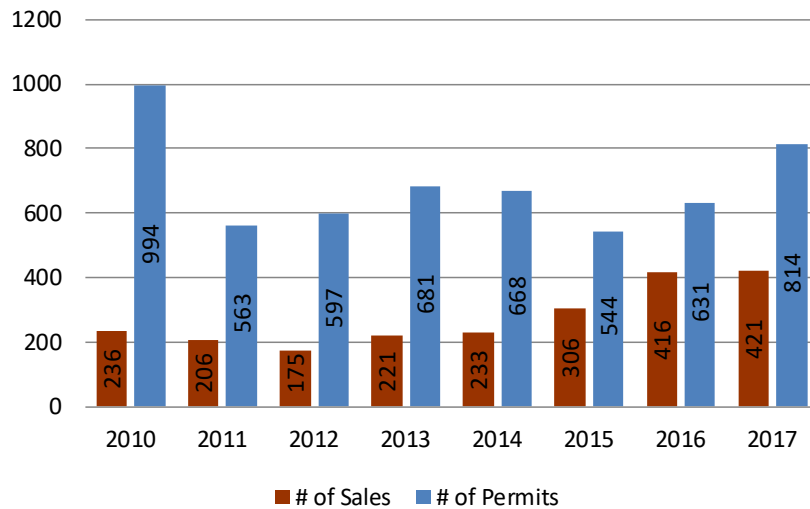
Median Sales vs. Median Assessment



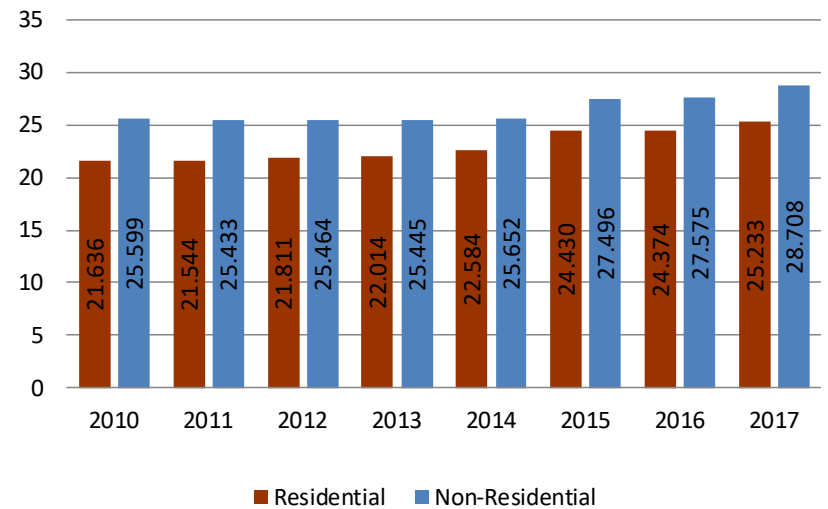
Sales \$/SqFt. vs. Assessment \$/Sqft.



Number of Sales and Permits



Residential and Non-Residential Rates



III. Ranking of Counties by Net Valuation

County	Class	Population			2013	2014	2015	2016	2017	Value					
		2000	2010	% Chg.	Valuation	Valuation	Valuation	Valuation	Valuation	% Chg.	2013	2014	2015	2016	2017
Bernalillo	A	556,678	662,564	19.02%	\$14,243,476,048	\$14,677,240,080	\$14,925,292,293	\$15,410,437,184	\$15,983,875,289	3.72%	1	1	1	1	1
Santa Fe	A	129,292	144,170	11.51%	\$6,755,055,876	\$6,515,268,763	\$6,563,245,270	\$6,763,810,967	\$6,994,646,682	3.41%	2	2	2	2	2
Dona Ana	A	174,682	209,233	19.78%	\$3,874,858,844	\$3,874,858,844	\$4,088,963,196	\$4,173,726,189	\$4,305,618,665	3.16%	4	5	5	3	3
Eddy*	B+	51,658	53,829	4.20%	\$4,335,095,515	\$5,156,441,094	\$5,327,994,259	\$4,090,305,240	\$3,721,516,133	-9.02%	3	3	3	4	4
Lea *	B+	55,511	64,727	16.60%	\$3,566,667,211	\$4,189,410,181	\$4,753,607,555	\$3,708,066,183	\$3,595,509,017	-3.04%	6	4	4	5	5
San Juan*	A	113,801	130,044	14.27%	\$3,653,470,195	\$3,699,760,378	\$3,971,520,476	\$3,633,984,075	\$3,540,376,687	-2.58%	5	6	6	6	6
Sandoval*	A	89,908	131,561	46.33%	\$3,152,673,758	\$3,218,987,082	\$3,281,955,891	\$3,337,949,847	\$3,436,312,273	2.95%	7	7	7	7	7
Taos	B+	29,979	32,937	9.87%	\$1,349,589,815	\$1,382,827,714	\$1,376,086,693	\$1,422,907,056	\$1,461,229,454	2.69%	9	9	9	8	8
Valencia	B+	66,152	76,569	15.75%	\$1,283,250,950	\$1,316,346,298	\$1,347,643,159	\$1,382,830,758	\$1,430,123,924	3.42%	10	10	10	9	9
Lincoln	B+	19,411	20,497	5.59%	\$1,131,149,006	\$1,163,765,087	\$1,198,390,624	\$1,235,532,025	\$1,235,065,578	-0.04%	12	12	12	10	10
Chaves*	B+	61,382	65,645	6.95%	\$1,145,602,834	\$1,174,056,125	\$1,227,456,723	\$1,233,758,158	\$1,215,256,719	-1.50%	11	11	11	11	11
Otero	B+	62,298	63,797	2.41%	\$1,031,184,626	\$1,064,379,222	\$1,101,635,025	\$1,132,391,124	\$1,166,317,694	3.00%	13	13	13	13	12
Rio Arriba*	B+	41,190	40,246	-2.29%	\$1,360,279,905	\$1,434,904,540	\$1,484,479,159	\$1,175,477,256	\$1,108,199,147	-5.72%	8	8	8	12	13
Curry	B+	45,044	48,376	7.40%	\$772,963,688	\$790,106,063	\$841,953,508	\$892,931,602	\$896,533,979	0.40%	15	16	14	14	14
Grant**	B+	31,002	29,514	-4.80%	\$748,601,307	\$791,414,221	\$822,204,992	\$841,061,500	\$847,085,480	0.72%	16	15	16	16	15
McKinley*	B+	74,798	71,492	-4.42%	\$819,302,678	\$828,686,423	\$833,310,058	\$858,446,499	\$846,971,210	-1.34%	14	14	15	15	16
Los Alamos	H	18,343	17,950	-2.14%	\$691,665,036	\$665,525,266	\$679,783,115	\$687,392,479	\$714,067,416	3.88%	17	17	17	17	17
Colfax*	B+	14,189	13,750	-3.09%	\$623,863,938	\$642,521,295	\$665,893,145	\$644,823,360	\$643,851,492	-0.15%	18	18	18	18	18
San Miguel	B+	30,126	29,393	-2.43%	\$538,325,884	\$548,760,802	\$579,241,292	\$583,539,531	\$594,296,203	1.84%	19	20	19	19	19
Luna	B+	25,016	25,095	0.32%	\$533,967,808	\$549,718,676	\$548,285,472	\$573,585,059	\$593,636,779	3.50%	20	19	20	20	20
Torrance	B-	16,911	16,383	-3.12%	\$351,607,630	\$358,726,441	\$376,873,400	\$390,725,148	\$409,463,685	4.80%	21	21	21	21	21
Roosevelt*	B-	18,018	19,846	10.15%	\$340,077,016	\$345,581,308	\$372,389,293	\$381,025,422	\$377,323,941	-0.97%	22	22	22	22	22
Sierra	B-	13,270	11,988	-9.66%	\$298,794,409	\$298,497,807	\$304,308,627	\$312,394,055	\$314,726,091	0.75%	24	24	24	24	23
Cibola	B-	25,595	27,213	6.32%	\$311,345,382	\$325,613,784	\$313,088,798	\$326,053,107	\$310,540,763	-4.76%	23	23	23	23	24
Socorro	B-	18,078	17,866	-1.17%	\$244,291,271	\$255,665,987	\$263,290,559	\$268,247,049	\$273,673,986	2.02%	25	25	25	25	25
Quay*	B-	10,155	9,041	-10.97%	\$192,450,182	\$176,769,255	\$194,009,707	\$201,158,062	\$210,678,271	4.73%	27	27	27	26	26
Union*	B-	4,174	4,549	8.98%	\$194,946,009	\$202,581,553	\$208,946,751	\$187,748,730	\$176,689,560	-5.89%	26	26	26	27	27
Hidalgo	B-	5,932	4,894	-17.50%	\$155,721,854	\$160,126,258	\$163,740,607	\$169,444,563	\$169,769,442	0.19%	28	28	28	28	28
Guadalupe	B-	4,680	4,687	0.15%	\$122,108,862	\$129,576,769	\$140,294,814	\$146,706,923	\$153,389,770	4.56%	30	29	29	29	29
Mora	B-	5,180	4,881	-5.77%	\$118,241,121	\$126,173,425	\$130,538,076	\$140,667,932	\$140,089,615	-0.41%	31	30	30	30	30
Catron	B-	3,543	3,725	5.14%	\$123,992,815	\$121,701,290	\$125,239,085	\$128,155,234	\$129,029,162	0.68%	29	32	31	31	31
Harding*	C1+	810	695	-14.20%	\$110,453,194	\$124,710,467	\$125,080,243	\$106,969,890	\$92,670,792	-13.37%	32	31	32	32	32
De Baca	C1+	2,240	2,022	-9.73%	\$61,861,080	\$67,086,979	\$76,222,839	\$82,919,133	\$84,980,498	2.49%	33	33	33	33	33
* Includes oil and gas					** includes copper production										
Data as of 9/27/2017 from the Department of Finance and Administration.															

IV. Comparison of Counties by the Residential Rates in Descending Order

Rank	County	Class	2010 Population	2017 Valuation	Principle Municipality	2017 Residential Rates				
						County Only	City Only	County & City Only	Percentage of Total	Total Rate
1	Bernalillo	A	662,564	\$15,983,875,289	Albuquerque	8.463	11.217	19.680	47.22%	41.681
2	Mc Kinley	B+	71,492	\$846,971,210	Gallup	6.172	7.279	13.451	39.37%	34.163
3	Cibola	B-	27,213	\$310,540,763	Grants	8.802	4.35	13.152	39.07%	33.666
4	Valencia	B+	76,569	\$1,430,123,924	Los Lunas	7.625	8.284	15.909	48.06%	33.103
5	Socorro	B-	17,866	\$273,673,986	Socorro	10.746	5.244	15.990	50.63%	31.584
6	Lea	B+	64,727	\$3,595,509,017	Lovington	6.916	3.699	10.615	34.40%	30.858
7	Dona Ana	A	209,233	\$4,305,618,665	Las Cruces	9.163	6.702	15.865	55.20%	28.743
8	Lincoln	B+	20,497	\$1,235,065,578	Ruidoso	7.889	6.656	14.545	50.94%	28.553
9	San Juan	A	130,044	\$3,540,376,687	Aztec	6.545	4.391	10.936	38.34%	28.522
10	Guadalupe	B-	4,687	\$153,389,770	Santa Rosa	9.118	4.453	13.571	47.96%	28.295
11	San Miguel	B+	29,393	\$594,296,203	Las Vegas	5.179	6.64	11.819	42.09%	28.080
12	Quay	B-	9,041	\$210,678,271	Tucumcari	9.201	3.964	13.165	51.81%	25.408
13	Los Alamos	H	17,950	\$714,067,416	Los Alamos	5.761	3.875	9.636	38.19%	25.233
14	Santa Fe	A	144,170	\$6,994,646,682	Santa Fe	7.924	2.419	10.343	41.90%	24.685
15	Roosevelt	B-	19,846	\$377,323,941	Portales	10.656	2.813	13.469	54.98%	24.497
16	Otero	B+	63,797	\$1,166,317,694	Alamogordo	6.714	6.719	13.433	54.92%	24.458
17	Eddy	B+	53,829	\$3,721,516,133	Carlsbad	5.545	4.908	10.453	42.82%	24.409
18	De Baca	C1+	2,022	\$84,980,498	Ft. Sumner	9.828	1.869	11.697	48.36%	24.187
19	Union	B-	4,549	\$176,689,560	Clayton	6.582	4.609	11.191	46.87%	23.878
20	Sandoval	A	131,561	\$3,436,312,273	Bernalillo	7.367	3.168	10.535	44.77%	23.534
21	Luna	B+	25,095	\$593,636,779	Deming	9.602	4.33	13.932	59.41%	23.449
22	Curry	B+	48,376	\$896,533,979	Clovis	9.278	3.349	12.627	53.96%	23.401
23	Torrance	B-	16,383	\$409,463,685	Estancia	12.073	1.554	13.627	59.21%	23.015
24	Colfax	B+	13,750	\$643,851,492	Cimarron	7.274	5.151	12.425	54.31%	22.879
25	Sierra	B-	11,988	\$314,726,091	T or C	9.664	1.463	11.127	49.22%	22.605
26	Chaves	B+	65,645	\$1,215,256,719	Roswell	5.326	7.217	12.543	55.56%	22.575
27	Hidalgo	B-	4,894	\$169,769,442	Lordsburg	9.321	2.439	11.760	53.14%	22.129
28	Rio Arriba	B+	40,246	\$1,108,199,147	Espanola	4.569	3.336	7.905	36.58%	21.609
29	Catron	B-	3,725	\$129,029,162	Reserve	9.692	1.936	11.628	57.36%	20.272
30	Harding	C1+	695	\$92,670,792	Roy	8.240	1.417	9.657	53.74%	17.969
31	Taos	B+	32,937	\$1,461,229,454	Taos	5.834	2.593	8.427	47.10%	17.893
32	Grant	B+	29,514	\$847,085,480	Silver City	7.400	2.638	10.038	56.72%	17.698
33	Mora	B-	4,881	\$140,089,615	Mora	8.753	0	8.753	54.81%	15.969

Rates are expressed as dollars per thousand. Data obtained from NM Department of Finance and Administration.

Fell to 13th lowest, comparing 2016 to 2017.

Lowest comparing the Total County/City Tax Rates to the Total Residential Tax Rate

IV. Comparison of Counties by the Non-Residential Rates in Descending Order

Rank	County	Class	2010 Population	2017 Valuation	Principle Municipality	2017 Non-Residential Rates				
						County Only	City Only	County & City Only	Percentage of Total	Total Rate
1	Bernalillo	A	662,564	\$15,983,875,289	Albuquerque	12.224	11.520	23.744	50.70%	46.833
2	Mc Kinley	B+	71,492	\$846,971,210	Gallup	11.850	8.976	20.826	49.88%	41.755
3	Valencia	B+	76,569	\$1,430,123,924	Los Lunas	12.720	8.739	21.459	54.57%	39.321
4	Lea	B+	64,727	\$3,595,509,017	Lovington	10.600	5.650	16.250	42.41%	38.315
5	Cibola	B-	27,213	\$310,540,763	Grants	11.850	4.555	16.405	43.93%	37.345
6	San Miguel	B+	29,393	\$594,296,203	Las Vegas	11.850	7.650	19.500	52.89%	36.872
7	Socorro	B-	17,866	\$273,673,986	Socorro	13.313	5.813	19.126	54.77%	34.920
8	San Juan	A	130,044	\$3,540,376,687	Aztec	8.500	6.873	15.373	44.48%	34.560
9	Quay	B-	9,041	\$210,678,271	Tucumcari	11.850	7.650	19.500	58.28%	33.459
10	Santa Fe	A	144,170	\$6,994,646,682	Santa Fe	13.973	3.977	17.950	54.20%	33.117
11	Guadalupe	B-	4,687	\$153,389,770	Santa Rosa	11.850	4.938	16.788	51.76%	32.437
12	Otero	B+	63,797	\$1,166,317,694	Alamogordo	11.850	8.902	20.752	64.08%	32.385
13	Dona Ana	A	209,233	\$4,305,618,665	Las Cruces	11.958	7.120	19.078	59.35%	32.147
14	Lincoln	B+	20,497	\$1,235,065,578	Ruidoso	11.600	6.078	17.678	55.56%	31.819
15	Rio Arriba	B+	40,246	\$1,108,199,147	Espanola	11.850	5.584	17.434	55.85%	31.217
16	Sandoval	A	131,561	\$3,436,312,273	Bernalillo	11.334	5.725	17.059	56.17%	30.372
17	Eddy	B+	53,829	\$3,721,516,133	Carlsbad	7.500	6.225	13.725	47.54%	28.870
18	Los Alamos	H	17,950	\$714,067,416	Los Alamos	8.85	3.998	12.848	44.75%	28.708
19	Chaves	B+	65,645	\$1,215,256,719	Roswell	9.616	8.204	17.820	62.94%	28.312
20	Union	B-	4,549	\$176,689,560	Clayton	9.150	4.853	14.003	51.47%	27.206
21	Colfax	B+	13,750	\$643,851,492	Cimarron	10.350	6.133	16.483	60.84%	27.091
22	Luna	B+	25,095	\$593,636,779	Deming	11.850	4.475	16.325	62.97%	25.926
23	Roosevelt	B-	19,846	\$377,323,941	Portales	11.765	2.991	14.756	57.09%	25.848
24	Hidalgo	B-	4,894	\$169,769,442	Lordsburg	11.850	3.225	15.075	58.77%	25.652
25	Sierra	B-	11,988	\$314,726,091	T or C	11.850	2.225	14.075	55.08%	25.553
26	Taos	B+	32,937	\$1,461,229,454	Taos	11.237	4.225	15.462	62.76%	24.637
27	Curry	B+	48,376	\$896,533,979	Clovis	9.850	3.679	13.529	55.42%	24.410
28	Grant	B+	29,514	\$847,085,480	Silver City	12.988	3.310	16.298	67.53%	24.134
29	De Baca	C1+	2,022	\$84,980,498	Ft. Sumner	8.954	2.013	10.967	47.03%	23.317
30	Catron	B-	3,725	\$129,029,162	Reserve	11.850	2.225	14.075	61.52%	22.877
31	Torrance	B-	16,383	\$409,463,685	Estancia	12.744	0.432	13.176	58.56%	22.500
32	Harding	C1+	695	\$92,670,792	Roy	10.850	2.225	13.075	60.37%	21.657
33	Mora	B-	4,881	\$140,089,615	Mora	13.679	0.000	13.679	63.21%	21.639
Remained 17th lowest, comparing 2016 to 2017.										
Lowest comparing Total County/City Tax Rates to the Total Non-Residential Tax Rate										

IV. Trend of County Tax Rates for Past Ten Years

Residential Rates													Non-Residential Rates												
County	Principle Municipality	2001 Base	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	County	Principle Municipality	2001 Base	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Bernalillo	Albuquerque	1	1	1	1	1	1	1	1	1	1	1	Bernalillo	Albuquerque	1	1	1	1	1	1	1	1	1	1	1
Mc Kinley	Gallup	13	3	4	3	3	3	3	3	2	2	2	Mc Kinley	Gallup	3	2	2	2	3	2	2	2	2	2	2
Cibola	Grants	31	4	3	4	5	5	4	4	4	4	3	Valencia	Los Lunas	7	3	3	3	2	3	3	3	3	3	3
Valencia	Los Lunas	6	2	2	2	2	2	2	2	3	3	4	Lea	Lovington	20	5	7	7	6	8	8	6	4	4	4
Socorro	Socorro	2	6	5	6	4	4	5	5	6	5	5	Cibola	Grants	31	7	6	9	7	11	6	5	6	6	5
Lea	Lovington	17	7	7	7	7	7	8	10	5	6	6	San Miguel	Las Vegas	2	4	5	4	4	4	4	4	5	5	6
Dona Ana	Las Cruces	12	11	10	8	6	6	6	6	7	7	7	Socorro	Socorro	4	6	8	6	5	5	5	7	8	9	7
Lincoln	Ruidoso	10	12	13	13	13	13	12	8	8	10	8	San Juan	Aztec	21	19	17	17	17	15	10	14	10	7	8
San Juan	Aztec	22	22	19	18	20	20	13	17	13	8	9	Quay	Tucumcari	9	8	9	8	8	7	9	9	9	10	9
Guadalupe	Santa Rosa	7	10	6	5	10	10	9	9	10	11	10	Santa Fe	Santa Fe	23	17	14	16	15	16	16	13	14	14	10
San Miguel	Las Vegas	4	8	8	10	9	9	7	7	9	9	11	Guadalupe	Santa Rosa	6	11	4	5	9	12	13	10	12	13	11
Quay	Tucumcari	3	17	18	16	15	15	15	11	12	13	12	Otero	Alamogordo	5	9	11	11	12	10	12	11	13	15	12
Los Alamos	Los Alamos	26	30	21	25	22	22	22	25	18	17	13	Dona Ana	Las Cruces	10	10	10	10	11	9	11	12	11	12	13
Santa Fe	Santa Fe	28	28	27	26	24	24	26	20	20	19	14	Lincoln	Ruidoso	8	12	16	14	14	13	17	15	15	16	14
Roosevelt	Portales	25	9	12	11	11	11	16	14	15	15	15	Rio Arriba	Espanola	16	13	21	19	18	18	15	17	16	11	15
Otero	Alamogordo	9	15	15	15	16	16	17	15	19	18	16	Sandoval	Bernalillo	15	25	15	13	10	6	7	8	7	8	16
Eddy	Carlsbad	21	19	20	20	19	19	23	19	14	14	17	Eddy	Carlsbad	29	23	26	25	26	26	26	19	17	17	17
De Baca	Ft. Sumner	16	5	9	9	8	8	11	13	16	16	18	Los Alamos	Los Alamos	30	29	18	21	22	22	23	20	20	20	18
Union	Clayton	18	27	26	29	25	25	28	29	29	29	19	Chaves	Roswell	11	14	12	12	13	14	14	16	18	19	19
Sandoval	Bernalillo	19	26	16	14	12	12	10	12	11	12	20	Union	Clayton	25	27	28	30	29	29	31	32	31	32	20
Luna	Deming	30	25	25	24	23	23	18	18	17	20	21	Colfax	Cimarron	14	28	13	15	19	19	19	18	19	18	21
Curry	Clovis	15	16	17	17	17	17	19	22	22	21	22	Luna	Deming	27	24	25	26	27	25	21	24	21	21	22
Torrance	Estancia	5	18	23	22	27	27	21	21	25	22	23	Roosevelt	Portales	22	16	20	20	20	23	20	25	23	23	23
Colfax	Cimarron	11	24	22	23	28	28	25	23	23	23	24	Hidalgo	Lordsburg	13	20	22	22	21	20	22	22	22	22	24
Sierra	T or C	20	21	24	21	21	21	27	26	24	27	25	Sierra	T or C	18	22	24	24	24	21	28	23	24	27	25
Chaves	Roswell	14	13	11	12	14	14	14	16	21	25	26	Taos	Taos	28	32	32	31	30	30	29	29	27	24	26
Hidalgo	Lordsburg	8	14	14	19	18	18	20	24	26	26	27	Curry	Clovis	17	21	23	23	25	24	25	26	25	25	27
Rio Arriba	Espanola	23	20	30	30	31	31	24	28	27	24	28	Grant	Silver City	32	30	27	27	23	27	24	27	26	26	28
Catron	Reserve	33	31	32	33	33	33	33	27	28	28	29	De Baca	Ft. Sumner	19	15	19	18	16	17	18	21	28	28	29
Harding	Roy	27	29	29	27	29	29	29	30	31	30	30	Catron	Reserve	33	33	33	33	33	33	33	28	30	30	30
Taos	Taos	29	33	33	32	32	32	32	33	33	33	31	Torrance	Estancia	12	26	29	32	32	32	32	31	32	31	31
Grant	Silver City	32	32	31	31	30	30	31	32	32	32	32	Harding	Roy	26	31	30	29	31	31	30	33	33	33	32
Mora	Mora	24	23	28	28	26	26	30	31	30	31	33	Mora	Mora	24	18	31	28	28	28	27	30	29	29	33

Ranking from number 1 to 33, the lower the number the higher the tax rate. Using tax year 2001 as a base year this chart reflects the trend of each county due to the tax rates requirement changes since 2001. For example, Los Alamos County tax rates trends can be traced from the tax year 2001 as being 26th and 30th to the current 2017 tax year as having fell to 13th and 18th for the residential and non-residential rates.

**V. New Mexico County Operating Imposed and Remaining Authority
Property Tax Rates Report
2017 Tax Year - All Counties**

Rank	County	Residential	Nonresidential	Ad Valorem Production & Equipment	Imposed Operating Rate	Remaining Authority ¹
1	Catron	9.692	11.850	N/A	11.850	0.000
2	Cibola	8.802	11.850	N/A	11.850	0.000
3	De Baca	9.828	8.954	N/A	11.850	0.000
4	Dona Ana	9.055	11.850	N/A	11.850	0.000
5	Grant	6.262	11.850	11.850	11.850	0.000
6	Guadalupe	9.118	11.850	N/A	11.850	0.000
7	Hidalgo	9.321	11.850	N/A	11.850	0.000
8	Luna	9.602	11.850	N/A	11.850	0.000
9	McKinley	6.172	11.850	11.850	11.850	0.000
10	Mora	6.924	11.850	N/A	11.850	0.000
11	Otero	6.714	11.850	N/A	11.850	0.000
12	Quay	7.701	10.350	10.350	11.850	0.000
13	Rio Arriba	4.569	11.850	11.850	11.850	0.000
14	Roosevelt	10.656	11.765	11.850	11.850	0.000
15	San Miguel	5.179	11.850	N/A	11.850	0.000
16	Santa Fe	5.801	11.850	N/A	11.850	0.000
17	Sierra	9.664	11.850	N/A	11.850	0.000
18	Socorro	9.283	11.850	N/A	11.850	0.000
19	Taos	5.834	11.237	N/A	11.850	0.000
20	Torrance	11.179	11.850	N/A	11.850	0.000
21	Valencia	6.755	11.850	N/A	11.850	0.000
22	Lincoln	5.139	8.850	N/A	11.600	0.250
23	Harding	8.240	10.850	10.850	10.850	1.000
24	Bernalillo	6.996	10.750	N/A	10.750	1.100
25	Lea	6.916	10.600	10.600	10.600	1.250
26	Chaves	5.326	9.616	10.350	10.350	1.500
27	Colfax	7.274	10.350	10.350	10.350	1.500
28	Sandoval	6.383	10.350	10.350	10.350	1.500
29	Curry	9.278	9.850	N/A	9.850	2.000
30	Union	6.582	9.150	9.150	9.150	2.700
31	Los Alamos	5.761	8.850	N/A	8.850	3.000
32	San Juan	6.045	8.000	8.500	8.500	3.350
33	Eddy	5.545	7.500	7.500	7.500	4.350
Average		7.503	10.863	10.415	11.138	0.712
11.85 mill maximum allowed by law less the imposed rate.						
Information source: compiled from DFA rate certificate files.						
Data obtained from NM Department of Finance and Administration.						

**VI. New Mexico County Operating Imposed and Remaining Authority
Local Property Tax Rates Report
2017 Tax Year - All Municipalities**

				Imposed Operating	Remaining Authority¹
Rank	Municipality	Residential	Nonresidential	Rate	
1	Angel Fire	4.966	7.65	7.65	0
2	Belen	5.434	5.637	7.65	0
3	Cimarron	5.151	6.133	7.65	0
4	Columbus	3.13	7.072	7.65	0
5	Cuba	3.739	7.503	7.65	0
6	Espanola	3.336	5.584	7.65	0
7	Eunice	5.359	7.65	7.65	0
8	Gallup	5.953	7.65	7.65	0
9	Grady	5.907	7.65	7.65	0
10	Grenville	6.571	7.579	7.65	0
11	Hope	4.028	7.65	7.65	0
12	House	4.088	7.65	7.65	0
13	Jal	5.816	7.65	7.65	0
14	Las Vegas	6.64	7.65	7.65	0
15	Logan	7.453	6.774	7.65	0
16	Los Lunas	7.195	7.65	7.65	0
17	Maxwell	5.423	7.65	7.65	0
18	Milan	2.577	7.65	7.65	0
19	Mountainair	5.638	6.358	7.65	0
20	Raton	5.593	7.65	7.65	0
21	Red River	5.994	7.38	7.65	0
22	Rio Rancho	7.492	7.65	7.65	0
23	Roswell	6.663	7.65	7.65	0
24	Ruidoso Downs	4.997	7.65	7.65	0
25	San Jon	5.006	7.65	7.65	0
26	San Ysidro	6.091	5.025	7.65	0
27	Springer	5.28	7.484	7.65	0
28	Sunland Park	6.397	7.65	7.65	0
29	Taos Ski Valley	7.65	6.837	7.65	0
30	Tucumcari	3.964	7.65	7.65	0
31	Tularosa	5.159	7.65	7.65	0
32	Vaughn	7.65	7.65	7.65	0
33	Wagon Mound	5.29	5.414	7.65	0
34	Carrizozo	6.296	5.855	7.225	0.425
35	Alamogordo	4.881	7.064	7.064	0.586
36	Bloomfield	4.727	7	7	0.65
37	Aztec	4.391	6.873	6.873	0.777
38	Corrales	3.993	6.55	6.87	0.78

VI. New Mexico County Operating Imposed and Remaining Authority
Local Property Tax Rates Report
2017 Tax Year - All Municipalities (continue)

				Imposed	
				Operating	Remaining
Rank	Municipality	Residential	Nonresidential	Rate	Authority¹
39	Albuquerque	6.241	6.544	6.544	1.106
40	Ruidoso	5.149	4.571	6.368	1.282
41	Carlsbad	4.908	6.225	6.225	1.425
42	Jemez Springs	3.889	5.014	5.95	1.7
43	Socorro	5.244	5.813	5.813	1.837
44	Bernalillo	3.168	5.725	5.725	1.925
45	Lovington	3.699	5.65	5.65	2
46	Hobbs	3.9	5.555	5.555	2.095
47	Hatch	5.263	5.456	5.5	2.15
48	Folsom	2.769	5.425	5.425	2.225
49	Chama	3.792	4.39	5.225	2.425
50	Questa	4.122	4.972	5.225	2.425
51	Willard	4.987	4.586	5.225	2.425
52	Las Cruces	4.732	5.12	5.12	2.53
53	Clayton	4.609	4.853	4.938	2.712
54	Des Moines	3.764	4.861	4.938	2.712
55	Santa Rosa	4.453	4.938	4.938	2.712
56	Grants	4.35	4.555	4.555	3.095
57	Deming	4.33	4.475	4.475	3.175
58	Corona	3.794	4.425	4.425	3.225
59	Bosque Farms	2.646	2.321	4.225	3.425
60	Capitan	3.214	4.225	4.225	3.425
61	Elephant Butte	4.225	4.225	4.225	3.425
62	Taos	2.593	4.225	4.225	3.425
63	Tatum	3.09	4.225	4.225	3.425
64	Los Alamos	3.875	3.998	3.998	3.652
65	Silver City	2.638	3.31	3.825	3.825
66	Clovis	3.349	3.679	3.725	3.925
67	Eagle Nest	1.666	3.225	3.225	4.425
68	Lordsburg	2.439	3.225	3.225	4.425
69	Portales	2.813	2.991	3.225	4.425
70	Santa Fe	1.625	3.183	3.183	4.467
71	Edgewood	3	3	3	4.65
72	Peralta	2.857	3	3	4.65
73	Rio Communities	2.712	2.712	2.75	4.9
74	Mesilla	1.036	2.34	2.34	5.31
75	Bayard	1.264	2.225	2.225	5.425

VI. New Mexico County Operating Imposed and Remaining Authority
Local Property Tax Rates Report
2017 Tax Year - All Municipalities (continue)

				Imposed	
				Operating	Remaining
Rank	Municipality	Residential	Nonresidential	Rate	Authority¹
76	Causey	1.467	2.225	2.225	5.425
77	Cloudcroft	0.864	2.208	2.225	5.425
78	Dexter	1.125	2.225	2.225	5.425
79	Dora	1.445	2.22	2.225	5.425
80	Elida	1.499	1.729	2.225	5.425
81	Encino	1.689	1.923	2.225	5.425
82	Estancia	1.554	0.432	2.225	5.425
83	Farmington	1.394	2.218	2.225	5.425
84	Floyd	1.712	2.042	2.225	5.425
85	Fort Sumner	1.869	2.013	2.225	5.425
86	Hagerman	1.684	2.225	2.225	5.425
87	Hurley	1.296	0.95	2.225	5.425
88	Lake Arthur	2.015	2.04	2.225	5.425
89	Loving	1.588	2.179	2.225	5.425
90	Magdalena	0.778	2.167	2.225	5.425
91	Melrose	1.913	2.207	2.225	5.425
92	Moriarty	2.225	1.398	2.225	5.425
93	Mosquero	1.26	2.212	2.225	5.425
94	Pecos	0.432	1.369	2.225	5.425
95	Reserve	1.936	2.225	2.225	5.425
96	Roy	1.417	2.225	2.225	5.425
97	Santa Clara	0.666	1.597	2.225	5.425
98	T or C	1.463	2.225	2.225	5.425
99	Texico	1.924	2.225	2.225	5.425
100	Tijeras	0.871	2.225	2.225	5.425
101	Virden	1.107	2.158	2.225	5.425
102	Williamsburg	1.594	2.224	2.225	5.425
103	Anthony*	0	0	0	7.65
104	Artesia*	0	0	0	7.65
105	Kirtland*	0	0	0	7.65
106	Los Ranchos*	0	0	0	7.65
Average		3.556	4.561	4.851	2.799
17.65 mill maximum allowed by law less the imposed rate.					
*Imposes no operating rate.					
Information source: compiled from DFA rate certificate files.					

VII. County Property Valuation Fund Statute

7-38-38.1. Recipients of revenue produced through ad valorem levies required to pay counties administrative charge to offset collection costs.

A. As used in this section:

(1) "Revenue" means money for which a county treasurer has the legal responsibility for collection and which is owed to a revenue recipient as a result of an imposition authorized by law of a rate expressed in mills per dollar or dollars per thousands of dollars of net taxable value of property, assessed value of property or a similar term, including but not limited to money resulting from the authorization of rates and impositions under Subsection B and Paragraphs (1) and (2) of Subsection C of Section 7-37-7 NMSA 1978, special levies for special purposes and benefit assessments, but the term does not include any money resulting from the imposition of taxes imposed under the provisions of the Oil and Gas Ad Valorem Production Tax Act [Chapter 7, Article 32 NMSA 1978], the Oil and Gas Production Equipment Ad Valorem Tax Act [Chapter 7, Article 34 NMSA 1978] or the Copper Production Ad Valorem Tax Act [Chapter 7, Article 39 NMSA 1978] or money resulting from impositions under Paragraph (3) of Subsection C of Section 7-37-7 NMSA 1978; and

(2) "Revenue recipient" means the state and any of its political subdivisions, excluding institutions of higher education located in class A counties and class B counties having more than three hundred million dollars (\$300,000,000) valuation, that are authorized by law to receive revenue.

B. Prior to the distribution to a revenue recipient of revenue received by a county treasurer, the treasurer shall deduct as an administrative charge an amount equal to one percent of the revenue received.

C. The "county property valuation fund" is created. All administrative charges deducted by the county treasurer shall be distributed to the county property valuation fund.

D. Expenditures from the county property valuation fund shall be made pursuant to a property valuation program presented by the county assessor and approved by the majority of the county commissioners.

History: 1978 Comp., § 7-38-38.1, enacted by Laws 1986, ch. 20, § 116; 1988, ch. 68, § 1; 1990, ch. 125, § 7; 2001, ch. 173, § 1.

VII. Department of Finance and Administration Directives and Memos



**STATE OF NEW MEXICO
DEPARTMENT OF FINANCE AND ADMINISTRATION
LOCAL GOVERNMENT DIVISION**

**Bataan Memorial Building, Suite 201 • Santa Fe, New Mexico 87503
(505) 827-9950 • FAX No. (505) 827-4940 • Toll Free (800) 432-7708**

David W. Harris
Secretary

Jeff Condrey
Director

Gary E. Johnson
Governor

MEMORANDUM - 05

DATE: May 4, 2000

TO: County Managers and County Assessors

FROM: Darlene Mares Bureau Chief Financial Management *DM*

RE: County Property Valuation Fund

The purpose of this Memorandum is to follow-up on the January 26, 2000, Local Government Division (LGD), Memorandum-012, which pertains to the County Property Valuation Fund.

Since the distribution of Memorandum-012, the LGD has received numerous inquiries pertaining to the allowable uses of the 1% administrative revenue. Expenditures from the County Property Valuation Fund are restricted and are for the sole purpose of conducting a reappraisal program. With this in mind, the LGD has prepared and attached a list of allowable uses pertaining to the 1% administrative revenue that is deposited in the County Property Valuation Fund.

I hope this information is of use to you when preparing your 2000-2001 County Property Valuation Fund Budget. If you have any questions or require additional information, please contact me at 827-8071.

DM

Attachment

VII. County Property Valuation Fund

1% Administrative Revenue

Permitted Uses

Section 7-38-38.1 NMSA 1978 provides for the following:

“Expenditures from the county property valuation fund shall be made pursuant to a property valuation program presented by the county assessor and approved by the majority of the county commission.”

1. Full time employee salaries **not permitted** out of the County Property Valuation Fund; however, full time employees that work in the Assessor's Office and do work pertaining to a property valuation program may have their salaries prorated between the General Fund and the Property Valuation Fund. The county Assessor should determine what percentage of salaries to prorate.
2. Part-time employees hired for the purpose of assisting with the property valuation program **are permitted** salaries out of the County Valuation Fund.
3. Overtime expenses associated with conducting a property valuation program **is permitted**.
4. Capital outlay purchases related to the sole purpose of conducting a reappraisal program **are permitted** expenditures, i.e. vehicles, computer hardware, software, printers, copiers.
5. Travel expenditures associated with reappraisal, i.e. training, workshop, conferences, **is permitted**.
6. Any debt service incurred from conducting a property valuation program **is permitted**, i.e. the issuance of revenue bonds, loans with the NM Finance Authority, loans with the NM Taxation and Revenue Department

Example: If revenue bonds are issued for the sole purpose of reappraisal then the principal and interest payments for these revenue bonds should be expended from the County Property Valuation Fund. However, if revenue bonds are issued for various county projects, then the principal and interest payment should be prorated between the appropriate funds. The County Property Valuation Fund should not absorb cost not associated with reappraisal.

7. The County Property Valuation fund is a restricted fund; therefore, transfers out of the fund are **not permitted**. However, if expenditures were made from another fund on behalf of the County Valuation Fund then a transfer may be made in order to reimburse the other fund.
8. Cash balances remaining at the end of the fiscal year, in the County Valuation Fund, transform into the beginning cash balance in that fund. Cash balances **may not** be transferred from the County Valuation Fund to another fund.
9. Maintenance and repair expenses associated with equipment belonging to the County Property Valuation Fund and / or equipment used for the reappraisal program **is permitted**.

VIII. New Mexico Property Tax Code Calendar

Date	Subject	Statute
January 1	Valuation Date.	7-38-7
	January 1st determines the taxable status of all property in the state of New Mexico. If property is destroyed or improved during the year, any resulting increase or decrease will not be reflected until January 1 of the following year.	
January (1st 3 full weeks)	Publication of notice of certain provisions relating to reporting property for valuation and claiming exemptions.	7-38-18
February 28	Reporting of property for valuation; penalties for failure to report.	7-38-8
	Statement of decrease in value of property subject to local valuation.	7-38-13
	Claiming exemptions; requirements; penalties.	7-38-17
	By the last day of February, all new improvements, decreases in value, mobile homes, livestock, and claims for any applicable property exempt status must be made. This reporting period begins January 1 and ends thirty days after the mailing of the notices of value.	
April 1	County assessor to mail notices of valuation.	7-38-20
	County assessors shall mail a notice of value to each taxpayer informing them of the net taxable value placed on their property. Failure to receive a notice does not invalidate the value set on the property or property tax based on the value.	
30 days after mailing of NOV	Claims for Head of Household or Veteran exemptions must be applied for in order for it to be allowed for the current tax year.	7-38-17
30 days after mailing of NOV	Option 1: Period for protesting values, denial of exemptions, classification, allocation of taxes to a governmental unit or limitation in value increase as provide by state law. There is no provision under the property tax code to protest taxes (dollar amount).	7-38-21
May 1	Property Tax Division to mail notices of valuation.	7-38-20
June 1	Property Tax Division to allocate and certify valuations to county assessors.	7-38-30
June 15	County assessor to certify net taxable values to the Property Tax Division.	7-38-31
	After this date, valuation changes become increasing difficult and will generally require a court order	
June 30	Property Tax Division to prepare a compilation of net taxable values to be used for budget making and rate setting.	7-38-32
	The Division complies all of the values certified by all counties and forwards to the Department and Finance for its use in making budgets and setting tax rates.	
September 1	Department of finance and administration to set tax rates.	7-38-33
	Rates consist of operating rates that finance ongoing operations of government, and debt rates used to finance long-term capital improvements. Governing bodies of imposing entities, for example county council and educational boards, within statutory limits, impose operating rates. Voters approve debt rates.	
September	Board of county commissioners to order imposition of the tax.	7-38-34
	A copy of the written order imposing the tax rates shall be delivered to the county assessor.	
October 1	Preparation of property tax schedule by assessor.	7-38-35
	County assessor prepares the property tax schedule (tax roll) for the county and delivers it to the finance department. This lists for every property its description, owner, address, value for property tax purposes, classification, exemptions allowed, applicable tax rates and tax amount.	
October 1	Preparation and mailing of property tax bills.	7-38-36
	The finance department mails the tax bills based on the values set as of January 1st of this tax year.	
November 10	Payment of property taxes; installment due dates; refunds in case of overpayments.	7-38-38
	First half of taxes are due based on values set January 1 st of this tax year.	
60 days after taxes are due	Option 2: Period for protesting values, denial of exemptions, classification, allocation of taxes to a governmental unit or limitation in value increase as provide by state law. There is no provision under the property tax code to protest taxes (dollar amount).	7-38-40
December 10	Unpaid property taxes; imposition of interest.	7-38-49
	Penalty and interest began to accrue on unpaid portion of first half taxes.	
January 9	Claims for refund; civil action.	7-38-40
	Last day to file a claim for refund on values that were set on Jan. 1 of prior year.	
April 10	Payment of property taxes; installment due dates; refunds in case of overpayments.	7-38-38
	Second half of taxes are due based on values set January 1 st of previous tax year.	
May 10	Unpaid property taxes; imposition of interest.	7-38-49
	Penalty and interest began to accrue on unpaid portion of second half taxes.	

This calendar provides general information and does not cover all of the county assessor's duties.

IX. Tax Payer's Property Profile Example

Property Profile

Account: R001293 Tax Year: 2011 Account Type: EXEMPT
 Mill Levy: 25.599000 Version: 20110318000 Area ID: 1N
 Estimated Tax: N/A Parcel: 1034112152349 LEGAL: EA2 142D1
 * This Mill Levy is from the most recent tax roll Status: A

Name and Address Information:

INCORPORATED COUNTY OF LOS
 P.O. BOX 30
 LOS ALAMOS, NM 87544

Property Location:

1175 IRIS ST

Legal Description:

SUB:EASTERN AREA 2 LOT:142B BK:144 PG:991 RECPT:199106 PARCEL: 1-034-112-152-349-
 SECT,TWN,RNG:15-19N-6E SITUS: 1175 IRIS ST SITUS: 1305 IRIS ST SITUS: 1075 IRIS ST



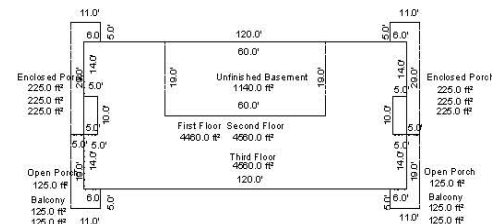
Assessment Information:

Tax Year: 2011	Actual	Assessed	Sq Ft	Acres	Taxable
Land	447,770.00	149,260.00	92,787.00	2.13	
Improvements	.00	.00		2.13	
Exempt					
Total	447,770.00	149,260.00			149,260.00
Tax Year: 2010	Actual	Assessed	Sq Ft	Acres	Taxable
Land	447,770.00	149,260.00	92,787.00	2.13	
Improvements	2,676,420.00	892,140.00	45,756.00	2.13	
Exempt					
Total	3,124,190.00	1,041,400.00			1,041,400.00

User Remarks

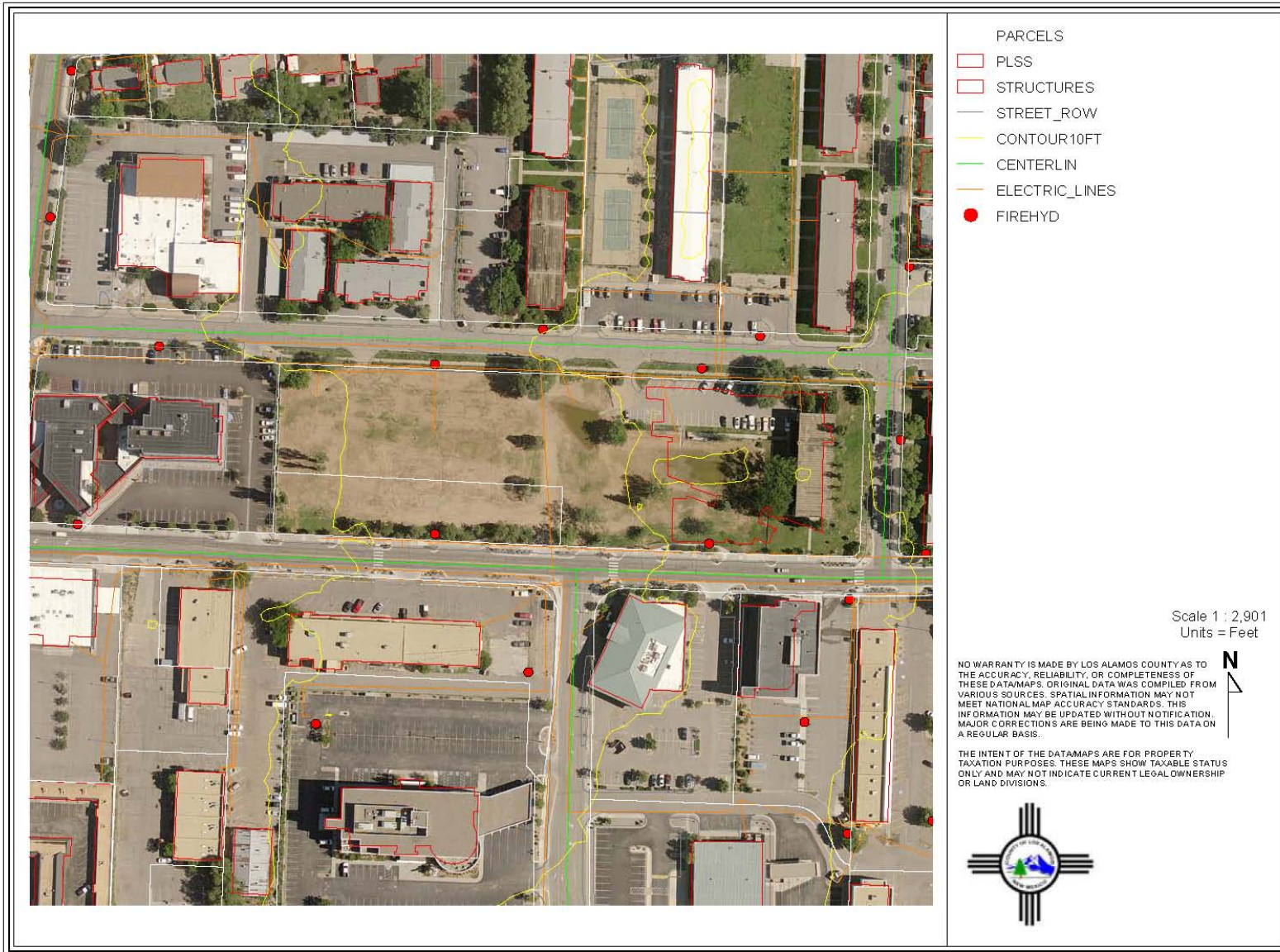
CONSOLIDATED 142A & 142D INTO 142D1 ON 6/28/06. DEACTIVATED 142A. CONSOLIDATED 142B & 142C1 INTO 142D ON 6/28/06. DEACTIVATED 142C1.

1305 Iris St.



Los Alamos County

IX. Tax Payer's Property Profile Example



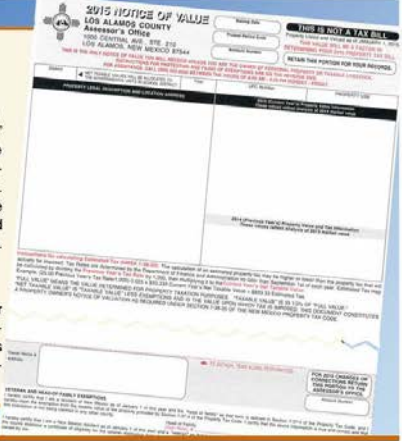
X. Public Relation Programs

1 YOUR NOTICE OF VALUE IS THE KEY TO UNDERSTANDING YOUR PROPERTY TAX PROCESS.


Each year the Assessor mails each property owner a "Notice of Value." This form serves to inform the owner of the total assessed value, the property description and exemptions applied to the property. Los Alamos County typically mails notices on or around April 1st of each year. This form is an important step in the property tax process. Please read it carefully and follow the instructions on the back. The assessed value on the "notice" will be a factor in determining your property taxes. See example on back.

DISAGREE WITH YOUR VALUATION?

Property owners may appeal the value or classification determined for their property by filing a petition of protest with the county assessor within 30 days of the official mail date of the notice of value. Los Alamos County typically mails notices on or around April 1st of each year. Protest forms are available on our website or in our office.




**Helpful Tips
for Property Owners**



**A GUIDE TO
UNDERSTANDING
YOUR PROPERTY
ASSESSMENT.**

**QUESTION?
PLEASE CONTACT
OUR OFFICE.**

Kenneth H Milder
Los Alamos County
Assessor
1000 Central Ave., Ste. 210
Los Alamos, NM 87544
Phone: (505) 662-8030
Fax: (505) 663-1764



2 LIMITATION ON VALUATION INCREASE FOR RESIDENTIAL REAL PROPERTY

DID YOU KNOW THAT THERE ARE LIMITS ON VALUATION INCREASES?

Los Alamos County re-appraises property each year. The total value determined by the assessor for real property each tax year is based on the market value of the property in the prior year. For example your 2015 notice of value will reflect a 2014 market value. However, there are restrictions against increasing residential property valuations, i.e. houses, apartments, manufactured homes. Under state law, valuation increases on residential property must not exceed 3 percent per year of the prior year's assessed value. Example:

2013 Assessor's Full Value was	\$100,000
2014 Assessor's Full Value can not exceed	\$103,000
2015 Assessor's Full Value can not exceed	\$106,090

There are some exceptions to the limitations.

The limitation does not apply to:

- Property that has changed in ownership due to a sale. In this case the valuation cap is removed in the tax year after the sale date and the Assessor's valuation must be changed to reflect the market value of the year of the sale date. This is especially important to potential home buyers. **Please be aware of the potential increase in property valuation that could lead to increased taxes.**
- Property that is placed on the tax rolls for the first time such as a new home.
- Any new improvements made to property in the year prior to the current tax year such as additions or outbuildings.
- Property whose use or zoning has changed.

www.losalamosnm.us/assessor

Helpful Tips for Property Owners

**BUSINESS PERSONAL
PROPERTY**



VIDEO PRESENTATION

**REPORTING
BUSINESS PERSONAL PROPERTY**

Business Personal Property Presentation



2018 Valuation and Maintenance Plan

County Assessor, Ken Milder

Chief Deputy Assessor, Joaquin Valdez

Parcel Count

2017 Parcel by Classification		
Class	Parcels	Valuation
Residential	7,280	\$625,442,950
Non-Residential	963	\$103,921,960
Livestock	313	\$64,690
Other Exempt Properties	613	-\$247,731,570
Exemptions	2,944	-\$8,960,460
Total Parcels and Net Taxable Value	9,169	\$720,469,140

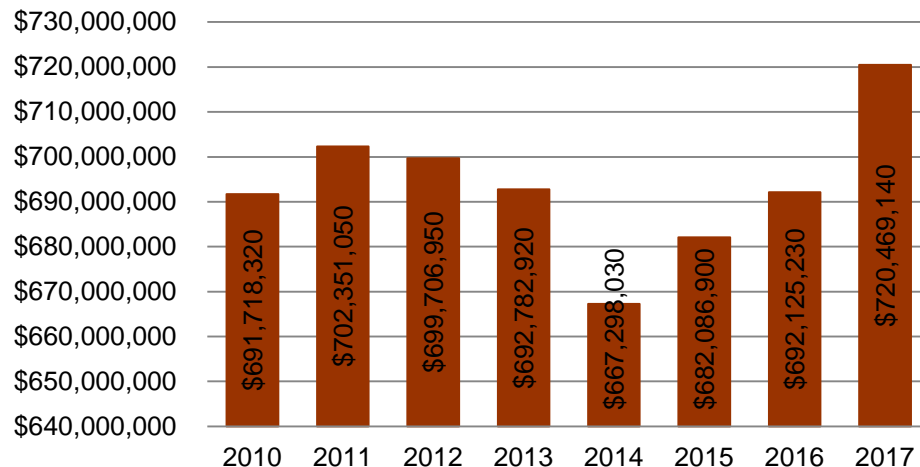
2017 Sales Ratio

Assesmet Level			
	2017	2016	Standards
Mean	99.47%	98.37%	90-110%
Median	98.16%	97.47%	90-110%
Weighted Mean	98.91%	98.35%	90-110%

Uniformity			
	2017	2016	Standards
Standard Deviation	9.16%	7.41%	< 20%
COD	6.93%	6.36%	< 15%
COV	9.21%	7.53%	< 20%
PRD	100.56%	100.03%	98 - 103%

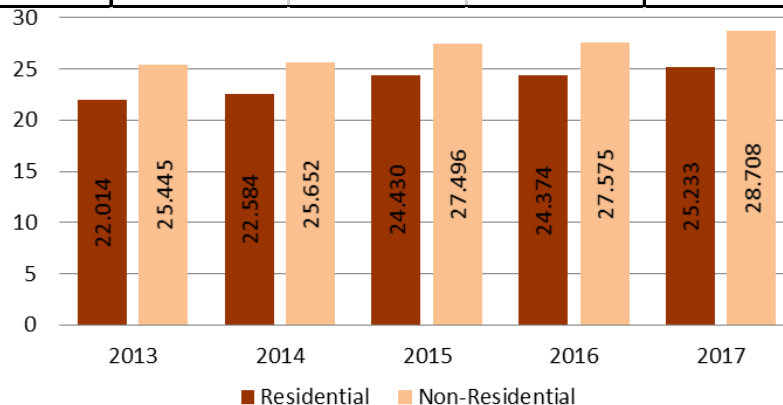
2017 Net Taxable Value

2017	2016	Change	Percent
\$720,469,140	\$692,125,230	\$28,343,910	4.10%



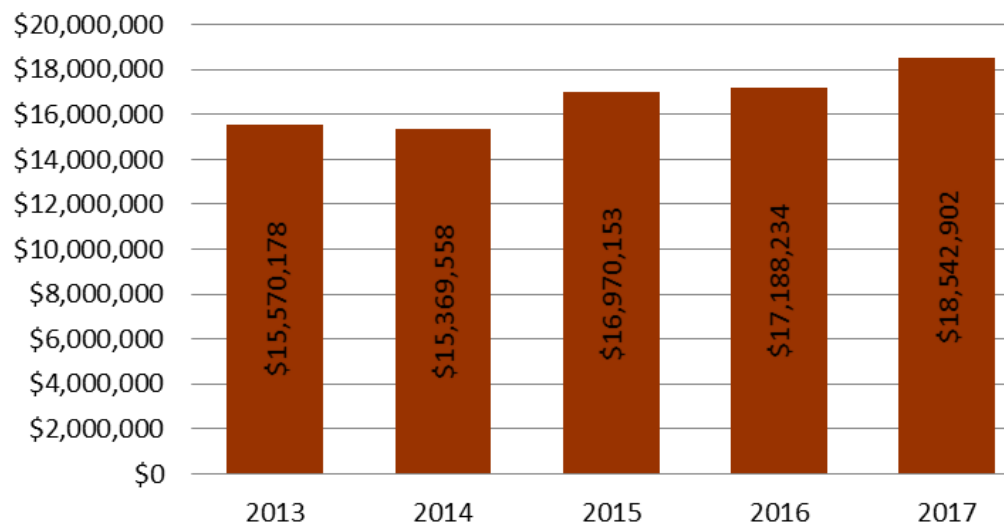
2017 Tax Rates

	Residential			Non-Residential		
	2017	2016	Change	2017	2016	Change
State	1.360	1.360	0.000	1.360	1.360	0.000
County	5.761	5.873	-0.112	8.850	8.850	0.000
Muni	3.875	3.950	-0.075	3.998	3.998	0.000
School	12.268	12.203	0.065	12.500	12.367	0.133
UNMLA	1.969	0.988	0.981	2.000	1.000	1.000
Total	25.233	24.374	0.859	28.708	27.575	1.133



2017 Property Tax Revenue

2017	2016	Change	Percent
\$18,542,902	\$17,188,234	\$1,354,668	7.88%



2017 New Construction and Building Permits

Number of Permits			
2017	2016	Change	Percent
814	577	237	41.07%
New Construction Value			
Tax Year 2017	Tax Year 2016	Change	Percent
\$2,506,590	\$1,672,150	\$834,440	49.90%

- Number of permits went up
- Total value increased \$834,440.
 - Increase in small improvement projects.
 - 37 New Dwelling Units and 2 Commercial units
 - 11 NDU's complete, 26 under construction.
 - 1 Commercial building complete, 1 under construction.

2017 Protests

Property Protests		
	2017	2016
Total Filed	27	76
Resolved through informal hearings	24	64
Went to Board	3	4
Upheld by Board	3	4

Valuation Protest Board

- Three member board
 - One member and alternate must have some experience in property valuation
 - One member and alternate, community member, no experience necessary.
 - One member an employee of PTD and Chair of the board
- Appointed by Council
- Independent board

2017 Other Notable's

- Annual Evaluations
 - Annual Audit
 - No findings
- Transparency
 - Residential Valuation Limitation video
 - Residential Valuation Limitation flag
 - 2018 Notice of Value's
- Outreach
 - Newspaper
 - Clubs
 - Radio

2018 Projections

Reappraisal program

- Door to door re-inspection of approximately
 - 1/5 or 20% of the total parcels are inspected annually.
 - Physical visit and inspection of properties.
- 2017 (2018 Tax Year)
 - Barranca Mesa, North Mesa, and Ponderosa Areas
 - 1,831 parcels
 - Collected \$586,400 of omitted value.
- 2018 (2019 Tax Year)
 - North Community and Quemazon Areas
 - 1,745 parcels
 - A-19, A-13, and A-9

Valuation Maintenance

- Maintaining of the values due to the change in market, market conditions.
- Valuation models are tested for accuracy.
- Notice of Values mailed out by April 1st.

2018 Projections (Sales Ratio)

Assesmet Level			
		2018	Standards
Mean		98.41%	90-110%
Median		97.43%	90-110%
Weighted Mean		97.69%	90-110%

Uniformity			
		2018	Standards
Standard Deviation		9.23%	< 20%
COD		7.16%	< 15%
COV		9.34%	< 20%
PRD		100.63%	98 - 103%

2018 Projections (Net Taxable Value)

Net Taxable Value

- \$750,000,000
 - Less Exemptions
 - Less Protested Value
-
- Certified to the State by June 15th.
 - Used by DFA to apply Yield Control Formula for Tax Rates.
 - Typically, Tax rates have an inverse effect on Taxable value.

Questions?