



LOS ALAMOS

County of Los Alamos

1000 Central Avenue
Los Alamos, NM 87544

BCC Agenda - Final

Board of Public Utilities

*Carrie Walker, Chair; Jeff Johnson, Vice-chair; Paul
Frederickson, Stephen McLin and Kathleen Taylor, Members
Tim Glasco, Ex Officio Member
Harry Burgess, Ex Officio Member
Pete Sheehey, Council Liaison*

Monday, July 1, 2019

5:30 PM

Council Chambers

Special Session

Complete Board of Public Utilities agenda packets, past agendas, videos, legislation and minutes can be found online at losalamos.legistar.com. Learn more about the Board of Public Utilities at rebrand.ly/LACBPU.

PUBLIC COMMENTS:

Please submit written comments to the Board at bpu@lacnm.us. Oral public comment is accepted during the two periods identified on the agenda and after initial board discussion on a business item, prior to accepting a main motion on an item. Oral comments should be limited to four minutes per person. Requests to make comments exceeding four minutes should be submitted to the Board in writing prior to the meeting. Individuals representing or making a combined statement for a large group may be allowed additional time at the discretion of the Board. Those making comments are encouraged to submit them in writing either during or after the meeting to be included in the minutes as attachments. Otherwise, oral public comments will be summarized in the minutes to give a brief succinct account of the overall substance of the person's comments.

1. CALL TO ORDER

2. PUBLIC COMMENT

3. APPROVAL OF AGENDA

4. BUSINESS

- A. [12099-19](#) Incorporated County of Los Alamos Resolution No. 19-16: A Resolution Supplementing Resolution No. 19-05 Relating to the Natural Gas Supply Agreement Between the Incorporated County of Los Alamos and the New Mexico Municipal Energy Acquisition Authority, as Amended by a First Amendment; Authorizing the Execution and Delivery of a Second Amendment to the Natural Gas Supply Agreement and Other Action Necessary or Advisable to Obtain a Gas Discount Pursuant to the Supply Agreement, as Amended, Including the Execution and Delivery of Certificates and Agreements Relating to the Foregoing; Ratifying, Approving, and Confirming Prior Action Taken Related to the Foregoing; and Repealing Action Inconsistent Herewith.

Presenters:

Bob Westervelt

Attachments:[A - Resolution 19-16 NMMEA FINAL with Attachment A](#)[B - Resolution 19-05 NMMEAA 2019 Refinance recorded](#)[C - Life to Date Savings Derived From the Prepay Agreement](#)**5. PUBLIC COMMENT****6. 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 Department of Public Utilities (505) 662-8132 if a summary or other type of accessible format is needed.



County of Los Alamos

Staff Report

July 01, 2019

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.: A.

Index (Council Goals):

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

Legislative File: 12099-19

Title

Incorporated County of Los Alamos Resolution No. 19-16: A Resolution Supplementing Resolution No. 19-05 Relating to the Natural Gas Supply Agreement Between the Incorporated County of Los Alamos and the New Mexico Municipal Energy Acquisition Authority, as Amended by a First Amendment; Authorizing the Execution and Delivery of a Second Amendment to the Natural Gas Supply Agreement and Other Action Necessary or Advisable to Obtain a Gas Discount Pursuant to the Supply Agreement, as Amended, Including the Execution and Delivery of Certificates and Agreements Relating to the Foregoing; Ratifying, Approving, and Confirming Prior Action Taken Related to the Foregoing; and Repealing Action Inconsistent Herewith.

Recommended Action

I MOVE THAT THE BOARD OF PUBLIC UTILITIES APPROVE RESOLUTION 19-16; A RESOLUTION SUPPLEMENTING RESOLUTION 19-05 RELATING TO THE NATURAL GAS SUPPLY AGREEMENT BETWEEN THE INCORPORATED COUNTY OF LOS ALAMOS AND THE NEW MEXICO MUNICIPAL ENERGY ACQUISITION AUTHORITY, AS AMENDED BY A FIRST AMENDMENT; AUTHORIZING THE EXECUTION AND DELIVERY OF A SECOND AMMENDMENT TO THE NATURAL GAS SUPPLY AGREEMENT AND OTHER ACTION NECESSARY OR ADVISABLE TO OBTAIN A GAS DISCOUNT PURSUANT TO THE SUPPLY AGREEMENT, AS AMENDED, INCLUDING THE EXECUTION AND DELIVERY OF CERTIFICATES AND AGREEMENTS RELATING TO THE FOREGOING; RATIFYING, APPROVING, AND CONFIRMING PRIOR ACTION TAKEN RELATED TO THE FOREGOING; AND REPEALING ACTION INCONSISTENT HERewith, AND FORWARD TO THE LOS ALAMOS COUNTY COUNCIL WITH A RECOMMENDATION FOR ADOPTION.

Staff Recommendation

Staff recommends the Board approve the Resolution as presented and forward to Council with a recommendation for adoption.

Body

On May 7, 2019, Council passed and adopted resolution 19-05 authorizing action necessary or advisable to obtain a gas discount pursuant to the referenced Gas Supply Agreement, as amended (The 2019 Refunding Transaction), including execution and delivery of certificates and agreements related to that action. It further delegated authority to take all action necessary to effectuate the 2019 Refunding Transaction to the Utilities Manager.

In the previously approved Resolution 19-05 there is mention of a “2019 New Money Transaction”. This option provides for an additional discount on current and future gas purchases. This is available because interest rates in 2014 were significantly lower than in 2009 when the original bonds were issued, so more of the payments made on the 2014 bonds went to principle, shortening the remaining term of the deal. To a lesser degree, the same has occurred with the refinancing of the 2014 Bonds through the 2019 Refunding Transaction. To improve the discount available to the gas purchasers, the Royal Bank of Canada (RBC) proposed issuing additional bonds for the purpose of increasing the prepaid gas quantities and extending the gas supply agreement back out to the original term, which action would provide a few more cents discount on the entire deal. After review of the final proposal the Tax Attorneys for the Bond Issue indicated that such action would not affect the tax-exempt status of the NMMEAA Bonds upon which the economics of the deal are based. New Mexico Municipal Energy Acquisition Authority (NMMEAA), RBC, the Tax Attorneys, NMMEAA’s general Counsel, and The Majors Group evaluated the proposal and the NMMEAA Board determined that proceeding is in the best economic interests of the participants, and thus elected to move forward. As a result, the 2019 Transaction adds quantities and extends the term of the Gas Supply Agreement, requiring the Second Amendment to the agreement.

The parties to the gas supply agreement are Los Alamos County and NMMEAA, but the discount results from a swap agreement between NMMEAA and RBC. On review of the underlying documents, which include the Gas Supply Agreements between the Gas Purchasers (including the County of Los Alamos) and NMMEAA, it was noted that Resolution 19-05 did not specifically authorize the required Second Amendment to the Gas Supply Agreement, nor did it specifically delegate authority to execute that Second Amendment to the Utilities Manager. This resolution specifically clarifies and authorizes the Second Amendment to the Gas Supply Agreement, affirms and ratifies prior action taken, and delegates Authority to the Utilities Manager to execute the necessary documents, including that Second Amendment to the Gas Supply Agreement.

Alternatives

Through Resolution 19-05 The County has already committed to not make a Remarketing Election and to participate in the 2019 Refunding. As noted above, this resolution clarifies the requirement for a Second Amendment to the Gas Supply Agreement and authorizes the Utilities Manager to execute that second amendment and other documents related to the transaction.

Fiscal and Staff Impact

Should Los Alamos elect not to execute the Second Amendment the most likely result would be that Los Alamos would not receive that portion of the additional discount attributable to the additional Los Alamos Quantities. There is no staff impact.

Attachments

- A - Resolution 19-16_NMMEA_FINAL with Attachment A
- B - Resolution 19-05 Relating to the NMMEAA Gas Supply Agreement
- C - Life to date savings derived from the prepay agreement

INCORPORATED COUNTY OF LOS ALAMOS RESOLUTION NO. 19-16

A RESOLUTION SUPPLEMENTING RESOLUTION NO. 19-05 RELATING TO THE NATURAL GAS SUPPLY AGREEMENT BETWEEN THE INCORPORATED COUNTY OF LOS ALAMOS AND THE NEW MEXICO MUNICIPAL ENERGY ACQUISITION AUTHORITY, AS AMENDED BY A FIRST AMENDMENT; AUTHORIZING THE EXECUTION AND DELIVERY OF A SECOND AMENDMENT TO THE NATURAL GAS SUPPLY AGREEMENT AND OTHER ACTION NECESSARY OR ADVISABLE TO OBTAIN A GAS DISCOUNT PURSUANT TO THE SUPPLY AGREEMENT, AS AMENDED, INCLUDING THE EXECUTION AND DELIVERY OF CERTIFICATES AND AGREEMENTS RELATING TO THE FOREGOING; RATIFYING, APPROVING, AND CONFIRMING PRIOR ACTION TAKEN RELATED TO THE FOREGOING; AND REPEALING ACTION INCONSISTENT HERewith.

WHEREAS, the County of Los Alamos ("County") is an incorporated county organized and existing pursuant to the laws of the State of New Mexico (the "State"); and

WHEREAS, County owns and operates a gas distribution utility system (the "Gas Utility") that supplies gas to customers of the Gas Utility within the boundaries of, or in proximity to, County; and

WHEREAS, County entered into a "Natural Gas Supply Agreement" for County's Gas Utility, as amended by a First Amendment (as amended, the "Gas Supply Agreement"), with the New Mexico Municipal Energy Acquisition Authority (the "Authority"), a joint powers authority organized pursuant to the Joint Powers Agreements Act, Sections 11-1-1 through 11-1-7 NMSA 1978, for, among other things, the purpose of financing and acquiring long-term energy supplies, for its members, including County; and

WHEREAS, on May 7, 2019, the County Council adopted Resolution No. 19-05, pursuant to which it authorized actions necessary to enable the Authority to issue refunding bonds (the "2019 Refunding Bonds") for the purpose of extending the prepaid natural gas deliveries made to the County pursuant to the Gas Supply Agreement (referred to in Resolution No. 19-05 as the "2019 Refunding Transaction"), including the execution and delivery of closing documents necessary to close on the 2019 Refunding Transaction; and

WHEREAS, following adoption of Resolution No. 19-05, the Authority determined that the best Available Discount would be achieved by amending the Prepaid Natural Gas Supply Purchase and Sale Agreement with Royal Bank of Canada dated as of October 1, 2009, as amended by First Amendment dated August 1, 2019 (the "Original Prepaid Agreement") to provide for the acquisition of additional gas supplies and the corresponding reduction of the Original Gas Supply; and

WHEREAS, on June 11, 2019, the Authority executed and delivered a bond purchase Agreement with RBC Capital Markets for the sale of the Authority's Gas Supply Revenue Refunding and Acquisition Bonds, Series 2019 in an original aggregate principal amount of Six Hundred Sixteen Million Two Hundred Ten Thousand Dollars (\$616,210,000) (the "2019 Bonds"), pursuant

to which the Available Discount was determined to be \$.297 per MMBtu (the "2019 Discount"), based on the written opinion of The Majors Group, provided to the Authority and County, that such discount amount was comparable to the highest discount reasonably achievable under then-current market conditions, and is in the best interest of the Authority and County; and

WHEREAS, in order for County to obtain the 2019 Discount, it is necessary that County execute and deliver a Second Amendment to the Gas Supply Agreement (the "Second Amendment") to provide for the acquisition of additional natural gas quantities, a corresponding reduction of natural gas quantities to have been delivered under the original Gas Supply Agreement, and other related adjustments; and

WHEREAS, the County Council desires to authorize the execution, delivery and performance by County of the Second Amendment and related documentation, including closing documentation related to the 2019 Bond Transaction in its entirety ("2019 Closing Documentation"), to the extent not previously authorized in Resolution No. 19-05, by the Utilities Manager on behalf of County in a form approved by the County Attorney.

NOW, THEREFORE, be it resolved by the County Council that:

Section 1. Authorization of Second Amendment to Gas Supply Agreement and Additional Closing Documentation. The Utilities Manager be, and hereby is, authorized and directed to take all action necessary or appropriate to effectuate the provisions of this resolution, including, without limiting the generality to the foregoing, the execution and delivery of: (a) the Second Amendment in the form presented herewith as Attachment A, with such changes, insertions, deletions and modifications as may be approved by the Utilities Manager and approved by the County Attorney with all such changes, insertions, deletions and modifications being deemed to have been approved by County upon execution and delivery of the Second Amendment with such execution and delivery to be conclusive evidence of such approval, and (b) the 2019 Closing Documentation.

Section 2. Ratification. All prior action of County and the respective officers, agents or employees of County, on behalf of County, taken in connection with Resolution No. 19-05, is hereby ratified, approved and confirmed, except to the extent that such action is inconsistent with the provisions of this Resolution.

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 unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this resolution.

Section 4. Repealer. All resolutions or parts, thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any resolution, or part thereof, heretofore repealed.

Section 5. Limited Obligations. All financial obligations incurred hereunder are limited to revenues of County's Gas Utility.

Section 6. Effective Date. This Resolution shall be effective immediately.

PASSED AND APPROVED this 9th day of July, 2019.

**COUNCIL OF THE INCORPORATED
COUNTY OF LOS ALAMOS, NEW MEXICO**

**Sara C. Scott,
Council Chair**

ATTEST: (Seal)

**Naomi D. Maestas,
Los Alamos County Clerk**

SECOND AMENDMENT TO NATURAL GAS SUPPLY AGREEMENT

This **SECOND AMENDMENT TO NATURAL GAS SUPPLY AGREEMENT** (this "**Second Amendment**") is entered into as of the 1st day of August, 2019 by and between NEW MEXICO MUNICIPAL ENERGY ACQUISITION AUTHORITY (the "**Authority**"), and the INCORPORATED COUNTY OF LOS ALAMOS, NEW MEXICO, an incorporated county legally and regularly created, established, organized, and existing under the Constitution and laws of the State of New Mexico (the "**County**"). The Authority and the County may be referred to individually in this Second Amendment from time to time as a "**Party**" or collectively as the "**Parties**". Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed thereto in the Original Supply Agreement referenced below.

WHEREAS, the Authority has issued its Gas Supply Variable Rate Revenue Bonds, Series 2009 (the "**Series 2009 Bonds**"), pursuant to a Trust Indenture, dated as of October 1, 2009 (the "**Series 2009 Indenture**"); and

WHEREAS, proceeds of the Series 2009 Bonds were applied by the Authority to purchase an approximately 30-year prepaid supply of natural gas (the "**Original Gas Supply**") from Royal Bank of Canada ("**Royal Bank**"), as seller (in such capacity, the "**Gas Supplier**"), pursuant to a Prepaid Natural Gas Purchase and Sale Agreement, dated as of October 1, 2009, as amended by the First Amendment to Prepaid Natural Gas Purchase and Sale Agreement, dated as of August 1, 2014 (as amended, the "**Original Prepaid Gas Agreement**"), between the Authority and the Gas Supplier; and

WHEREAS, in connection with its acquisition of the Gas Supply, the Authority and the County entered into that certain Natural Gas Supply Agreement, dated as of October 1, 2009, as amended by the First Amendment (as hereinafter defined), providing for the sale of a portion of the Gas Supply by the Authority to the County (as amended, the "**Original Supply Agreement**"); and

WHEREAS, in order to refund the Series 2009 Bonds, the Authority and the Trustee entered into a Trust Indenture, dated as of August 1, 2014 (the "**New Indenture**"), providing for the issuance of the Authority's Gas Supply Revenue Refunding Bonds, Series 2014, Sub-series 2014A and Sub-series 2014B (Variable Rate) (collectively, the "**Series 2014 Bonds**") and the Authority and the County entered into the First Amendment to Natural Gas Supply Agreement, dated as of August 1, 2014 (the "**First Amendment**"); and

WHEREAS, as of the date hereof, the Authority and the Trustee have entered into the First Supplemental Trust Indenture, dated as of August 1, 2019 (the "**First Supplemental Indenture**") and together with the New Indenture, the "**Indenture**"), to provide for the issuance of the Authority's Gas Supply Revenue Refunding and Acquisition Bonds, Series 2019 (the "**Series 2019 Bonds**"), in order to refund the Series 2014 Bonds in whole, to fund the acquisition of additional gas supplies and to pay certain costs in connection with the issuance of the Series 2019 Bonds; and

WHEREAS, in connection with the issuance of the Series 2019 Bonds and the execution

and delivery of the First Supplemental Indenture, Royal Bank, the Authority and the Trustee have entered into a Re-Pricing Agreement, dated as of the date hereof (the “**Re-Pricing Agreement**”), providing for, among other things, the determination of the Discount (hereinafter defined) to be in effect from time to time; and

WHEREAS, the Authority and Royal Bank have entered into a Second Amendment to the Original Prepaid Gas Agreement to provide for, among other things, the acquisition of such additional gas supplies and a reduction in the Original Gas Supply, as provided in such Second Amendment to the Original Prepaid Gas Agreement; and

WHEREAS, the Authority and the County have agreed to acquire such additional gas supplies, reduce the Original Gas Supply and amend certain provisions of the Original Supply Agreement as provided herein;

NOW, THEREFORE, in consideration of the agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I AMENDMENTS TO ORIGINAL SUPPLY AGREEMENT

Section 1.1. **Amendments to Section 1.1.** Section 1.1 of the Original Supply Agreement is hereby amended to add the following defined terms to the Original Supply Agreement in their appropriate alphabetical order, or to delete the defined terms set forth in the Original Supply Agreement and replace them with the following defined terms, as the case may be:

“**Additional Daily Contract Quantities**” means the quantity of Gas to be Scheduled each Gas Day of the Delivery Period as such quantity is listed under the heading “Additional Daily Contract Quantities” in Exhibit A to this Second Amendment.

“**Additional Total Contract Quantity**” means the sum of all Additional Daily Contract Quantities for each Gas Day of the Delivery Period, as set forth in Exhibit A to this Second Amendment.

“**Adjusted Original Daily Contract Quantities**” means the quantity of Gas to be Scheduled each Gas Day of the Delivery Period as such quantity is listed under the heading “Adjusted Original Daily Contract Quantities” in Exhibit A to this Second Amendment.

“**Adjusted Original Total Contract Quantity**” means the sum of all Adjusted Original Daily Contract Quantities for each Gas Day of the Delivery Period, as set forth in Exhibit A to this Second Amendment.

“**Agreement**” means the Original Supply Agreement, as amended and supplemented by this Second Amendment.

“**Bonds**” means the Series 2019 Bonds and any Refunding Bonds issued from time to time pursuant to the Indenture.

“Daily Contract Quantities” means the Adjusted Original Daily Contract Quantities and the Additional Daily Contract Quantities.

“Delivery Point(s)” shall have the meaning ascribed to it in the Second Amendment to the Original Prepaid Agreement.

“Delivery Month” means a Month in which Contract Gas deliveries and receipts are to be made hereunder. When used in connection with a Reset Period, the term “Delivery Month” shall mean each Month commencing with the Month prior to the first Month of such Reset Period and ending with the Month preceding the last Month of such Reset Period.

“Discount” means, for each Delivery Month of the period from August 1, 2019 to March 31, 2025, the amount, expressed in cents per MMBtu (rounded down to the nearest one-half cent), determined by the Calculation Agent pursuant to Section 5 of the Repricing Agreement to initially be [29.5]¢ per MMBtu.

“First Supplemental Indenture” means the First Supplemental Trust Indenture, dated as of August 1, 2019, between Buyer and the Trustee, providing for the issuance of the Series 2019 Bonds.

“Indenture” means the Trust Indenture, dated as of August 1, 2014, between Buyer and the “Trustee”), as supplemented and amended by the First Supplemental Indenture and as the same may be further amended and supplemented in accordance with its terms.

“Natural Gas Supply Agreement” means the Natural Gas Supply Agreement dated October 1, 2009, between Buyer and County, as amended by the First Amendment to Natural Gas Supply Agreement, dated August 1, 2014, and the Second Amendment to Natural Gas Supply Agreement, dated August 1, 2019, providing for the sale of the Total Contract Quantity to the County, as the same may be further amended or supplemented in accordance with its terms, or subsequently and collectively, any and all contracts for the sale of specified quantities of Gas as may from time to time be entered into by Buyer for the sale by Buyer of all or a portion of the Total Contract Quantity to a Gas Purchaser, which contracts require payment on or before the 20th Day of each Month for Gas delivered during the preceding Month and shall satisfy the other requirements set forth for such contracts in Section 2.15 of the Indenture.

“Original Prepaid Agreement” means the Prepaid Natural Gas Purchase and Sale Agreement, dated as of October 1, 2009, as amended by the First Amendment to the Prepaid Natural Gas Purchase and Sale Agreement, dated as of August 1, 2014, each between Buyer and Seller.

“Prepayment Amount” means \$703,967,087 which is the sum of the Original Prepayment Amount and the Additional Prepayment Amount.

“Refunding Bonds” has the meaning specified in the Indenture.

“**Series 2019 Bonds**” means the Buyer’s Gas Supply Revenue Bonds, Series 2019.

“**Total Contract Quantity**” means 116,546,019 MMBtu, which is the sum of the Adjusted Original Total Contract Quantity and the Additional Total Contract Quantity for each Gas Purchaser.

ARTICLE II AMENDMENTS

Section 2.1. Original Supply Agreement; Reduction of Original Daily Contract Quantities. The Parties have entered into the Original Supply Agreement providing for the Firm purchase by Buyer and sale by Seller of the Original Total Contract Quantity of Gas set forth in Exhibit A to the Original Supply Agreement, to be delivered in the Original Daily Contract Quantities set forth in Exhibit A to the Original Supply Agreement. In connection with the additional purchase and sale transaction described in Section 2.2 of this Second Amendment, the Parties agree that, from and after the Effective Date of this Second Amendment the Original Daily Contract Quantities shall be reduced to reflect the Adjusted Original Daily Contract Quantities for the remainder of the Term as set forth in Exhibit A attached to this Second Amendment.

Section 2.2 Purchase and Sale of Additional Gas Supply. Seller and Buyer hereby enter into an additional transaction for the Firm purchase and sale of Gas. The specific terms of the transaction with regard to the Additional Total Contract Quantity, Additional Daily Contract Quantities and Delivery Point(s) for such Additional Daily Contract Quantities are set forth in Exhibit A attached to this Second Amendment.

Section 2.3 Amendment to Exhibit A. Exhibit A to the Original Supply Agreement is hereby deleted and replaced with Exhibit A attached to this Second Amendment.

ARTICLE III MISCELLANEOUS

Section 3.1 References to Supply Agreement. On and after the date of this Second Amendment, all references to “Supply Agreement” in each of the Transaction Documents shall hereafter mean the Original Supply Agreement, as amended by this Second Amendment.

Section 3.2 Effect of Amendment. Except as otherwise amended by this Second Amendment, the Original Supply Agreement shall be and remain in full force and effect, and the execution, delivery and effectiveness of this Second Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy under the Original Supply Agreement, nor constitute a waiver of any provision of the Original Supply Agreement. Each of the Authority and the County hereby ratifies and affirms all of its payment and performance obligations, contingent or otherwise, under the Original Supply Agreement, and acknowledges that the Original Supply Agreement, as amended hereby, remains in full force and effect and is hereby ratified and affirmed.

Section 3.3. Counterparts. This Second Amendment may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Second Amendment, together with the Original Supply Agreement, constitutes the entire contract between the Parties relating to the subject matter hereof and thereof and supersedes any and all previous agreements and understandings, oral or written, relating to the subject matter of hereof and thereof. Delivery of an executed counterpart of a signature page of this Second Amendment by telecopy or electronic mail shall be effective as delivery of a manually executed counterpart of this Second Amendment.

Section 3.4. Governing Law. This Second Amendment and the rights and obligations of the parties hereto shall be governed by and construed in accordance with the laws of the State of New Mexico, without reference to the conflict of laws principles therein. The Parties consent to jurisdiction and waive any objections to venue with respect to any federal district court located in the State of New Mexico.

(Signatures appear on the following page)

IN WITNESS whereof this amendment has been executed on the date first above written.

**NEW MEXICO MUNICIPAL ENERGY
ACQUISITION AUTHORITY**

By: _____
Name:
Title:

**INCORPORATED COUNTY OF LOS
ALAMOS, NEW MEXICO**

By: _____
Name:
Title:

EXHIBIT A

DAILY CONTRACT QUANTITIES

MONTH/YEAR	ADJUSTED ORIGINAL DAILY CONTRACT QUANTITIES	ADDITIONAL DAILY CONTRACT QUANTITIES	TOTAL
July 2019	432	52	484
August 2019	518	62	580
September 2019	625	75	700
October 2019	1,727	208	1,935
November 2019	2,678	322	3,000
December 2019	3,974	477	4,451
January 2020	3,743	450	4,193
February 2020	3,571	429	4,000
March 2020	2,707	325	3,032
April 2020	1,547	186	1,733
May 2020	864	104	968
June 2020	446	54	500
July 2020	432	52	484
August 2020	518	62	580
September 2020	625	75	700
October 2020	1,727	208	1,935
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October 2021	1,727	208	1,935
November 2021	2,678	322	3,000
December 2021	3,974	477	4,451
January 2022	3,743	450	4,193
February 2022	3,571	429	4,000
March 2022	2,707	325	3,032
April 2022	1,547	186	1,733
May 2022	864	104	968
June 2022	446	54	500
July 2022	432	52	484
August 2022	518	62	580
September 2022	625	75	700
October 2022	1,727	208	1,935
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March 2023	2,707	325	3,032
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November 2023	2,678	322	3,000
December 2023	3,974	477	4,451
January 2024	3,743	450	4,193
February 2024	3,571	429	4,000
March 2024	2,707	325	3,032
April 2024	1,547	186	1,733
May 2024	864	104	968
June 2024	446	54	500
July 2024	432	52	484
August 2024	518	62	580
September 2024	625	75	700
October 2024	1,727	208	1,935
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September 2025	625	75	700
October 2025	1,727	208	1,935
November 2025	2,678	322	3,000
December 2025	3,974	477	4,451
January 2026	3,743	450	4,193
February 2026	3,571	429	4,000
March 2026	2,707	325	3,032
April 2026	1,547	186	1,733
May 2026	864	104	968
June 2026	446	54	500
July 2026	432	52	484
August 2026	518	62	580
September 2026	625	75	700
October 2026	1,727	208	1,935
November 2026	2,678	322	3,000
December 2026	3,974	477	4,451
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Exhibit A – Page 2

MONTH/YEAR	ADJUSTED ORIGINAL DAILY CONTRACT QUANTITIES	ADDITIONAL DAILY CONTRACT QUANTITIES	TOTAL
April 2027	1,547	186	1,733
May 2027	864	104	968
June 2027	446	54	500
July 2027	432	52	484
August 2027	518	62	580
September 2027	625	75	700
October 2027	1,727	208	1,935
November 2027	2,678	322	3,000
December 2027	3,974	477	4,451
January 2028	3,743	450	4,193
February 2028	3,571	429	4,000
March 2028	2,707	325	3,032
April 2028	1,547	186	1,733
May 2028	864	104	968
June 2028	446	54	500
July 2028	432	52	484
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September 2028	625	75	700
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February 2029	3,571	429	4,000
March 2029	2,707	325	3,032
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September 2029	625	75	700
October 2029	1,727	208	1,935
November 2029	2,678	322	3,000
December 2029	3,974	477	4,451
January 2030	3,743	450	4,193
February 2030	3,571	429	4,000
March 2030	2,707	325	3,032
April 2030	1,547	186	1,733
May 2030	864	104	968
June 2030	446	54	500
July 2030	432	52	484
August 2030	518	62	580
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October 2030	1,727	208	1,935
November 2030	2,678	322	3,000
December 2030	3,974	477	4,451
January 2031	3,743	450	4,193
February 2031	3,571	429	4,000
March 2031	2,707	325	3,032
April 2031	1,547	186	1,733

Exhibit A – Page 3

MONTH/YEAR	ADJUSTED ORIGINAL DAILY CONTRACT QUANTITIES	ADDITIONAL DAILY CONTRACT QUANTITIES	TOTAL
May 2031	864	104	968
June 2031	446	54	500
July 2031	432	52	484
August 2031	518	62	580
September 2031	625	75	700
October 2031	1,727	208	1,935
November 2031	2,678	322	3,000
December 2031	3,974	477	4,451
January 2032	3,743	450	4,193
February 2032	3,571	429	4,000
March 2032	2,707	325	3,032
April 2032	1,547	186	1,733
May 2032	864	104	968
June 2032	446	54	500
July 2032	432	52	484
August 2032	518	62	580
September 2032	625	75	700
October 2032	1,727	208	1,935
November 2032	2,678	322	3,000
December 2032	3,974	477	4,451
January 2033	3,743	450	4,193
February 2033	3,571	429	4,000
March 2033	2,707	325	3,032
April 2033	1,547	186	1,733
May 2033	864	104	968
June 2033	446	54	500
July 2033	432	52	484
August 2033	518	62	580
September 2033	625	75	700
October 2033	1,727	208	1,935
November 2033	2,678	322	3,000
December 2033	3,974	477	4,451
January 2034	3,743	450	4,193
February 2034	3,571	429	4,000
March 2034	2,707	325	3,032
April 2034	1,547	186	1,733
May 2034	864	104	968
June 2034	446	54	500
July 2034	432	52	484
August 2034	518	62	580
September 2034	625	75	700
October 2034	1,727	208	1,935
November 2034	2,678	322	3,000
December 2034	3,974	477	4,451
January 2035	3,743	450	4,193
February 2035	3,571	429	4,000
March 2035	2,707	325	3,032
April 2035	1,547	186	1,733
May 2035	864	104	968

Exhibit A – Page 4

MONTH/YEAR	ADJUSTED ORIGINAL DAILY CONTRACT QUANTITIES	ADDITIONAL DAILY CONTRACT QUANTITIES	TOTAL
June 2035	446	54	500
July 2035	432	52	484
August 2035	518	62	580
September 2035	625	75	700
October 2035	1,727	208	1,935
November 2035	2,678	322	3,000
December 2035	3,974	477	4,451
January 2036	3,743	450	4,193
February 2036	3,571	429	4,000
March 2036	2,707	325	3,032
April 2036	1,547	186	1,733
May 2036	864	104	968
June 2036	446	54	500
July 2036	432	52	484
August 2036	518	62	580
September 2036	625	75	700
October 2036	1,727	208	1,935
November 2036	2,678	322	3,000
December 2036	3,974	477	4,451
January 2037	3,743	450	4,193
February 2037	3,571	429	4,000
March 2037	2,707	325	3,032
April 2037	1,547	186	1,733
May 2037	864	104	968
June 2037	446	54	500
July 2037	432	52	484
August 2037	518	62	580
September 2037	625	75	700
October 2037	1,727	208	1,935
November 2037	2,678	322	3,000
December 2037	3,974	477	4,451
January 2038	3,743	450	4,193
February 2038	3,571	429	4,000
March 2038	2,707	325	3,032
April 2038	1,547	186	1,733
May 2038	864	104	968
June 2038	446	54	500
July 2038	432	52	484
August 2038	518	62	580
September 2038	625	75	700
October 2038	1,727	208	1,935
November 2038	2,678	322	3,000
December 2039	3,974	477	4,451
January 2039	3,743	450	4,193
February 2039	3,571	429	4,000
March 2039	2,707	325	3,032
April 2039	1,547	186	1,733
May 2039	864	104	968
June 2039	446	54	500

MONTH/YEAR	ADJUSTED ORIGINAL DAILY CONTRACT QUANTITIES	ADDITIONAL DAILY CONTRACT QUANTITIES	TOTAL
July 2039	432	52	484
August 2039	518	62	580
September 2039	625	75	700

INCORPORATED COUNTY OF LOS ALAMOS RESOLUTION NO. 19-05

A RESOLUTION RELATING TO THE NATURAL GAS SUPPLY AGREEMENT BETWEEN THE INCORPORATED COUNTY OF LOS ALAMOS AND THE NEW MEXICO MUNICIPAL ENERGY ACQUISITION AUTHORITY, AS AMENDED BY A FIRST AMENDMENT; AUTHORIZING ACTION NECESSARY OR ADVISABLE TO OBTAIN A GAS DISCOUNT PURSUANT TO THE SUPPLY AGREEMENT, AS AMENDED, INCLUDING THE EXECUTION AND DELIVERY OF CERTIFICATES AND AGREEMENTS RELATING TO THE FOREGOING; RATIFYING, APPROVING AND CONFIRMING PRIOR ACTION TAKEN RELATED TO THE FOREGOING; AND REPEALING ACTION INCONSISTENT HERewith

WHEREAS, the Incorporated County of Los Alamos ("County") is an incorporated county organized and existing pursuant to the laws of the State of New Mexico ("State"); and

WHEREAS, the County, through its Department of Public Utilities, owns and operates a natural gas distribution utility system ("Gas Utility") that supplies gas to customers of the Gas Utility within the boundaries of, or in proximity to, County; and

WHEREAS, the County, in November 2009 and in resolution number 08-19, entered into a natural gas supply agreement ("Gas Supply Agreement") for the County's Gas Utility with the New Mexico Municipal Energy Acquisition Authority ("Authority"), a joint powers authority organized pursuant State law for the purpose of financing and acquiring long-term natural gas supplies for its public body member and contract purchasers, including the County; and

WHEREAS, on July 8, 2014, the County Council approved by resolution, Resolution No. 14-11, the first amendment to the Gas Supply Agreement ("Amended Gas Supply Agreement"); and

WHEREAS, the natural gas deliveries made by the Authority to County pursuant to the Amended Gas Supply Agreement were financed with proceeds of the Authority's Gas Supply Revenue Bonds, Series 2014 ("2014 Bonds"); and

WHEREAS, the Authority's 2014 Bonds are subject to mandatory redemption on August 1, 2019, and must be refinanced in order to enable the Authority to continue to deliver natural gas to County at a discount pursuant to the Amended Gas Supply Agreement; and

WHEREAS, the Amended Gas Supply Agreement provides that County may elect to have all or a portion of its Daily Contract Quantities (as defined in the Amended Gas Supply Agreement) remarketed for the remaining term in the event that the Available Discount, as defined in the Amended Gas Supply Agreement, is less than the Minimum Discount of THIRTY-SEVEN CENTS (\$0.37) per MMBtu (a "Remarketing Election"); and

WHEREAS, the amount of discount that shall be available through the refunding and refinancing of the 2014 Bonds (the "2019 Refunding Transaction") is a function of the pricing and

final terms of the 2019 Refunding Bonds under the bond market conditions in effect on the day of pricing of the 2019 Refunding Bonds and shall be determined at the time that the 2019 Refunding Bonds are sold to Royal Bank of Canada ("Gas Supplier"); and

WHEREAS, the available discount will be increased by extending term of the Amended Gas Supply Agreement for up to an additional 10 years and providing for the delivery of additional volumes of natural gas through the issuance by the Authority of bonds to finance the prepayment for those additional volumes (the "2019 New Money Transaction" and, together with the 2019 Refunding Transaction, the "2019 Transaction"); and

WHEREAS, the 2019 Refunding Transaction cannot proceed if County makes a Remarketing Election; and

WHEREAS, in connection with the 2019 Refunding Transaction, it shall be necessary for authorized officer of County to execute and deliver certain closing certificates and agreements, including but not necessarily limited to, a general County certificate and a continuing disclosure certificate or agreement, and such other certificates and agreements that may be necessary or appropriate to County's participation with the Authority, including such certificates and agreements which may be reasonably requested in connection with the Bonds issued by the Authority ("Closing Documentation"); and

WHEREAS, the Authority retained the Majors Group as its Municipal Advisor in connection with the issuance of the 2014 Bonds, and has retained the Majors Group for the 2019 Refunding Transaction; and

WHEREAS, the Council desires to authorize the execution, delivery and performance by County of the Closing Documentation; and

WHEREAS, it is in the best interest of County and its residents that County not make a Remarketing Election if the conditions specified in Section 3 of this Resolution are satisfied.

NOW, THEREFORE, be it resolved by the County Council that:

Section 1. Determination of Best Interest of Los Alamos Gas Utility. The County Council finds and hereby determines that it is in the best interest of County and its Gas Utility customers for the County to continue to obtain a discount to its natural gas costs, and that terminating deliveries of natural gas from the Authority by making a Remarketing Election is not in the best interest of County if the discount is reasonable based on current market conditions.

Section 2. Delegation of Authority to Effect the 2019 Refunding Transaction. The Utilities Manager is hereby authorized and directed to take all action necessary or appropriate under the Amended Gas Supply Agreement and in connection with the Remarketing Election, to effectuate the 2019 Refunding Transaction, including, without limiting the generality of the

foregoing, the execution of the Closing Documentation, subject to the provisions of Section 3 of this Resolution.

Section 3. No Remarketing Election upon Satisfaction of Condition. The County will not make a Remarketing Election if, at the time that the final terms of the 2019 Refunding Transaction are established, the Majors Group, as Municipal Advisor to the Authority, provides a written opinion, addressed to the Authority and County (which may include the other member-local governments of the Authority), certifying that the new discount amount is comparable to the highest discount reasonably achievable under then-current market conditions and is otherwise in the best interests of the Authority and County as such interests are understood by the Majors Group.

Section 4. Ratification. All prior action of County and the respective officers, agents or employees of County taken in connection with the Closing Documentation is hereby ratified, approved and confirmed, except to the extent that such action is inconsistent with the provisions of this Resolution or the authorization contained herein to execute and deliver the Closing Documentation.

Section 5. 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 unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this resolution.

Section 6. Repealer. All resolutions or parts, thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any resolution, or part thereof, heretofore repealed.


Section 7. Limited Obligations. All financial obligations incurred hereunder are limited to revenues of County's Gas Utility.

Section 8. Effective Date. This Resolution shall be effective immediately upon adoption by the County Council.

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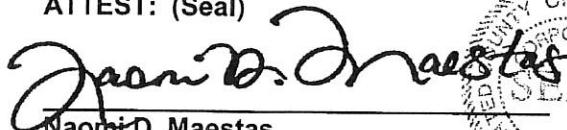
PASSED AND ADOPTED this 7th day of May, 2019.

COUNCIL OF THE INCORPORATED COUNTY
OF LOS ALAMOS, NEW MEXICO



Sara C. Scott,
Council Chair

ATTEST: (Seal)



Naomi D. Maestas,
Los Alamos County Clerk



R-19-05 05/07/2019 12:00 AM
Page(s): 4 Naomi D Maestas - County Clerk
Los Alamos County, NM Victoria L Martinez - Deputy



Los Alamos	
9-Oct	0
9-Nov	90,000
9-Dec	137,981
10-Jan	129,983
10-Feb	112,000
10-Mar	93,992
10-Apr	51,990
10-May	30,008
10-Jun	15,000
10-Jul	15,004
10-Aug	17,980
10-Sep	21,000

714,938 \$ 0.2000 \$ 142,987.60
rate stabilization rebate \$ -
total \$ 142,987.60

10-Oct	59,985
10-Nov	90,000
10-Dec	137,981
11-Jan	129,983
11-Feb	112,000
11-Mar	90,496
11-Apr	51,990
11-May	30,008
11-Jun	15,000
11-Jul	15,004
11-Aug	17,980
11-Sep	21,000

771,427 \$ 0.2000 \$ 154,285.40
rate stabilization rebate \$ 178,303.00
total \$ 332,588.40

11-Oct	59,985
11-Nov	90,000
11-Dec	137,981
12-Jan	129,983
12-Feb	116,000
12-Mar	93,992
12-Apr	51,990
12-May	30,008
12-Jun	15,000
12-Jul	15,004
12-Aug	17,980
12-Sep	21,000

778,923 \$ 0.2000 \$ 155,784.60
rate stabilization rebate \$ 233,677.00
total \$ 389,461.60

12-Oct	59,985
12-Nov	90,000
12-Dec	137,981
13-Jan	129,983
13-Feb	112,000
13-Mar	93,992
13-Apr	51,990
13-May	30,008
13-Jun	15,000
13-Jul	15,004
13-Aug	17,980
13-Sep	21,000

774,923 \$ 0.2000 \$ 154,984.60
rate stabilization rebate \$ 222,787.00
total \$ 377,771.60

13-Oct	59,985
13-Nov	90,000
13-Dec	137,981
14-Jan	129,983
14-Feb	112,000
14-Mar	93,992
14-Apr	51,990
14-May	30,008
14-Jun	15,000
14-Jul	15,004

735,943 \$ 0.2000 \$ 147,188.60
rate stabilization rebate \$ 95,206.00 est
total \$ 242,394.60 est

Los Alamos	
14-Aug	17,980
14-Sep	21,000

38,980 \$ 0.2894 \$ 11,280.81

14-Oct	59,985
14-Nov	90,000
14-Dec	137,981
15-Jan	129,983
15-Feb	112,000
15-Mar	93,992
15-Apr	51,990
15-May	30,008
15-Jun	15,000
15-Jul	15,004
15-Aug	17,980
15-Sep	21,000

774,923 \$ 0.2894 \$ 224,262.72

15-Oct	59,985
15-Nov	90,000
15-Dec	137,981
16-Jan	129,983
16-Feb	116,000
16-Mar	93,992
16-Apr	51,990
16-May	30,008
16-Jun	15,000
16-Jul	15,004
16-Aug	17,980
16-Sep	21,000

778,923 \$ 0.2894 \$ 225,420.32

16-Oct	59,985
16-Nov	90,000
16-Dec	137,981
17-Jan	129,983
17-Feb	112,000
17-Mar	93,992
17-Apr	51,990
17-May	30,008
17-Jun	15,000
17-Jul	15,004
17-Aug	17,980
17-Sep	21,000

774,923 \$ 0.2894 \$ 224,262.72

17-Oct	59,985
17-Nov	90,000
17-Dec	137,981
18-Jan	129,983
18-Feb	112,000
18-Mar	93,992
18-Apr	51,990
18-May	30,008
18-Jun	15,000
18-Jul	15,004
18-Aug	17,980
18-Sep	21,000

774,923 \$ 0.2894 \$ 224,262.72

18-Oct	59,985
18-Nov	90,000
18-Dec	137,981
19-Jan	129,983
19-Feb	112,000
19-Mar	93,992

623,941 \$ 0.2894 \$ 180,568.53

total to date \$ 2,349,841.29