



County of Los Alamos

1000 Central Avenue
Los Alamos, NM 87544

Agenda - Final Board of Public Utilities

*Carrie Walker, Chair; Jeff Johnson, Vice-chair; Stephen McLin,
Kathleen Taylor and Steve Tobin Members
Philo Shelton, Ex Officio Member
Harry Burgess, Ex Officio Member
Pete Sheehey, Council Liaison*

Wednesday, December 18, 2019

5:30 PM

1000 Central Avenue
Council Chambers

REGULAR 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

This section of the agenda is reserved for comments from the public on Consent Agenda items or items that are not otherwise included in this agenda.

3. APPROVAL OF AGENDA

4. BOARD BUSINESS

4.A. Chair's Report

4.B. Board Member Reports

4.C. Utilities Manager's Report

4.D. County Manager's Report**4.E. Council Liaison's Report****4.F. Environmental Sustainability Board Liaison's Report****4.G. General Board Business****4.G.1 [11763-19](#)** Reminder for Upcoming Boards & Commissions Luncheon

Presenters: Board of Public Utilities

PG. 1

4.G.2 [11702-19](#) Quarterly Conservation Program Update

Presenters: James Alarid, Deputy Utilities Manager - Engineering

PG. 2

4.H. Approval of Board Expenses**4.I. Preview of Upcoming Agenda Items****4.I.1 [12595-19](#)** Tickler File for the Next 3 Months

Presenters: Board of Public Utilities

PG. 3-5

5. PUBLIC HEARING(S)**5.A [12570-19](#)** Modification of Department of Public Utilities Rules & Regulations - Rule GR-13, Disconnection and Reconnection of Service

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

PG. 6-9

6. CONSENT AGENDA

The following items are presented for Board approval under a single motion unless any item is withdrawn by a member for further Board consideration in the "Business" section of the agenda.

CONSENT MOTION -

I move that the Board of Public Utilities approve the items on the Consent Agenda as presented and that the motions in the staff reports be included in the minutes for the record.

OR

I move that the Board of Public Utilities approve the items on the Consent Agenda as amended and that the motions contained in the staff reports, be included in the minutes for the record.

- 6.A** [12583-19](#) Approval of Board of Public Utilities Meeting Minutes

Presenters: Board of Public Utilities

PG. 10-18

- 6.B** [OR0863-19](#) Approval of Incorporated County of Los Alamos Draft Ordinance No. 698; An Ordinance Authorizing the Execution and Delivery of a Water Project Fund Loan/Grant Agreement in the Total Amount of \$800,000.00, and Related Documents by and between the New Mexico Finance Authority and Incorporated County of Los Alamos for the Purpose of acquisition and installation of a new pump station at Overlook Park for use in pumping treated effluent from the White Rock Wastewater Treatment Facility for irrigation of the Overlook recreational facilities.

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

PG. 19-76

- 6.C** [AGR0649-19](#) Approval of Amendment No. 1 to Services Agreement No. AGR16-033 with Pajarito Environmental Education Center in the Amount of \$200,000.00 for a Revised Total Contract Amount Not to Exceed \$399,000.00 for the Purpose of Community Water and Energy Conservation Services

Presenters: James Alarid, Deputy Utilities Manager - Engineering

PG. 77-81

- 6.D** [AGR0651-19](#) Approval of Amendment No. 1 to Services Agreement No. AGR20-912 with SmartPhone Meter Reading, L.L.C. in the amount of \$25,512.90, for the Purpose of adding a second seat to the SPMR WEB licensing for the Smart Phone Meter Reading System, plus approval of additional funding for the ten percent escalator enumerated in the agreement but not included in the funding total previously approved, for a revised base contract total of \$94,713.64 plus a contingency in the amount of \$10,488.00 for a revised project total of \$105,201.64, plus Applicable Gross Receipts Tax.

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

PG. 82-86

- 6.E** [AGR0646-19](#) Approval of Services Agreement No. AGR20-23 with Wilson and Company Inc., Engineers and Architects for the Purpose of Design of the Well House and Equipment for Otowi Well #2 and Design of a Replacement Motor Control Center for Otowi Well #4

Presenters: James Alarid, Deputy Utilities Manager - Engineering

PG. 87-99

7. BUSINESS

- 7.A** [OR0867-19](#) Recommendation to Council for Approval and Adoption Of Incorporated County Of Los Alamos Code Ordinance No 02-302, An Ordinance Amending Chapter 40, Article II, Division 2, Sections 40-63, 40-65, And 40-67 of the Code of the Incorporated County of Los Alamos To Clarify The Transfer Of Operating Profits From The County Department Of Public Utilities To The General Fund And To Clarify The Appropriate Procurement Code For The Department; Approval Of Incorporated County Of Los Alamos Resolution No 19-29, A Resolution To Update A Payment In Lieu Of A Franchise Fee For The Incorporated County Of Los Alamos, Department Of Public Utilities Pursuant To Charter Section 506; and Approval Of Incorporated County Of Los Alamos Resolution No.19-30, A Resolution Repealing Incorporated County Of Los Alamos Council Resolution 97-07, A Resolution Establishing A Methodology For Computing Electric And Gas Operating Profits For Transfer To The County General Fund.

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

PG. 100-132

8. STATUS REPORTS**8.A [12591-19](#)** Status Reports

Presenters: Board of Public Utilities

PG. 133-145

9. PUBLIC COMMENT

This section of the agenda is reserved for comments from the public on any items.

10. 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

December 18, 2019

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.: 4.G.1
Index (Council Goals): DPU FY2020 - N/A
Presenters: Board of Public Utilities
Legislative File: 11763-19

Title

Reminder for Upcoming Boards & Commissions Luncheon

Body

The month prior to a Boards & Commissions luncheon, the attendee schedule will be included in the agenda packet as a reminder during the Chair's report.

For the luncheon, the member should prepare a brief report that outlines recent important activities of the Board and highlights upcoming events. The report will be included in the luncheon minutes.

11:30 a.m. - 1:00 p.m. - Council Chambers

2019 Schedule

January 17 - Steve McLin
March 14 - Steve McLin
May 16 - Jeff Johnson
September 19 - Carrie Walker
November 14 - Kathy Taylor
January 16, 2020 - Steve Tobin



County of Los Alamos

Staff Report

December 18, 2019

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.:	4.G.2
Index (Council Goals):	DPU FY2020 - 5.0 Achieve Environmental Sustainability
Presenters:	James Alarid, Deputy Utilities Manager - Engineering
Legislative File:	11702-19

Title

Quarterly Conservation Program Update

Recommended Action

None

Staff Recommendation

None

Body

Summary of recent conservation activities will be presented which will include:

DPU sponsored 100% Electric Powered Float in the holiday light parade. A volunteer from the community has loan their Tesla to decorate as a float. The float will be titled "Santa's Solar Sleigh" with lots of solar lights and a giant sun on top. In addition, and update will be given on the Conservation Plan update.

Alternatives

N/A

Fiscal and Staff Impact

None

Attachments

None



County of Los Alamos

Staff Report

December 18, 2019

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.: 4.I.1
Index (Council Goals): DPU FY2020 - N/A
Presenters: Board of Public Utilities
Legislative File: 12595-19

Title

Tickler File for the Next 3 Months

Attachments

A - Tickler File for the Next 3 Months



County of Los Alamos

Los Alamos, NM 87544
www.losalamosnm.us

Tickler

**Criteria: Agenda Begin Date: 1/1/2020, Agenda End Date: 3/31/2020, Matter Bodies:
Board of Public Utilities**

File Number	Title
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Agenda Date: 01/15/2020

12409-19	Election Election of Board of Public Utilities Chair and Vice-chair for 2020 Department Name: DPU Drop Dead Date:	04G General Board Business Length of Presentation: Apx. 10 Min. Sponsors: Carrie Walker, Chair of the Board of Public Utilities
12410-19	Appointment Appointment of Board Member to Audit Committee for 2020 Department Name: DPU Drop Dead Date:	04G General Board Business Length of Presentation: Apx. 5 Min. Sponsors: Carrie Walker, Chair of the Board of Public Utilities
12411-19	Briefing/Report (Dept,BCC) - Action Requested Schedule and Selection of Members to Attend Boards & Commissions Luncheons for 2020 Department Name: DPU Drop Dead Date:	04G General Board Business Length of Presentation: Apx. 5 Min. Sponsors: Carrie Walker, Chair of the Board of Public Utilities
12412-19	Briefing/Report (Dept,BCC) - Action Requested Affirmation of the Incorporated County of Los Alamos Open Meetings Resolution No. XX-XX Department Name: DPU Drop Dead Date:	04G General Board Business Length of Presentation: Apx. 5 Min Sponsors: Carrie Walker, Chair of the Board of Public Utilities
12413-19	Calendar Approval of Board of Public Utilities Meeting Calendar for 2020 Department Name: DPU Drop Dead Date:	04G General Board Business Length of Presentation: Apx. 5 Min. Sponsors: Carrie Walker, Chair of the Board of Public Utilities
12414-19	Briefing/Report (Dept,BCC) - Action Requested Approval of Meeting Agenda Outline for 2020 Department Name: DPU Drop Dead Date:	04G General Board Business Length of Presentation: Apx. 5 Min. Sponsors: Carrie Walker, Chair of the Board of Public Utilities
12594-19	Briefing/Report (Dept, BCC) - No action requested Quarterly Update on Utility System - Water System	04G General Board Business

File Number	Title	
	Department Name: DPU Drop Dead Date:	Length of Presentation: Apx. 30 Min. Sponsors: Jack Richardson, Deputy Utilities Manager - GWS Services
12568-19	Briefing/Report (Dept,BCC) - Action Requested Approval of Modification 21 to the Electric Energy and Power Coordination Agreement (ECA) Between the Incorporated County of Los Alamos and the United States Department of Energy (DOE). Department Name: DPU Drop Dead Date:	06 Consent Length of Presentation: N/A Sponsors: Bob Westervelt, Deputy Utilities Manager - Finance/Admin
12475-19	Briefing/Report (Dept,BCC) - Action Requested Approval of Power Purchase Agreement (PPA) with Uniper Global Commodities Department Name: DPU Drop Dead Date:	07 Business Length of Presentation: Apx. 15 Min. Sponsors: Steve Cummins, Deputy Utilities Manager - Power Supply
Agenda Date: 02/19/2020		
12513-19	Budget Item Department of Public Utilities FY2021-2022 Budget Presentation Department Name: DPU Drop Dead Date:	07 Business Length of Presentation: Apx. 60 Min. Sponsors: Bob Westervelt, Deputy Utilities Manager - Finance/Admin
Agenda Date: 03/18/2020		
12593-20	Briefing/Report (Dept, BCC) - No action requested Quarterly Conservation Program Update Department Name: DPU Drop Dead Date:	04G General Board Business Length of Presentation: Apx. 10 Min. Sponsors: James Alarid, Deputy Utilities Manager - Engineering
12592-20	Budget Item Approval of Department of Public Utilities FY2021-22 Budget Department Name: DPU Drop Dead Date:	07 Business Length of Presentation: Apx. 60 Min. Sponsors: Bob Westervelt, Deputy Utilities Manager - Finance/Admin



County of Los Alamos

Staff Report

December 18, 2019

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.:	5.A
Index (Council Goals):	DPU FY2020 - 3.0 Be a Customer Service Oriented Organization that is Communicative, Efficient, and Transparent
Presenters:	Bob Westervelt, Deputy Utilities Manager - Finance/Admin
Legislative File:	12570-19

Title

Modification of Department of Public Utilities Rules & Regulations - Rule GR-13, Disconnection and Reconnection of Service

Recommended Action

I move the Board of Public Utilities approve revisions to Department of Public Utilities Rules & Regulations, Rule GR-13, Disconnection and Reconnection of Service, as presented.

Staff Recommendation

Staff recommends approval as presented.

Body

The primary change being recommended is to GR13.05 regarding the disconnection of service for non-payment. The current rule specifies that initially the electric service will be disconnected. The concern is that during cold winter months customers could potentially lose heat if power is disconnected, so either collections efforts would need to be curtailed or an alternative would need to be available. In order to provide the Department with such an alternative, the recommendation is to provide for water to be disconnected instead of power if such action appears more prudent.

The remaining proposed changes are simply to clarify or correct existing language and do not significantly affect the rule.

Alternatives

If this item is not approved staff would have to either curtail collections efforts during cold fall and winter months, or proceed with disconnection of electric service, which may result in loss of heating at a customer residence or business.

Fiscal and Staff Impact

While a specific fiscal impact is hard to calculate, if collections efforts are curtailed past due accounts will increase and may make it more difficult for customers to get caught up when collection efforts are resumed.

Attachments

A. GR13 Proposed Revision 12-18-19

**RULES AND REGULATIONS
GENERAL RULES (GR)
RULE GR-13
DISCONNECTION AND RECONNECTION OF SERVICE**

GR-13.01 GENERAL

This rule includes criteria for disconnection and reconnection of service, and temporary disconnection of service.

GR-13.02 DISCONNECTION CRITERIA

- A. The Utility may discontinue utility service to a customer based on the following criteria:
- 1) Non-payment of delinquent account.
 - 2) Unsafe or Detrimental Conditions
 - a. Condition determined to be hazardous.
 - b. Use of equipment in such a manner as to adversely affect the Utility equipment or Utility service to others.
 - c. Customer's equipment or the use thereof is determined by the Utility to be unsafe or hazardous or in violation of applicable laws, ordinances, rules and regulations.
 - d. Any condition existing upon the customer's premises that is determined to endanger the Utility's service facilities, personnel or public.
 - 3) Tampering with, damaging, or destroying equipment furnished and owned by the Utility.
 - 4) Unauthorized use of service.
 - 5) Failure to comply with conditions specified by the Utility and/or the Customers' application.
 - 6) Refusal to grant access at reasonable time to equipment installed on the premises of the customer for the purpose of inspection, maintenance or replacement.
 - 7) Violation of and/or non-compliance with the Utility's rules and regulations and construction standards.
 - 8) Failure to Establish Credit
 - a. If, for an applicant's convenience, ~~the Utility should~~ should the Utility provide service before credit is established in accordance with Rule GR-16, Establishment and Re-establishment of Credit, and the customer fails to establish credit, the Utility may discontinue service after written notice of not less than three (3) business days.

GR-13.03 DISCONNECTION OF SERVICE

- A. Service may be temporarily disconnected in any or all types of Utility Service at the request of the customer, and at such reasonable time as designated by the customer. There shall be a reconnect fee as described in the Fee Schedule.
- B. When a customer desires to disconnect service, the customer shall give the Utility not less than two business days notice of intention and state the date on which customer wishes the disconnection ~~become~~ should be effective. A customer shall be held responsible for all service furnished at the premises until two (2) days after receipt of such notice by the Utility, or until the date of termination specified in the notice, whichever date is later.

GR-13.04 DISCONNECTION OF SERVICE NOTICE PROCESS

- A. A Disconnection of Service Notice shall be submitted for non-payment of bills, or other factors as described in this rule. The initial notice shall be submitted with the customer's bill.

- B. The first collection step shall consist of the following statement imprinted on the second bill issued.

**** YOUR ACCOUNT IS PAST DUE ****

This is a reminder to the customer that payment was not made in full on the previous bill.

- C. Any utility bill remaining unpaid forty (40) days from the bill date of the first unpaid bill shall receive a discontinuance of service notice indicating the amount past due and the anticipated date of termination. This termination date shall be not less than fifteen (15) days from date of notice. This notice shall indicate that payment in full or payment plus satisfactory payment arrangements must be made prior to the termination date if service is to be continued.

This notice shall be delivered to the affected customer in person or by depositing a copy of the notice in the U.S. Mail, postage prepaid, addressed to the customer at the same address where they receive their monthly bills.

- D. Three (3) days prior to the date for discontinuance, if payment or arrangements have not been made, a final notice shall be posted at the residence or place of business indicating the date services shall be terminated if payment has not been received by that date or corrective action has not been identified.
- E. Two (2) days prior to the discontinuance date the Utility shall attempt to contact the customer to ensure the customer understands the date service shall be discontinued if payment is not received or corrective action not identified.

GR-13.05 DISCONNECTION PROCESS

- A. Normally ~~initially~~ the Utility will initially disconnect only the electricity. If the Utility considers it more prudent to disconnect a different service instead, for example to maintain heat when below freezing temperatures are forecast, and if doing so is practical, the utility will disconnect water service instead. If, for a period of five (5) days after the disconnection of ~~the electricity (or water)~~, there is no communication from the customer, the Utility will disconnect other utility services. After the other utility services have been disconnected, a letter will be issued giving the customer ten (10) days to settle the account. If the account remains unsettled, the Utility will take appropriate action deemed necessary to collect the outstanding balance including ~~contracting with~~ submitting the account to a collection agency and or filing a lien on the customer's property.
- B. Liens are permitted under NMSA 3-23-6.
- C. The Utility will take any of the actions authorized pursuant to this section against the property owner in the event that a tenant vacates the premises without payment of Utility.

GR-13.06 RECONNECTION FEES

- A. The fees for reconnection of service shall be applicable for services disconnected for failure to comply with this rule. Fees are included in the Fee Schedule section.
- B. In the event the Utility's equipment has been damaged or additional expense is incurred to restore service, the Utility shall charge the customer the full cost for recovery of labor, material and equipment.



County of Los Alamos

Staff Report

December 18, 2019

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.:	6.A
Index (Council Goals):	DPU FY2020 - N/A
Presenters:	Board of Public Utilities
Legislative File:	12583-19

Title

Approval of Board of Public Utilities Meeting Minutes

Recommended Action

I move that the Board of Public Utilities approve the meeting minutes of November 20th, 2019 as presented.

Body

REQUESTED REVISIONS TO THE DRAFT MINUTES

Draft minutes are sent to members after each meeting for their review. Members may then send changes to be incorporated prior to final approval of the minutes at the next regular meeting. There were no changes.

Attachments

A - Draft BPU Regular Session Minutes - November 20th, 2019



LOS ALAMOS

County of Los Alamos

Minutes

Board of Public Utilities

1000 Central Avenue
Los Alamos, NM 87544

Carrie Walker, Chair; Jeff Johnson, Vice-chair; Stephen McLin, Kathleen Taylor and Steve Tobin Members
Philo Shelton, Ex Officio Member
Harry Burgess, Ex Officio Member
Pete Sheehey, Council Liaison

Wednesday, November 20, 2019

5:30 PM

1000 Central Avenue
Council Chambers

REGULAR SESSION

1. CALL TO ORDER

The regular meeting of the Incorporated County of Los Alamos Board of Public Utilities was held on Wednesday, November 20th at 5:30 p.m. at 1000 Central Ave., Council Chambers. Board Chair Carrie Walker called the meeting to order at 5:30 p.m.

Present 5 - **Board Member Walker, Board Member Tobin, Board Member McLin, Board Member Taylor and Board Member Shelton**

Absent 2 - **Board Member Johnson and Board Member Burgess**

Assistant County Manager Mr. Steve Lynne attended for Mr. Burgess.

2. PUBLIC COMMENT

Ms. Walker opened the floor for public comment on items on the Consent Agenda and for those not otherwise included on the agenda. There were no comments.

3. APPROVAL OF AGENDA

Mr. McLin moved that the agenda be approved as presented. The motion passed by the following vote:

Yes: 4 - **Board Member Walker, Board Member Tobin, Board Member McLin and Board Member Taylor**

Absent: 1 - **Board Member Johnson**

4. BOARD BUSINESS

4.A. Chair's Report

Ms. Walker had nothing to report.

4.B. Board Member Reports

Board members reported on the following items:

1) Ms. Taylor reported that she gave a presentation at the recent Boards and Commissions Luncheon.

4.C. Utilities Manager's Report

Mr. Shelton provided a written report, which is included in the minutes as an attachment.

With regards to Budget Billing, Ms. Walker asked if staff had experienced any system issues with pulling twelve months of historical customer data with which to calculate budget billing amounts. Mr. Shelton responded that there had not been issues.

Ms. Taylor noted that, as requested by the Board in a previous meeting, she has been seeing more bill inserts with conservation information for customers.

4.D. County Manager's Report

Mr. Lynne had nothing to report.

4.E. Council Liaison's Report

Mr. Sheehey was absent. No report was given.

4.F. Environmental Sustainability Board Liaison's Report

Ms. Susan Barns provided a written report, which is included in the minutes as an attachment.

4.G. General Board Business

4.G.1 [11707-19](#) Quarterly Update on Utility System - Gas Distribution System

Presenters: Jack Richardson

Deputy Utilities Manager for Gas, Water and Sewer Mr. Jack Richardson presented this item. The following is the substance of the item being considered.

The Board requested a quarterly system assessment on a different utility each quarter. This quarter, Mr. Richardson presented an update on the Gas system.

The Board discussed this item and requested clarification where necessary.

4.G.2 [12227-19](#) Begin 2019 Board of Public Utilities Annual Self-evaluation

Presenters: Carrie Walker

Ms. Walker presented this item. The following is the substance of the item being considered.

Each year around December, the Board conducts a self-evaluation. The agenda item for this meeting was an opportunity for the Board to have an open discussion about how they want to conduct the evaluation.

The Board discussed this item and requested clarification where necessary.

The following actions were identified for follow-up:

1) Ms. Walker suggested that during the evaluation, the Board score every question, even those that don't require discussion, and that a spreadsheet be created to calculate an overall total score. Ms. Walker will prepare this and enter the data during the meeting.

2) The Board has scheduled a special meeting for December 6th to conduct the evaluation.

4.H. Approval of Board Expenses

There were no Board expenses.

4.I. Preview of Upcoming Agenda Items

4.I.1 [12489-19](#) Tickler File for the Next 3 Months

Presenters: Board of Public Utilities

No additional items were added to the tickler provided in the agenda packet.

5. PUBLIC HEARING(S)

There were no public hearings scheduled for this meeting.

6. CONSENT AGENDA

Ms. Walker moved that the Board of Public Utilities approve the items on the Consent Agenda as presented and that the motions contained in the staff reports be included in the minutes for the record. The motion passed by the following vote:

Yes: 4 - Board Member Walker, Board Member Tobin, Board Member McLin and Board Member Taylor

Absent: 1 - Board Member Johnson

6.A [12488-19](#) Approval of Board of Public Utilities Meeting Minutes

Presenters: Board of Public Utilities

I move that the Board of Public Utilities approve the meeting minutes of October 16th, 2019 as presented.

6.B [OR0863-19](#) Approval of Incorporated County of Los Alamos Draft Ordinance No. XXX; An Ordinance Authorizing the Execution and Delivery of a Water Project Fund Loan/Grant Agreement in the Total Amount of \$800,000.00, and Related Documents by and between the New Mexico Finance Authority and Incorporated County of Los Alamos for the Purpose of acquisition and installation of a new pump station at Overlook Park for use in pumping treated effluent from the White Rock Wastewater Treatment Facility for irrigation of the Overlook recreational facilities.

Presenters: Bob Westervelt

I move that the Board of Public Utilities approve Incorporated County of Los Alamos Draft Ordinance No. XXX; An Ordinance Authorizing the Execution and Delivery of a Water Project Fund Loan/Grant Agreement in the Total Amount of \$800,000.00, and Related Documents by and between the New Mexico Finance Authority and The Incorporated County of Los Alamos for the purpose of acquisition and installation of a new pump station at Overlook Park for use in pumping treated effluent from the White Rock Wastewater Treatment Facility for irrigation of the Overlook recreational facilities, and forward in final form to Council for their consideration.

7. BUSINESS

7.A 12360-19 Discussion of Levelized Cost of Electric Energy Research by Lazard and Request for Proposal Results for Xcel Energy in Colorado

Presenters: Steve Tobin

Mr. Tobin presented this item. The following is the substance of the item being considered.

Mr. Tobin's purpose in presenting this information is to provide economic context to decisions LAC will face in electricity generation and facilitate a conversation on a very complex topic.

The Board discussed this item and requested clarification where necessary.

7.B 12418-19 Options for Forming Subcommittees

Presenters: Philo Shelton

Mr. Shelton presented this item. The following is the substance of the item being considered.

During this fall's strategic planning work session, the Board discussed exploring the use of subcommittees or ad hoc committees to gain the advice and expertise within our community on various issues the Board is facing. The Board had much success with the Future Energy Resource Committee (FER) Committee, an ad hoc committee, in receiving input and prioritizing the various FER initiatives. If considering forming a committee, then the purpose and need needs to be identified with goals and deliverables for the committee. The form of the committee should be selected based on the purpose and need that the Board identifies. Mr. Shelton presented options for forming subcommittees, ad-hoc committees or stakeholder groups.

The Board discussed this item and requested clarification where necessary.

The following actions were identified for follow-up:

1) A working group will be formed, or a work session of the full Board will be scheduled to discuss the scope of the Request for Proposals for the upcoming Energy and Water Conservation Plan update. Depending on the outcome of that discussion, the scope for the consultant may need to include the Board's direction for forming a citizen committee to get input during the update process.

8. STATUS REPORTS

8.A [12490-19](#) Status Reports

Presenters: Board of Public Utilities

The following informational status reports were provided to the Board in the agenda packet:

1) Electric Reliability Update
2) Accounts Receivables Report
3) Safety Report

9. PUBLIC COMMENT

Ms. Walker opened the floor for public comment on any items. There were no comments.

10. ADJOURNMENT

The meeting adjourned at 7:44 p.m.

APPROVAL

Board of Public Utilities Chair Name

Board of Public Utilities Chair Signature

Date Approved by the Board

ATTACHMENT
OFFICER REPORTS
SUBMITTED AT THE MEETING

**Utility Manager's Report
November 20, 2019**

1. At today's board meeting UAMPS Staff indicated in the next few days they will be sending out a notice to participants. This will trigger the start of a ten-day notice withdrawal/reduction period. A special meeting will need to be called to consider our continued participation in the CFPP.
2. Held a few meetings with staff and attorneys in reviewing the draft water rights agreement from NNSA. In the next couple of weeks, we plan to present this draft agreement back to NNSA with our comments for their review and comments.
3. DPU staff spent the last two days with a seven-person Quality New Mexico site review team, who are reviewing DPU's Zia application. It is anticipated to receive notice the week of December 9th if DPU has earned the Zia award.
4. Staff is working to cleanup an area of the soil containing the oil of approximately 1.2 cubic yards of soil located next to Otowi Well #4 at DP Canyon. At this time, staff is working to obtain the necessary permits for this cleanup. This soil will be removed by hand shovel and will then be disposed of in an approved landfill.
5. Attended a meeting at PNM regarding the San Juan Generating Station and received a presentation regarding the Enchant proposal to continue operation of this plant for 12 more years. DOE has funded a feasibility study and the results of this study are due between March and June of next year. PRC hearings regarding the closure plan for San Juan Generating Station are scheduled for December 10 until December 20, 2019. This will take some of staff and attorney time to cover and attend these hearings.
6. Attended an Electric Coordination Agreement in Santa Fe, and the ECA team was agreeable for Los Alamos to pursue a wind the solar project. Staff is working on receiving an agreement from the offeror with terms and conditions as the next step in the process to bring in this potential new resource. Finally, the ECA team agreed to work over the next few months on a terms and conditions memo for the renewal of the ECA from 2025 to 2035.
7. Staff is ready to reinstitute the Budget Billing program for customers sometime in September.
8. At today's Water Trust Board Meeting, the board recommended for funding the \$800,000 Reclaim Water Bayo Booster station project.

Environmental Sustainability Board (ESB) liaison report

Susan Barns, ESB Liaison 11/20/2019

September and October ESB meeting activities included:

- An update on Environmental Services Business and Operations.
- Summary information and discussion of the Summer Concert Series zero waste program. Over the course of the summer, 4720 lbs. of recyclable and compostable materials were collected and diverted from the landfill, representing 44% of the overall waste stream.
- An informational update from the Save-As-You-Throw Research Subcommittee on estimated rates under different scenarios of SAYT, summary of comments, and request for recommendation on next steps. At the October 30th Special Meeting on SAYT, the Board proposed a resolution to table the SAYT Program, due to cost, and to initiate study of municipal food waste composting. The Board will vote on this resolution tomorrow night, and if approved, will send forward to Council, along with a summary report on SAYT research efforts and findings.

Tomorrow night's ESB meeting will also include:

- An update by Councilor Pete Sheehey on the plastic bag, straw and styrofoam container ban proposal.
- A presentation by Steve Hansen, from Santa Fe Community College, on waste to energy solutions for municipal solid waste.



County of Los Alamos

Staff Report

December 18, 2019

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.:	6.B
Index (Council Goals):	DPU FY2020 - 1.0 Provide Safe and Reliable Utility Services; DPU FY2020 - 5.0 Achieve Environmental Sustainability
Presenters:	Bob Westervelt, Deputy Utilities Manager - Finance/Admin
Legislative File:	OR0863-19

Title

Approval of Incorporated County of Los Alamos Draft Ordinance No. 698; An Ordinance Authorizing the Execution and Delivery of a Water Project Fund Loan/Grant Agreement in the Total Amount of \$800,000.00, and Related Documents by and between the New Mexico Finance Authority and Incorporated County of Los Alamos for the Purpose of acquisition and installation of a new pump station at Overlook Park for use in pumping treated effluent from the White Rock Wastewater Treatment Facility for irrigation of the Overlook recreational facilities.

Recommended Action

I move that the Board of Public Utilities approve Incorporated County of Los Alamos Draft Ordinance No. 698; An Ordinance Authorizing the Execution and Delivery of a Water Project Fund Loan/Grant Agreement in the Total Amount of \$800,000.00, and Related Documents by and between the New Mexico Finance Authority and The Incorporated County of Los Alamos for the purpose of acquisition and installation of a new pump station at Overlook Park for use in pumping treated effluent from the White Rock Wastewater Treatment Facility for irrigation of the Overlook recreational facilities, and forward in final form to Council for their consideration.

Staff Recommendation

Staff recommends approval of the motion as presented.

Body

This loan/grant will provide \$800,000 for acquisition and installation of a new pump station at Overlook Park for use in pumping treated effluent from the White Rock Wastewater Treatment Facility for irrigation of the Overlook recreational facilities. The award is for a 40% loan and 60% grant with a required additional match by the County of 15% of the total award amount. This required match will come from approved Capital Improvement Project funding.

Ordinance No. 698 authorizes the execution and delivery of a Water Project Fund Loan/Grant Agreement and related documents by and between New Mexico Finance Authority and Incorporated County of Los Alamos for the purpose of design and construction of this project.

Note, draft documents were provided for LAC review and comments returned to NMFA Council for consideration on November 6, 2019. The most significant item is that the draft documents call for pledge of the revenues of "the Utilities System", whereas only the revenues of the WATER Utility are being pledged. All other items are purely clerical. DPU Finance staff, the County CFO, and the County Attorney's office have reviewed the documents and concerns noted have been addressed to the satisfaction of all. "Final" drafts of those documents have not been received back from NMFA. The

comments were mainly clerical and administrative, and we do not anticipate any disagreement from NMFA. Due to deadlines for completing and uploading Board Agenda Docs, the draft documents are attached, and the motion allows for any minor, non-substantive changes to be made before Council adoption of the ordinance, which will be in final form before Council consideration.

Alternatives

If Los Alamos refuses funding assistance from Water Trust Board for this non-potable water project the project will either have to be cancelled or postponed or direct funding from DPU resources would be required.

Fiscal and Staff Impact

Water Projects Fund \$480,000 grant and \$320,000 loan with zero percent interest and .25 percent administration fee for 20 years which will supplement additional funding amount of \$120,000 from Department of Public Utilities Water Fund Capital project funding.

Attachments

- A - Draft Incorporated County of Los Alamos Ordinance No. 698
- B - Draft Loan Grant Agreement No. WPF-4826

Thereupon, there were officially filed with the County Clerk copies of a proposed Ordinance and Water Project Fund Loan/Grant Agreement in final form, the proposed Ordinance being as hereinafter set forth:

[Remainder of page intentionally left blank.]

INCORPORATED COUNTY OF LOS ALAMOS
ORDINANCE NO. 698

AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY OF A WATER PROJECT FUND LOAN/GRANT AGREEMENT BY AND BETWEEN THE NEW MEXICO FINANCE AUTHORITY (“FINANCE AUTHORITY”) AND THE INCORPORATED COUNTY OF LOS ALAMOS, NEW MEXICO (THE “BORROWER/GRANTEE”), IN THE TOTAL AMOUNT OF \$800,000, EVIDENCING AN OBLIGATION OF THE BORROWER/GRANTEE TO UTILIZE THE LOAN/GRANT AMOUNT SOLELY FOR THE PURPOSE OF FINANCING THE COSTS OF CONSTRUCTION OF A REPLACEMENT EFFLUENT BOOSTER STATION AT OVERLOOK PARK, AND SOLELY IN THE MANNER DESCRIBED IN THE LOAN/GRANT AGREEMENT; PROVIDING FOR THE PLEDGE AND PAYMENT OF THE LOAN AMOUNT AND AN ADMINISTRATIVE FEE SOLELY FROM NET REVENUES OF THE WATER UTILITY FUND; CERTIFYING THAT THE LOAN/GRANT AMOUNT, TOGETHER WITH OTHER FUNDS AVAILABLE TO THE BORROWER/GRANTEE, IS SUFFICIENT TO COMPLETE THE PROJECT; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN/GRANT AGREEMENT; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS ORDINANCE; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN/GRANT AGREEMENT.

Capitalized terms used in the following preambles have the same meaning as defined in this Ordinance unless the context requires otherwise.

WHEREAS, the Borrower/Grantee is a legally and regularly created, established, duly organized and existing incorporated county under and pursuant to the laws of the State and more specifically, Article X, Section 5, New Mexico Constitution, is a qualifying entity under the Water Project Finance Act and is qualified for financial assistance as determined by the Finance Authority and approved by the Water Trust Board pursuant to the Board Rules and the Policies and the Act; and

WHEREAS, pursuant to the Board Rules the Water Trust Board has recommended the Project for funding as a Qualifying Project to the Legislature; and

WHEREAS, Chapter 76, being Senate Bill 326 of the 2019 Regular New Mexico Legislative Session, authorized the funding of the Project from the Water Project Fund; and

WHEREAS, the Water Trust Board has recommended that the Finance Authority enter into and administer the Loan/Grant Agreement in order to finance the Project; and

WHEREAS, the Finance Authority approved on May 23, 2019 that the Borrower/Grantee receive financial assistance in the form of the Loan/Grant; and

WHEREAS, the Governing Body has determined and hereby determines that the Project may be financed with amounts granted and loaned pursuant to the Loan/Grant Agreement, that the Loan/Grant Amount, together with the Additional Funding Amount and other moneys available to the Borrower/Grantee, is sufficient to complete the Project, and that it is in the best interest of the Borrower/Grantee and the constituent public it serves that the Loan/Grant Agreement be executed and delivered and that the funding of the Project take place by executing and delivering the Loan/Grant Agreement; and

WHEREAS, the Governing Body has determined that it may lawfully enter into the Loan/Grant Agreement, accept the Loan/Grant Amount and be bound to the obligations and by the restrictions thereunder; and

WHEREAS, the Loan/Grant Agreement shall not constitute a general obligation of the Borrower/Grantee, the Water Trust Board or the Finance Authority or a debt or pledge of the full faith and credit of the Borrower/Grantee, the Water Trust Board, the Finance Authority or the State; and

WHEREAS, there have been presented to the Governing Body and there presently are on file with the County Clerk this Ordinance and the form of the Loan/Grant Agreement which is incorporated by reference and considered to be a part hereof; and

WHEREAS, the Governing Body hereby determines that the Additional Funding Amount is now available to the Borrower/Grantee to complete the Project; and

WHEREAS, the Borrower/Grantee has met or will meet prior to the first disbursement of any portion of the Loan/Grant Amount, the Conditions and readiness to proceed requirements established for the portion of the Loan/Grant Amount disbursed or caused to be disbursed by the Finance Authority, including but not limited to the requirements of Executive Order 2013-006; and

WHEREAS, all required authorizations, consents and approvals in connection with (i) the use of the Loan/Grant Amount for the purposes described, and according to the restrictions set forth, in the Loan/Grant Agreement; (ii) the availability of other moneys necessary and sufficient, together with the Loan/Grant Amount, to complete the Project; and (iii) the authorization, execution and delivery of the Loan/Grant Agreement which are required to have been obtained by the date of this Ordinance, have been obtained or are reasonably expected to be obtained.

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE INCORPORATED COUNTY OF LOS ALAMOS, NEW MEXICO:

Section 1. Definitions. As used in this Ordinance, the following terms shall, for all purposes, have the meanings herein specified, unless the context clearly requires otherwise (such

meanings to be equally applicable to both the singular and the plural forms of the terms defined); and, any term not defined herein shall have the definition given it by the Loan/Grant Agreement:

“Act” means the general laws of the State, particularly the Water Project Finance Act, NMSA 1978, §§ 72-4A-1 through 72-4A-11, as amended, and enactments of the Governing Body relating to the Loan/Grant Agreement, including this Ordinance, all as amended and supplemented.

“Additional Funding Amount” means the amount to be provided by the Borrower/Grantee which includes the total value of hard or of the soft match, which, in combination with the Loan/Grant Amount and other amounts available to the Borrower/Grantee, is sufficient to complete the Project. The Additional Funding Amount is (\$120,000).

“Administrative Fee” means an amount equal to one-quarter of one percent (0.25%) per annum of the unpaid principal balance of the Loan Amount, taking into account both payments made by the Borrower/Grantee and hardship waivers of payments granted to the Borrower/Grantee pursuant to Section 5.1(a)(iii) of the Loan/Grant Agreement.

“Authorized Officers” means any one or more of the Chair of the Governing Body, Vice Chair of the Governing Body, County Manager, Utilities Manager and the County Clerk thereof of the Borrower/Grantee.

“Board Rules” means Review and Eligibility of Proposed Water Projects, New Mexico Water Trust Board, 19.25.10 NMAC.

“Borrower/Grantee” means the Incorporated County of Los Alamos, New Mexico.

“Completion Date” means the date of final payment of the cost of the Project.

“Conditions” has the meaning given to that term in the Loan/Grant Agreement.

“Closing Date” means the date of execution and delivery of the Loan/Grant Agreement, by the Borrower/Grantee and the Finance Authority.

“Eligible Items” means eligible Project costs for which grants and loans may be made pursuant to NMSA 1978, § 72-4A-7(C), as amended, of the Act, the Board Rules and applicable Policies, and includes, without limitation, Eligible Legal Costs and Eligible Fiscal Agent Fees.

“Eligible Legal Cost” has the meaning given to that term in the Loan/Grant Agreement.

“Eligible Fiscal Agent Fees” has the meaning given to that term in the Loan/Grant Agreement.

“Finance Authority” means the New Mexico Finance Authority.

“Generally Accepted Accounting Principles” means the officially established accounting principles applicable to the Borrower/Grantee consisting of the statements, determinations and

other official pronouncements of the Government Accounting Standards Board, Financial Accounting Standards Board, Federal Accounting Standards Board or other principle-setting body acceptable to the Finance Authority establishing accounting principles applicable to the Borrower/Grantee.

“Governing Body” means the duly organized County Council of the Borrower/Grantee, or any future successor governing body of the Borrower/Grantee.

“Grant” or “Grant Amount” means the amount provided to the Borrower/Grantee as a grant pursuant to the Loan/Grant Agreement for the purpose of funding the Project, and shall not equal more than \$480,000.

“Gross Revenues” has the meaning given to that term in the Loan/Grant Agreement.

“Herein,” “hereby,” “hereunder,” “hereof,” “hereinabove” and “hereafter” refer to this entire Ordinance and not solely to the particular section or paragraph of this Ordinance in which such word is used.

“Loan” or “Loan Amount” means the amount provided to the Borrower/Grantee as a loan pursuant to the Loan/Grant Agreement for the purpose of funding the Project, in the maximum amount of \$320,000.

“Loan/Grant” or “Loan/Grant Amount” means the combined amount partially provided to the Borrower/Grantee as the Grant Amount and partially borrowed by the Borrower/Grantee as the Loan Amount pursuant to the Loan/Grant Agreement for the purpose of funding the Project, in the maximum amount of \$800,000.

“Loan/Grant Agreement” means the Water Project Fund Loan/Grant Agreement entered into by and between the Borrower/Grantee and the Finance Authority as authorized by this Ordinance.

“Net System Revenues” means the Gross Revenues of the water utility system owned and operated by the Borrower/Grantee minus Operation and Maintenance Expenses, indirect charges, amounts expended for capital replacement and repairs, required set asides for debt and replacement requirements, and any other payments from the gross revenues reasonably required for operation of the water utility system.

“NMAC” means the New Mexico Administrative Code.

“NMSA 1978” means the New Mexico Statutes Annotated, 1978 Compilation, as amended and supplemented from time to time.

“Operation and Maintenance Expenses” has the meaning given to that term in the Loan/Grant Agreement.

“Ordinance” means this Ordinance as it may be supplemented or amended from time to time.

“Pledged Revenues” means the Net System Revenues of the Borrower/Grantee pledged to the payment of the Loan Amount and Administrative Fee pursuant to this Ordinance and the Loan/Grant Agreement and described in the Term Sheet.

“Project” means the project described in the Term Sheet.

“Project Account” means the book account established by the Finance Authority in the name of the Borrower/Grantee for purposes of tracking expenditure of the Loan/Grant Amount by the Borrower/Grantee to pay for the costs of the Project, as shown in the Term Sheet, which account shall be kept separate and apart from all other accounts of the Finance Authority.

“Qualifying Water Project” means a water project for (i) storage, conveyance or delivery of water to end-users; (ii) implementation of the federal Endangered Species Act of 1973 collaborative programs; (iii) restoration and management of watersheds; (iv) flood prevention or (v) water conservation or recycling, treatment or reuse of water as provided by law; and which has been approved by the state legislature pursuant to NMSA 1978, § 72-4A-9(B), as amended.

“State” means the State of New Mexico.

“System” means the water utility system of the Borrower/Grantee, owned and operated by the Borrower/Grantee, and of which the Project, when completed, will form part.

“Term Sheet” means Exhibit “A” attached to the Loan/Grant Agreement.

“Useful Life” means the structural and material design life of the Project, including planning and design features, which shall not be less than twenty (20) years as required by the Act and the Board Rules.

“Water Project Fund” means the fund of the same name created pursuant to the Act and held and administered by the Finance Authority.

“Water Trust Board” or “WTB” means the water trust board created and established pursuant to the Act.

Section 2. Ratification. All action heretofore taken (not inconsistent with the provisions of this Ordinance) by the Borrower/Grantee and officers of the Borrower/Grantee directed toward the acquisition and completion of the Project, the pledge of the Pledged Revenues to payment of amounts due under the Loan/Grant Agreement, and the execution and delivery of the Loan/Grant Agreement shall be, and the same hereby is, ratified, approved and confirmed.

Section 3. Authorization of the Project and the Loan/Grant Agreement. The acquisition and completion of the Project and the method of funding the Project through execution and delivery of the Loan/Grant Agreement and the other documents related to the

transaction are hereby authorized and ordered. The Project is for the benefit and use of the Borrower/Grantee and the public whom it serves.

Section 4. Findings. The Governing Body hereby declares that it has considered all relevant information and data and hereby makes the following findings:

A. The Project is needed to meet the needs of the Borrower/Grantee and the public whom it serves.

B. Moneys available and on hand for the Project from all sources other than the Loan/Grant are not sufficient to defray the cost of acquiring and completing the Project but, together with the Loan/Grant Amount, are sufficient to complete the Project.

C. The Project and the execution and delivery of the Loan/Grant Agreement pursuant to the Act to provide funds for the financing of the Project are necessary, convenient and in furtherance of the governmental purposes of the Borrower/Grantee, and in the interest of the public health, safety, and welfare of the constituent public served by the Borrower/Grantee.

D. The Borrower/Grantee will acquire and complete the Project with the proceeds of the Loan/Grant, the Additional Funding Amount and other amounts available to the Borrower/Grantee, and except as otherwise expressly provided by the Loan/Grant Agreement, will utilize, operate and maintain the Project for the duration of its Useful Life, which is not less than twenty (20) years, as required by NMSA 1978, § 72-4A-7(A)(1), as amended.

E. Together with the Loan/Grant Amount, and other amounts available to the Borrower/Grantee, the Additional Funding Amount is now available to the Borrower/Grantee, and in combination with the Loan/Grant Amount, will be sufficient to complete the Project.

F. The Finance Authority shall maintain on behalf of the Borrower/Grantee a separate Project Account as a book account only on behalf of the Borrower/Grantee and financial records in accordance with Generally Accepted Accounting Principles during the construction or implementation of the Project.

G. The Borrower/Grantee has or will acquire title to or easements or rights of way on the real property upon which the Project is being constructed or located.

Section 5. Loan/Grant Agreement—Authorization and Detail.

A. Authorization. This Ordinance has been adopted by the affirmative vote of a majority of all of the members of the Governing Body. For the purpose of protecting the public health, conserving the property, and protecting the general welfare and prosperity of the constituent public served by the Borrower/Grantee and acquiring and completing the Project, it is hereby declared necessary that the Borrower/Grantee execute and deliver the Loan/Grant Agreement evidencing the Borrower/Grantee's acceptance of the Grant Amount of \$480,000 and borrowing the Loan Amount of \$320,000 to be utilized solely for Eligible Items necessary to complete the Project, and solely in the manner and according to the restrictions set forth in the

Loan/Grant Agreement, the execution and delivery of which is hereby authorized. The Borrower/Grantee shall use the Loan/Grant Amount to finance the acquisition and completion of the Project.

B. Detail. The Loan/Grant Agreement shall be in substantially the form of the Loan/Grant Agreement presented at the meeting of the Governing Body at which this Ordinance was adopted. The Grant shall be in the amount of \$480,000 and the Loan shall be in the amount of \$320,000. Interest on the Loan Amount shall be zero percent (0%) per annum of the unpaid principal balance of the Loan Amount, and the Administrative Fee shall be one-quarter of one percent (0.25%) per annum of the unpaid principal balance of the Loan Amount, taking into account both payments made by the Borrower/Grantee and hardship waivers of payments granted to the Borrower/Grantee.

Section 6. Approval of Loan/Grant Agreement. The form of the Loan/Grant Agreement as presented at the meeting of the Governing Body at which this Ordinance was adopted, is hereby approved. Authorized Officers are hereby individually authorized to execute, acknowledge and deliver the Loan/Grant Agreement with such changes, insertions and omissions as may be approved by such individual Authorized Officers, and the County Clerk is hereby authorized to attest the Loan/Grant Agreement. The execution of the Loan/Grant Agreement shall be conclusive evidence of such approval.

Section 7. Security. The Loan Amount and Administrative Fee shall be solely secured by the pledge of the Pledged Revenues herein made and as set forth in the Loan/Grant Agreement.

Section 8. Disposition of Proceeds: Completion of the Project.

A. Project Account. The Borrower/Grantee hereby consents to creation of the Project Account by the Finance Authority. Until the Completion Date, the amount of the Loan/Grant credited to the Project Account shall be used and paid out solely for Eligible Items necessary to acquire and complete the Project in compliance with applicable law and the provisions of the Loan/Grant Agreement.

B. Completion of the Project. The Borrower/Grantee shall proceed to complete the Project with all due diligence. Upon the Completion Date, the Borrower/Grantee shall execute a certificate stating that completion of and payment for the Project has been completed. Following the Completion Date or the earlier expiration of the time allowed for disbursement of Loan/Grant funds as provided in the Loan/Grant Agreement, any balance remaining in the Project Account shall be transferred and deposited into the Water Project Fund or otherwise distributed as provided in the Loan/Grant Agreement.

C. Finance Authority Not Responsible. Borrower/Grantee shall apply the funds derived from the Loan/Grant Agreement as provided therein, and in particular Article VII of the Loan/Grant Agreement. The Finance Authority shall not in any manner be responsible for the application or disposal by the Borrower/Grantee or by its officers of the funds derived from the Loan/Grant Agreement or of any other funds held by or made available to the

Borrower/Grantee in connection with the Project. Finance Authority shall not be liable for the refusal or failure of any other agency of the State to transfer any portion of the Loan/Grant Amount in its possession, custody and control to the Finance Authority for disbursement to the Borrower/Grantee, or to honor any request for such transfer or disbursement of the Loan/Grant Amount.

Section 9. Payment of Loan Amount. Pursuant to the Loan/Grant Agreement, the Borrower/Grantee shall pay the Loan Amount and Administrative Fee directly from the Pledged Revenues to the Finance Authority as provided in the Loan/Grant Agreement in an amount sufficient to pay principal and other amounts due under the Loan/Grant Agreement and to cure any deficiencies in the payment of the Loan Amount or other amounts due under the Loan/Grant Agreement.

Section 10. Lien on Pledged Revenues. Pursuant to the Loan/Grant Agreement, the Loan/Grant Agreement constitutes an irrevocable lien (but not an exclusive lien) upon the Pledged Revenues to the extent of the Loan Amount and the Administrative Fee, the priority of which is consistent with that shown on the Term Sheet.

Section 11. Authorized Officers. Authorized Officers are hereby individually authorized and directed to execute and deliver any and all papers, instruments, opinions, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this Ordinance, the Loan/Grant Agreement and all other transactions contemplated hereby and thereby. Authorized Officers are hereby individually authorized to do all acts and things required of them by this Ordinance and the Loan/Grant Agreement for the full, punctual and complete performance of all the terms, covenants and agreements contained in this Ordinance and the Loan/Grant Agreement including but not limited to, the execution and delivery of closing documents in connection with the execution and delivery of the Loan/Grant Agreement.

Section 12. Amendment of Ordinance. This Ordinance after its adoption may be amended without receipt by the Borrower/Grantee of any additional consideration, but only with the prior written consent of the Finance Authority.

Section 13. Ordinance Irrepealable. After the Loan/Grant Agreement has been executed and delivered, this Ordinance shall be and remain irrepealable until all obligations due under the Loan/Grant Agreement shall be fully discharged, as herein provided.

Section 14. Severability Clause. If any section, paragraph, clause or provision of this Ordinance 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 Ordinance.

Section 15. Repealer Clause. All bylaws, orders, ordinances, 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 bylaw, order, resolution or ordinance, or part thereof, heretofore repealed.

Section 16. Effective Date. Upon due adoption of this Ordinance, it shall be recorded in the book of the Borrower/Grantee kept for that purpose, authenticated by the signatures of the Chair of the Governing Body and County Clerk of the Borrower/Grantee, and this Ordinance shall be in full force and effect thereafter, in accordance with law; provided, however, that if recording is not required for the effectiveness of this Ordinance, this Ordinance shall be effective upon adoption of this Ordinance by the Governing Body.

Section 17. General Summary for Publication. Pursuant to the general laws of the State, the title and a general summary of the subject matter contained in this Ordinance shall be published in substantially the following form:

[Remainder of page intentionally left blank.]

[Form of Notice of Adoption of Resolution for Publication]

Incorporated County of Los Alamos
NOTICE OF ADOPTION OF ORDINANCE

Notice is hereby given of the title and of a general summary of the subject matter contained in Ordinance No. 698, duly adopted and approved by the County Council of the Incorporated County of Los Alamos on January ~~728~~, 2020. A complete copy of the Ordinance is available for public inspection during normal and regular business hours in the office of the County Clerk, at 1000 Central Avenue, Los Alamos, New Mexico.

The title of the Ordinance is:

INCORPORATED COUNTY OF LOS ALAMOS
ORDINANCE NO. 698

AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY OF A WATER PROJECT FUND LOAN/GRANT AGREEMENT BY AND BETWEEN THE NEW MEXICO FINANCE AUTHORITY (“FINANCE AUTHORITY”) AND THE INCORPORATED COUNTY OF LOS ALAMOS, NEW MEXICO (THE “BORROWER/GRANTEE”), IN THE TOTAL AMOUNT OF \$800,000, EVIDENCING AN OBLIGATION OF THE BORROWER/GRANTEE TO UTILIZE THE LOAN/GRANT AMOUNT SOLELY FOR THE PURPOSE OF FINANCING THE COSTS OF CONSTRUCTION OF A REPLACEMENT EFFLUENT BOOSTER STATION AT OVERLOOK PARK, AND SOLELY IN THE MANNER DESCRIBED IN THE LOAN/GRANT AGREEMENT; PROVIDING FOR THE PLEDGE AND PAYMENT OF THE LOAN AMOUNT AND AN ADMINISTRATIVE FEE SOLELY FROM NET REVENUES OF THE WATER UTILITY FUND; CERTIFYING THAT THE LOAN/GRANT AMOUNT, TOGETHER WITH OTHER FUNDS AVAILABLE TO THE BORROWER/GRANTEE, IS SUFFICIENT TO COMPLETE THE PROJECT; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN/GRANT AGREEMENT; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS ORDINANCE; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN/GRANT AGREEMENT.

A general summary of the subject matter of the Ordinance is contained in its title. This notice constitutes compliance with NMSA 1978, § 6-14-6, as amended.

[End of Form of Notice of Adoption for Publication]

PASSED, APPROVED AND ADOPTED THIS ~~72~~28TH DAY OF JANUARY, 2020.

INCORPORATED COUNTY OF LOS ALAMOS,
NEW MEXICO

By _____
Council Chair

ATTEST:

County Clerk

[Remainder of page intentionally left blank.]

Governing Body Member _____ then moved adoption of the foregoing Ordinance, duly seconded by Governing Body Member _____.

The motion to adopt the Ordinance, upon being put to a vote, was passed and adopted on the following recorded vote:

Those Voting Aye:

Those Voting Nay:

Those Absent:

_____ () Members of the Governing Body having voted in favor of the motion, the Council Chair declared the motion carried and the Ordinance adopted whereupon the Council Chair and County Clerk signed the Ordinance upon the records of the minutes of the Governing Body.

After consideration of matters not relating to the Ordinance, the meeting upon motion duly made, seconded and carried, was adjourned.

INCORPORATED COUNTY OF LOS ALAMOS,
NEW MEXICO

By _____
Council Chair

ATTEST:

County Clerk

[Remainder of page intentionally left blank.]

STATE OF NEW MEXICO

)
) ss.

COUNTY OF LOS ALAMOS

I, Naomi D. Maestas, the duly qualified and acting County Clerk of the Incorporated County of Los Alamos (the "Borrower/Grantee"), do hereby certify:

1. The foregoing pages are a true, perfect, and complete copy of the record of the proceedings of the County Council of the Borrower/Grantee (the "Governing Body"), had and taken at a duly called regular meeting held at the Council Chambers in the Municipal Building at 1000 Central Avenue, Los Alamos, on January 728, 2020 at the hour of 6:00 p.m., insofar as the same relate to the adoption of Ordinance No. 698 and the execution and delivery of the proposed Loan/Grant Agreement, a copy of which is set forth in the official records of the proceedings of the Governing Body kept in my office. None of the action taken has been rescinded, repealed, or modified.

2. Said proceedings were duly had and taken as therein shown, the meeting therein was duly held, and the persons therein named were present at said meeting, as therein shown.

3. Notice of the meeting was given in compliance with the permitted methods of giving notice of meetings of the Governing Body as required by the State Open Meetings Act, NMSA 1978, § 10-15-1, as amended, including the Borrower/Grantee's open meetings Resolution No. 19-01, adopted and approved on January 8, 2019, and amended on June 25, 2019 by Resolution No. 19-04, in effect on the date of the meeting.

IN WITNESS WHEREOF, I have hereunto set my hand this 14th day of February, 2020.

INCORPORATED COUNTY OF LOS ALAMOS,
NEW MEXICO

By _____
County Clerk

5307358_2

EXHIBIT “A”

Notice of Meeting, Meeting Agenda

\$800,000

WATER PROJECT FUND
LOAN/GRANT AGREEMENT

dated

February 14, 2020

by and between the

NEW MEXICO FINANCE AUTHORITY
as Lender/Grantor,

and

INCORPORATED COUNTY OF LOS ALAMOS,
NEW MEXICO,

as Borrower/Grantee.

WATER PROJECT FUND
LOAN/GRANT AGREEMENT

THIS LOAN/GRANT AGREEMENT (the "Agreement") dated February 14, 2020, is entered into by and between the NEW MEXICO FINANCE AUTHORITY (the "Finance Authority" or "Lender/Grantor"), and the INCORPORATED COUNTY OF LOS ALAMOS, NEW MEXICO (the "Borrower/Grantee").

W I T N E S S E T H:

WHEREAS, the Finance Authority is a public body politic and corporate, separate and apart from the State, constituting a governmental instrumentality, duly organized and created under and pursuant to the laws of the State, particularly NMSA 1978, §§ 6-21-1 through 6-21-31, as amended (the "Finance Authority Act"); and

WHEREAS, the Finance Authority Act provides that the Finance Authority may make loans and grants from the Water Project Fund to qualifying entities for Qualifying Projects; and

WHEREAS, pursuant to the Act, the Water Trust Board has established the Board Rules governing the terms and conditions of loans and grants made from the Water Project Fund, as set out in Review and Eligibility of Proposed Water Projects, New Mexico Water Trust Board, 19.25.10 NMAC, pursuant to the Board Rules for Qualifying Projects; and

WHEREAS, pursuant to the Board Rules, except as provided in the Policies, a qualifying entity is expected to receive some portion of its funding as a loan in order to maximize the potential for the return of funds to the Water Project Fund, thereby increasing the limited financial resources expected to be available in the Water Project Fund; and

WHEREAS, the Borrower/Grantee is a legally and regularly created, established, duly organized and existing incorporated county under and pursuant to the laws of the State and more specifically, Article X, Section 5, New Mexico Constitution, is a qualifying entity under the Water Project Finance Act and is qualified for financial assistance as determined by the Finance Authority and approved by the Water Trust Board pursuant to the Board Rules and the Policies and the Act; and

WHEREAS, the Borrower/Grantee has determined that it is in the best interests of the Borrower/Grantee and the public it serves that the Borrower/Grantee enter into this Agreement with the Lender/Grantor to borrow \$320,000 from the Lender/Grantor and to accept a grant in the amount of \$480,000 from the Lender/Grantor to finance the costs of the Project, this Project being more particularly described in the Term Sheet; and

WHEREAS, the Borrower/Grantee submitted an Application dated October 2, 2018 for the Project; and

WHEREAS, pursuant to the Board Rules the Water Trust Board recommended the Project for funding as a Qualifying Project to the Legislature; and

WHEREAS, Chapter 76, being Senate Bill 326 of the 2019 Regular New Mexico Legislative Session, authorized the funding of the Project from the Water Project Fund; and

WHEREAS, the Water Trust Board has recommended that the Finance Authority enter into and administer this Agreement in order to finance the Project; and

WHEREAS, the Finance Authority approved on May 23, 2019 that the Borrower/Grantee receive financial assistance in the form of the Loan/Grant; and

WHEREAS, the Borrower/Grantee is willing to pledge the Pledged Revenues to the payment of the Loan and Administrative Fee, with a lien on the Pledged Revenues subordinate to all other liens thereon present and future, except that the lien on the Pledged Revenues of any future loans from the Lender/Grantor to the Borrower/Grantee pursuant to the Water Project Finance Act or the Colonias Infrastructure Act, secured by the Pledged Revenues shall be on a parity with this Agreement; and

WHEREAS, the plans and specifications for the Project have been approved by the Finance Authority (or by the New Mexico Environment Department or other appropriate agency or entity on behalf of the Finance Authority, pursuant to an agreement between such agency or entity and the Finance Authority), prior to the commencement of construction, and the plans and specifications for the Project incorporate available technologies and operational design for water use efficiency; and

WHEREAS, the execution and performance of this Agreement have been authorized, approved and directed by all necessary and appropriate action of the Water Trust Board and the Finance Authority, and their respective officers.

NOW, THEREFORE, for and in consideration of the premises and the mutual promises and covenants herein contained, the parties hereto agree:

ARTICLE I DEFINITIONS

Capitalized terms defined in the foregoing recitals shall have the same meaning when used in this Agreement unless the context clearly requires otherwise. Capitalized terms not defined in the recitals and defined in this Article I shall have the same meaning when used in this Agreement including the foregoing recitals, unless the context clearly requires otherwise.

“Act” means the general laws of the State, particularly the Water Project Finance Act, NMSA 1978, §§ 72-4A-1 through 72-4A-11, and enactments of the Governing Body relating to this Agreement, including the Ordinance, all as amended and supplemented.

“Additional Funding Amount” means the amount to be provided by the Borrower/Grantee which includes the total value of the Soft Match or Hard Match (each as defined in Section 4.2 of the Policies) which, in combination with the Loan/Grant Amount and other moneys available to the Borrower/Grantee, is sufficient to complete the Project or to

provide matching funds needed to complete the Project. The Additional Funding Amount is \$120,000.

“Administrative Fee” or “Administrative Fee Component” means an amount equal to one-quarter of one percent (0.25%) per annum of the unpaid principal balance of the Loan Amount, taking into account both payments made by the Borrower/Grantee and hardship waivers of payments granted to the Borrower/Grantee pursuant to Section 5.1(a)(iii) of this Agreement.

“Agreement Term” means the term of this Agreement as provided under Article III of this Agreement.

“Application” means the New Mexico Water Trust Board Application for Financial Assistance dated October 2, 2018 of the Borrower/Grantee and pursuant to which the Borrower/Grantee requested funding for the Project.

“Authorized Officers” means, with respect to the Borrower/Grantee, any one or more of the Chair of the Governing Body, Vice Chair of the Governing Body, County Manager, Utilities Manager and the County Clerk thereof; with respect to the Finance Authority, the Chairman, Vice-Chairman and Secretary of the Board of Directors and the Chief Executive Officer or any other officer or employee of the Finance Authority designated in writing by an Authorized Officer.

“Board Rules” means Review and Eligibility of Proposed Water Projects, New Mexico Water Trust Board, 19.25.10 NMAC.

“Closing Date” means the date of execution and delivery of this Agreement by the Borrower/Grantee and the Finance Authority.

“Colonias Infrastructure Act” means NMSA 1978, §§ 6-30-1 through 6-30-8, as amended.

“Conditions” means the conditions to be satisfied prior to the submission of a request for payment or the disbursement of the Loan/Grant Amount, or any portion thereof, from the Water Project Fund, or which otherwise apply to the performance of this Agreement, including those set forth in the Term Sheet.

“Department of Finance and Administration” or “DFA” means the department of finance, and administration of the State.

“Eligible Fiscal Agent Fees” means fees and costs incurred by a fiscal agent for the administration of Project funds, including the collection and reporting of Project information as required by this Agreement, in an amount not exceeding five (5) percent of the Loan/Grant Amount. The total amount of the combined Eligible Fiscal Agent Fees and Eligible Legal Fees may not exceed ten (10) percent of the total Water Project Fund Financial Assistance.

“Eligible Items” means eligible Project costs for which grants and loans may be made pursuant to NMSA 1978, § 72-4A-7(C), as amended, of the Act, the Board Rules and applicable Policies, and includes, without limitation, Eligible Legal Costs and Eligible Fiscal Agent Fees.

“Eligible Legal Costs” means legal fees and costs for services rendered by legal counsel on behalf of the Borrower/Grantee for transaction of the Project, in an amount not exceeding ten (10) percent of the Loan/Grant Amount, but does not include adjudication services. The total amount of the combined Eligible Fiscal Agent Fees and Eligible Legal Fees may not exceed ten (10) percent of the total Loan/Grant Amount.

“Event of Default” means one or more events of default as defined in Section 10.1 of this Agreement.

“Final Debt Service Schedule” means the schedule of Loan Payments due on this Agreement following the Final Requisition, as determined on the basis of the Loan Amount.

“Final Requisition” means the final requisition of moneys to be submitted by the Borrower/Grantee, which shall be submitted by the Borrower/Grantee on or before the expiration of the Interim Period as provided in Section 4.1(b) of this Agreement.

“Fiscal Year” means the period commencing on July 1 of each calendar year and ending on the last day of June of the next succeeding calendar year, or any other twelve-month period which any appropriate authority of the Borrower/Grantee may hereafter establish for the Borrower/Grantee as its fiscal year.

“Force Majeure” means acts of God and natural disasters; strikes or labor disputes; war, civil strife or other violence; an order of any kind of the Government of the United States or of the State or civil or military authority or any court of competent jurisdiction; or any other act or condition that was beyond the reasonable control of, without fault or negligence of, or not reasonably foreseeable by the party claiming the Force Majeure event; except for (i) general economic conditions; or (ii) an inability of a party claiming the Force Majeure event to pay any debts when due.

“Generally Accepted Accounting Principles” means the officially established accounting principles applicable to the Borrower/Grantee, consisting of the statements, determinations and other official pronouncements of the Government Accounting Standards Board, Financial Accounting Standards Board, Federal Accounting Standards Board, or other principle-setting body acceptable to the Lender/Grantor, establishing accounting principles applicable to the Borrower/Grantee.

“Governing Body” means the duly organized County Council of the Borrower/Grantee, or any successor governing body of the Borrower/Grantee.

“Grant” or “Grant Amount” means the amount provided to the Borrower/Grantee as a grant pursuant to this Agreement for the purpose of funding the Project and shall not equal more than \$480,000.

“Gross Revenues” means all income and revenues directly or indirectly derived by the Borrower/Grantee from the operation and use of the System, or any part of the System, for any particular Fiscal Year period to which the term is applicable, and includes, without limitation, all revenues received by the Borrower/Grantee, or any municipal corporation or agency succeeding to the rights of the Borrower/Grantee, from the System and from the sale and use of electric, gas, water and sanitary sewer services or facilities, or any other service, commodity or facility or any combination thereof furnished by the System. In the event there is a conflicting description of Gross Revenues in any Ordinance or Resolution of the Borrower/Grantee, the language of such Ordinance or Resolution shall control.

Gross Revenues do not include:

(a) Any money received as (i) grants or gifts from the United States of America, the State or other sources or (ii) the proceeds of any charge or tax intended as a replacement therefor or other capital contributions from any source which are restricted as to use;

(b) Gross receipts taxes, other taxes and/or fees collected by the Borrower/Grantee and remitted to other governmental agencies; and

(c) Condemnation proceeds or the proceeds of any insurance policy, except any insurance proceeds derived in respect of loss of use or business interruption.

“Hardship Waiver” means a determination by the finance Authority pursuant to Section 5.1(a)(iii) herein that the annual principal payment by the Borrower/Grantee should be forgiven because such payment would cause undue hardship for the Borrower/Grantee or the public it serves.

“Herein,” “hereby,” “hereunder,” “hereof,” “hereinabove” and “hereafter” refer to this entire Agreement and not solely to the particular section or paragraph of this Agreement in which such word is used.

“Interest Component” means the portion of each Loan Payment paid as interest on this Agreement, if any, as shown on Exhibit “C” hereto.

“Interim Debt Service Schedule” means the anticipated schedule of Loan Payments due on this Agreement following the Final Requisition, assuming disbursement of the entire Loan Amount within twenty four (24) months of the Closing Date. The Interim Debt Service Schedule is attached hereto as Exhibit “B”.

“Interim Period” means the period no greater than twenty four (24) months, unless a longer period is approved by the Finance Authority as provided in Section 5.3 of this Agreement, beginning on the Closing Date, during which the Finance Authority will disburse moneys to the Borrower/Grantee to pay costs of the Project.

“Lender/Grantor” means the Finance Authority.

“Loan” or “Loan Amount” means the amount provided to the Borrower/Grantee as a loan pursuant to this Agreement for the purpose of funding the Project and shall not equal more than \$320,000.

“Loan/Grant” or “Loan/Grant Amount” means the combined amount partially provided to the Borrower/Grantee as the Grant Amount and partially borrowed by the Borrower/Grantee as the Loan Amount pursuant to this Agreement for the purpose of funding the Project and shall not equal more than \$800,000.

“Loan Payments” means, collectively, the Principal Component and the Interest Component, if any, to be paid by the Borrower/Grantee as payment of this Agreement as shown on Exhibit “B” hereto.

“Net System Revenues” means the Gross Revenues of the System minus Operation and Maintenance Expenses, indirect charges, amounts expended for capital replacements and repairs, required set asides for debt and replacement requirements, and any other payments from the gross revenues reasonably required for operation of the water utility system.

“NMAC” means the New Mexico Administrative Code.

“NMSA 1978” means the New Mexico Statutes Annotated, 1978 Compilation, as amended and supplemented from time to time.

“Operation and Maintenance Expenses” means all reasonable and necessary current expenses of the System, for any particular Fiscal Year or period to which such term is applicable, paid or accrued, related to operating, maintaining and repairing the System, including, without limiting the generality of the foregoing:

- (a) Legal and overhead expenses of the Borrower/Grantee directly related and reasonably allocable to the administration of the System;
- (b) Insurance premiums for the System, including, without limitation, premiums for property insurance, public liability insurance and workmen’s compensation insurance, whether or not self-funded;
- (c) Premiums, expenses and other costs (other than required reimbursements of insurance proceeds and other amounts advanced to pay debt service requirements on System bonds) for credit facilities;
- (d) Any expenses described in this definition other than expenses paid from the proceeds of System bonds;
- (e) The costs of audits of the books and accounts of the System;
- (f) Amounts required to be deposited in any rebate fund;

(g) Salaries, administrative expenses, labor costs, surety bonds and the cost of water, materials and supplies used for or in connection with the current operation of the System; and

(h) Any fees required to be paid under any operation, maintenance and/or management agreement with respect to the System.

Operation and Maintenance Expenses do not include any allowance for depreciation, payments in lieu of taxes, franchise fees payable or other transfers to the Borrower/Grantee's general fund, liabilities incurred by the Borrower/Grantee as a result of its negligence or other misconduct in the operation of the System, any charges for the accumulation of reserves for capital replacements or any Operation and Maintenance Expenses payable from moneys other than Gross Revenues. In the event there is a conflicting description of Operation and Maintenance Expenses in any Ordinance or Resolution of the Borrower/Grantee, the language of such Ordinance or Resolution shall control.

"Ordinance" means the Borrower/Grantee's Ordinance No. 698, adopted January 728, 2020, authorizing the acceptance of the Loan/Grant and the execution of this Agreement.

"Parity Obligations" means this Agreement, and any other obligations, now outstanding or hereafter issued or incurred, payable from or secured by a lien or pledge of the Pledged Revenues and issued with a lien on the Pledged Revenues on a parity with this Agreement, as shown on the Term Sheet.

"Pledged Revenues" means the Net System Revenues of the Borrower/Grantee pledged to the payment of the Loan Amount and Administrative Fees pursuant to the Ordinance and this Agreement and described in the Term Sheet.

"Policies" means the Water Trust Board Water Project Fund Project Management Policies approved by the Water Trust Board and the Finance Authority, as amended and supplemented from time to time.

"Principal Component" means the portion of each Loan Payment paid as principal on this Agreement as shown on Exhibit "C" hereto.

"Project" means the project(s) described on the Term Sheet.

"Project Account" means the book account established by the Finance Authority in the name of the Borrower/Grantee for purposes of tracking expenditure of the Loan/Grant Amount by the Borrower/Grantee to pay for the costs of the Project, as shown in the Term Sheet, which account shall be kept separate and apart from all other accounts of the Finance Authority.

"Qualifying Water Project" means a water project for (i) storage, conveyance or delivery of water to end-users; (ii) implementation of the federal Endangered Species Act of 1973 collaborative programs; (iii) restoration and management of watersheds; (iv) flood prevention or (v) water conservation or recycling, treatment or reuse of water as provided by law; and which has been approved by the state legislature pursuant to NMSA 1978, § 72-4A-9(B), as amended.

“Senior Obligations” means those outstanding obligations shown on the Term Sheet and any other obligations hereafter issued with a superior lien on the Pledged Revenues as defined in the Term Sheet, and meeting the requirements of the Agreement applicable to the issuance of Senior Obligations.

“State” means the State of New Mexico.

“State Board of Finance” means the State board of finance created pursuant to NMSA 1978, §§ 6-1-1 through 6-1-13, as amended.

“System” means the water utility system of the Borrower/Grantee, owned and operated by the Borrower/Grantee, and of which the Project, when completed, will form part. The System consists of all properties, real, personal, mixed or otherwise, now owned or hereafter acquired by the Borrower/Grantee through purchase, condemnation, construction or otherwise, including all expansions, extensions, enlargements and improvements of or to the water utility system, and used in connection therewith or relating thereto, and any other related activity or enterprise of the Borrower/Grantee designated by the Governing Body as part of the water utility system, whether situated within or without the limits of the Borrower/Grantee.

“Term Sheet” means Exhibit “A” attached to this Agreement.

“Useful Life” means the structural and material design life of the Project including planning and design features, which shall not be less than twenty (20) years as required by the Act and the Board Rules.

“Water Project Fund” means the fund of the same name created pursuant to the Act and held and administered by the Finance Authority.

“Water Trust Board” or “WTB” means the water trust board created and established pursuant to the Act.

ARTICLE II REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 2.1 Representations, Covenants and Warranties of the Borrower/Grantee: The Borrower/Grantee represents, covenants and warrants for the benefit of the Finance Authority as follows:

(a) Binding Nature of Covenants; Enforceability. All representations, covenants, stipulations, obligations and agreements of the Borrower/Grantee contained in this Agreement shall be deemed to be the representations, covenants, stipulations, obligations and agreements of the Borrower/Grantee to the full extent authorized or permitted by law, and such representations, covenants, stipulations, obligations and agreements shall be binding upon the Borrower/Grantee and its successors and enforceable in accordance with their terms, and upon any board or body to which any powers or duties affecting such representations, covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law.

Except as otherwise provided in this Agreement, all rights, powers and privileges conferred and duties and liabilities imposed upon the Borrower/Grantee by the provisions of this Agreement and the Ordinance shall be exercised or performed by the Borrower/Grantee or by such members, officers, or officials of the Borrower/Grantee as may be required by law to exercise such powers and to perform such duties.

(b) Authorization of Agreement. The Borrower/Grantee is a qualifying entity as defined in the Act and the Board Rules. Pursuant to the laws of the State and in particular, the laws governing its creation and existence, as amended and supplemented from time to time, the Borrower/Grantee is authorized to enter into the transactions contemplated by this Agreement and to carry out its obligations hereunder. The Borrower/Grantee has duly authorized and approved its acceptance of the Loan/Grant and the execution and delivery of this Agreement and the other documents related to the transaction described in this Agreement, and this Agreement and the other documents related to the transaction to which the Borrower/Grantee is a party constitute legal, valid and binding special obligations of the Borrower/Grantee enforceable against the Borrower/Grantee in accordance with their respective terms.

(c) Nature and Use of Agreement Proceeds. The Borrower/Grantee acknowledges that the distribution of the Loan/Grant Amount shall be deemed to be a distribution to the Borrower/Grantee of proceeds representing the Loan Amount and the Grant Amount on a *pro rata* basis from the maximum Loan Amount and Grant Amount. The Borrower/Grantee shall apply the proceeds of the Loan/Grant solely to Eligible Items that will facilitate the completion of the Project, and shall not use the Loan/Grant proceeds for any other purpose. The Loan/Grant Amount, together with the Additional Funding Amount and other moneys reasonably expected to be available to the Borrower/Grantee, is sufficient to complete the Project in its entirety.

(d) Payment of Loan Amount. The Borrower/Grantee shall promptly pay the Loan Amount and Administrative Fee as provided in this Agreement, except when a Hardship Waiver is obtained pursuant to Section 5(a)(iii) of this Agreement. The Loan and Administrative Fee shall be payable solely from Pledged Revenues and nothing in this Agreement shall be construed as obligating the Borrower/Grantee to make the Loan Payments and to pay the Administrative Fee from any general or other fund of the Borrower/Grantee other than the Pledged Revenues; however, nothing in this Agreement shall be construed as prohibiting the Borrower/Grantee, in its sole and absolute discretion, from making such payments from any moneys which may be lawfully used, and which are legally available, for that purpose.

(e) Scope of Project; Completion of Project; Compliance with Laws. The Project is for water conservation, recycling, treatment or reuse of water. The Loan/Grant Amount will be used only for Eligible Items necessary to complete the Project. In particular, the Project will consist of construction of a replacement effluent booster station at Overlook Park, and shall include such other related work and revisions necessary to complete the Project. The Project is more particularly described in the Term Sheet. The Project will be completed with all practical dispatch and will be completed, operated and maintained so as to comply with all applicable federal, state and local laws, ordinances, resolutions and regulations and all current and future orders of all courts having jurisdiction over the Borrower/Grantee relating to the acquisition, operation, maintenance and completion of the Project and to the use of the Loan/Grant proceeds.

(f) Necessity of Project. The completion and operation of the Project under the terms and Conditions provided in this Agreement are necessary, convenient, and in furtherance of the governmental purposes of the Borrower/Grantee and are in the best interest of the Borrower/Grantee and the public it serves.

(g) Lien. The Loan Payments constitute an irrevocable lien on the distribution on the Pledged Revenues, the priority of which is consistent with that shown on the Term Sheet.

(h) Agreement Term Not Less than Useful Life. The Agreement Term is not less than the Useful Life of the Project, which is not less than twenty (20) years, as required by NMSA 1978, § 72-4A-7, as amended, of the Act.

(i) Amount of Agreement. The sum of the Grant Amount, the Loan Amount, and the Additional Funding Amount (and as set forth on the Term Sheet) does not exceed the cost of the Project.

(j) No Breach or Default Caused by Agreement. Neither the execution and delivery of this Agreement and the other documents related to the transaction, nor the fulfillment of or compliance with the terms and conditions in this Agreement and the other documents related to the transaction, nor the consummation of the transactions contemplated herein and therein, conflicts with or results in a breach of terms, conditions or provisions of any restriction or any agreement or instrument to which the Borrower/Grantee is a party or by which the Borrower/Grantee is bound or any laws, ordinances, governmental rules or regulations or court or other governmental orders to which the Borrower/Grantee or its properties are subject, or constitutes a default under any of the foregoing.

(k) Irrevocable Enactments. While this Agreement remains outstanding and unpaid, any ordinance, resolution or other enactment of the Governing Body applying the Pledged Revenues for the payment of this Agreement, including the Ordinance shall be irrevocable until the Project has been fully acquired and completed, and the Loan Amount, including all principal and interest has been repaid, or provision made for payment thereof, and shall not be subject to amendment or modification in any manner which would result in any use of the proceeds of this Agreement in a manner not permitted or contemplated by the terms hereof. The Borrower/Grantee shall not impair the rights of the Finance Authority or of any holders of bonds or other obligations payable from the Pledged Revenues while this Agreement is outstanding.

(l) No Litigation. To the knowledge of the Borrower/Grantee, no litigation or proceeding is pending or threatened against the Borrower/Grantee or any other person affecting the right of the Borrower/Grantee to execute or deliver this Agreement and the other documents related to the transaction or to comply with its obligations under this Agreement and the other documents related to the transaction. Neither the execution and delivery of this Agreement and the other documents related to the transaction by the Borrower/Grantee nor compliance by the Borrower/Grantee with the obligations under this Agreement and the other documents related to the transaction, requires the approval of any regulatory body, or any other entity, which approval has not been obtained or which is not reasonably expected to be obtained.

(m) No Event of Default. No event has occurred and no condition exists which, with the giving of notice or the passage of time or upon the execution and delivery of this Agreement and the other documents related to the transaction, would constitute an Event of Default on the part of the Borrower/Grantee under this Agreement and the other documents related to the transaction.

(n) Pledged Revenues Not Budgeted. The portion of the Pledged Revenues necessary to pay the Loan Payments, as and when due, is not needed or budgeted to pay current or anticipated Operation and Maintenance Expenses or other expenses of the Borrower/Grantee.

(o) Expected Coverage Ratio. The Pledged Revenues are reasonably expected to equal or exceed—from the Fiscal Year in which the Closing Date occurs and, on an ongoing basis during each Fiscal year of the Agreement Term—one hundred percent (100%) of the maximum annual principal and interest due on all outstanding obligations of the Borrower/Grantee payable from the Pledged Revenues.

(p) Right to Inspect. The Finance Authority shall have the right to inspect at all reasonable times all records, accounts and data relating to the Project and to inspect the Project and all properties comprising the Project, and the Borrower/Grantee shall supply such records, accounts, and data as are requested by the Finance Authority, within thirty (30) days of receipt of such request, written or oral.

(q) Financial Capability; Budgeting of Pledged Revenues. The Borrower/Grantee meets and will meet during the Agreement Term the requirements of financial capability set by the Water Trust Board and the Finance Authority. The Pledged Revenues will be sufficient to make the Loan Payments, as and when due. The Borrower/Grantee will adequately budget for the Loan Payments and other amounts payable by the Borrower/Grantee under this Agreement.

(r) Rate Covenant. The Borrower/Grantee covenants that it will at all times fix, charge and collect such rates and charges as shall be required in order that in each Fiscal Year in which the Loan is outstanding the Gross Revenues shall at least equal the Operation and Maintenance Expenses of the System for the Fiscal year, plus one hundred percent (100%) of the maximum annual principal and interest payments due on all outstanding obligations payable from the Pledged Revenues.

(s) Borrower/Grantee's Existence. The Borrower/Grantee will maintain its legal identity and existence so long as this Agreement remains outstanding unless another political subdivision, State agency, or other entity by operation of law succeeds to the liabilities, rights and duties of the Borrower/Grantee under this Agreement without adversely affecting to any substantial degree the privileges and rights of the Lender/Grantor.

(t) Use of Project; Continuing Covenant. During the Agreement Term, the Borrower/Grantee will at all times use the Project for the benefit of the Borrower/Grantee and the public it serves. The Borrower/Grantee shall not sell, lease, mortgage, pledge, relocate or otherwise dispose of or transfer the Project or System, or any part of the Project or System so long as this Agreement is outstanding; provided, however, that if the Project is a joint project of the Borrower/Grantee and other qualifying entities (as defined by the Act), the Borrower/Grantee

and the other qualifying entities may, with the express written approval of the Finance Authority and not otherwise, enter into an agreement allocating ownership and operational and maintenance responsibilities for the Project during the term of the Agreement. Any such agreement shall provide that the Lender/Grantor, or either of them, shall have the power to enforce the terms of this Agreement, without qualification, as to each and every qualifying entity (as defined by the Act) other than the Borrower/Grantee, owning or operating any portion of the Project during the term of the Agreement. The Borrower/Grantee will operate and maintain the Project, so that it will function properly over its Useful Life.

(u) Title and Rights of Way. As required by NMSA 1978, § 72-4A-7(A)(3) of the Act, as amended, and the Board Rules, the Borrower/Grantee shall provide written assurance signed by an attorney or provide a title insurance policy ensuring that the Borrower/Grantee has proper title to, easements, rights of way or use permits on the real property upon or through which the Project is being constructed, located, completed or extended, and if any portion of the Project will be constructed, located, completed or extended on real property owned by a qualifying entity (as defined by the Act) other than the Borrower/Grantee, such other qualifying entity has title to such real property, and the Borrower/Grantee shall provide written assurance signed by an attorney or provide a title insurance policy ensuring that such other qualifying entity has proper title to such real property.

(v) Additional Funding Amount. Together with the Loan/Grant Amount and other amounts available to the Borrower/Grantee, the Additional Funding Amount is now available to the Borrower/Grantee, and in combination with the Loan/Grant Amount, will be sufficient to complete the Project. If any other additional expenses are incurred, the Borrower/Grantee shall be responsible for payment of such expenses.

(w) Audit Requirement. During the Agreement Term the Borrower/Grantee shall comply with the requirements of the State Audit Act, NMSA 1978, §§ 12-6-1 through 12-6-14, as amended. Upon request by the Finance Authority, the Borrower/Grantee shall provide the Finance Authority a copy of any review or audit, report of agreed upon procedures, or any other document prepared pursuant to or required by the State Audit Act.

(x) Conservation Plan. The Borrower/Grantee has submitted a water conservation plan or one is on file with the State engineer, as required by NMSA 1978, § 72-4A-7, as amended.

(y) Efficient Operation. The Borrower/Grantee will operate the Project so long as this Agreement is outstanding, will maintain the Project in efficient operating condition and make such improvements, extensions, enlargements, repairs and betterments to the Project as may be necessary or advisable for its economical and efficient operation at all times and sufficient to supply reasonable demands for Project services.

(z) Records. So long as the Agreement remains outstanding, proper books of record and account will be kept by the Borrower/Grantee in accordance with Generally Accepted Accounting Principles, separate from all other records and accounts, showing complete and correct entries of all transactions relating to the System. Such books shall include, but not necessarily be limited to, monthly records showing: (i) the number of customers for the System and the sanitary sewer facilities; (ii) the revenues separately received from charges by classes of

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customers, including but not necessarily limited to classification by facilities; and (iii) a detailed statement of the expenses of the System.

(aa) Billing Procedure. Bills for water utility services or facilities, or any combination, furnished by or through the System, shall be rendered to customers on a regular basis each month following the month in which the service was rendered and shall be due as required by the applicable ordinance of the Borrower/Grantee. If permitted by law, if a bill is not paid within the period of time required by such ordinance or regulation, water utility services shall be discontinued as required by such ordinance or regulation, and the rates and charges due shall be collected in a lawful manner, including, but not limited to, the cost of disconnection and reconnection. Electric, gas, water and sanitary sewer utility services may be billed jointly with each other, provided that each such joint bill shall show separately the electric, gas, water and sanitary sewer utility charges.

(bb) Competent Management. The Borrower/Grantee shall employ or contract for experienced and competent personnel to manage the Project.

(cc) Readiness Requirements. The Borrower/Grantee has met the requirements of Executive Order 2013-006 and it has met or will meet prior to the first disbursement of any portion of the Loan/Grant Amount, the Conditions and the readiness to proceed requirements established for the Loan/Grant by the Finance Authority and the Water Trust Board; and

(dd) Other Liens. Other than as provided in the Term Sheet, there are no liens or encumbrances of any nature, whatsoever, on or against the System or the revenues derived from the operation of the same.

Section 2.2 Representations and Warranties of the Finance Authority. The Finance Authority represents as follows:

(a) Authorization of Agreement. The Finance Authority is a public body politic and corporate separate and apart from the State, constituting a governmental instrumentality, and has all necessary power and authority to enter into and perform and observe the covenants and agreements on its part contained in this Agreement and, by proper action, has duly authorized the execution and delivery of this Agreement.

(b) Legal, Valid and Binding Obligation. This Agreement constitutes a legal, valid and binding obligation of the Finance Authority enforceable in accordance with its terms.

ARTICLE III AGREEMENT TERM

The Agreement Term shall commence on the Closing Date and shall terminate at the end of the Useful Life of the Project, which in no event shall be less than twenty (20) years, as required by NMSA 1978, § 72-4A-7, as amended, of the Act.

ARTICLE IV LOAN/GRANT AGREEMENT CONDITIONS

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Section 4.1 Conditions Precedent to Closing of Loan/Grant. Prior to the Closing Date, the following Conditions and readiness to proceed items shall be satisfied:

(a) The Finance Authority, on behalf of the Water Trust Board, shall have determined that the Borrower/Grantee has met the Conditions and readiness to proceed requirements established for the Loan/Grant by the Finance Authority and the Water Trust Board including any Conditions set out in the Term Sheet; and

(b) The Borrower/Grantee shall have provided written assurance addressed to the Finance Authority and signed by an attorney (or shall have provided a title insurance policy) that the Borrower/Grantee has proper title to or easements, rights of way, or permits on the real property upon or through which the Project is being constructed, located, completed or extended; and

(c) If any portion of the Project will be constructed, located, completed or extended on real property owned by a qualifying entity (as defined by the Act) other than the Borrower/Grantee, the Borrower/Grantee shall have provided written assurance addressed to the Finance Authority and signed by an attorney (or shall have provided a title insurance policy) that such other qualifying entity has proper title to such real property; and

(d) Prior to the disbursement of any portion of the Loan/Grant Amount for purposes of construction of the Project, the plans and specifications funded with the proceeds of this Agreement will be approved on behalf of the Finance Authority as required by NMSA 1978, § 72-4A-7(B), as amended, by the New Mexico Environment Department and the Office of the State of Engineer, and the Borrower/Grantee shall have provided written evidence of such approval to the Finance Authority; and

(e) Except as otherwise expressly provided in the Conditions, the Borrower/Grantee shall have certified to the Lender/Grantor that the Additional Funding Amount is available for the Project, and, in addition, shall have provided additional evidence reasonably acceptable to the Lender/Grantor of the availability of the Additional Funding Amount; and

(f) The Borrower/Grantee shall be in compliance with the provisions of this Agreement.

(g) Notwithstanding anything in this Agreement to the contrary, the Finance Authority shall not be obligated to execute the Agreement and may not make the Loan/Grant until the Borrower/Grantee has provided to the Finance Authority the documents listed on Exhibit "F" attached hereto, all of which must be in form and content acceptable to the Finance Authority.

Section 4.2 Determination of Eligibility Is Condition Precedent to Disbursement. No request for payment shall be made, nor shall any disbursement be made from the Water Project Fund, for any requisition of any portion of the Loan/Grant Amount, except upon a determination by the Finance Authority in its sole and absolute discretion that such disbursement is for payment of Eligible Items, and that the request for payment or disbursement does not exceed any limitation upon the amount payable for any Eligible Item pursuant to the Act, the Board Rules,

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and the Policies governing the Water Project Fund. The Finance Authority, as a condition precedent to submitting any request for payment to the State Board of Finance or making any requested disbursement from the Water Project Fund, may require submittal of such documentation as the Finance Authority deems necessary, in its sole and absolute discretion, for a determination whether any requested disbursement is for payment of Eligible Items and is fully consistent with the Act, the Board Rules, and the Policies, as applicable.

ARTICLE V
LOAN TO THE BORROWER/GRANTEE; GRANT TO THE
BORROWER/GRANTEE; APPLICATION OF MONEYS

Section 5.1 Loan and Grant to the Borrower/Grantee.

(a) Loan to the Borrower/Grantee. The Lender/Grantor hereby lends to the Borrower/Grantee and the Borrower/Grantee hereby borrows from and agrees to pay to the order of the Lender/Grantor, without interest, an amount equal to the Loan Amount, with the principal amount of the Loan Amount being payable as provided by Article VI and Exhibit "C" of this Agreement.

(i) Subordinate Nature of Loan Amount and Administrative Fee Obligation. The obligation of the Borrower/Grantee to make the Loan Payments and to pay the Administrative Fee shall be subordinate to all other indebtedness secured by the Pledged Revenues existing on the Closing Date and, further, that may in the future be secured by the Pledged Revenues; except, however, that the obligation of the Borrower/Grantee to make the Loan Payments and to pay the Administrative Fee shall be on parity with any other obligation, present or future, of the Borrower/Grantee to repay a loan provided by the Lender/Grantor pursuant to the Act or the Colonias Infrastructure Act.

(ii) Administrative Fee. The Borrower/Grantee shall, on an annual basis beginning on the first payment date following the completion of the Project or exhaustion of all Loan/Grant Amounts as set out in Section 5.3 hereof, pay to the Lender/Grantor the Administrative Fee, taking into account both payments made by the Borrower/Grantee and Hardship Waivers granted to the Borrower/Grantee as provided by this Agreement. Any such Administrative Fee payment shall be due irrespective of whether or not a Hardship Waiver is granted to the Borrower/Grantee for the principal payment otherwise due on June 1 of the applicable year or any other year.

(iii) Hardship Waivers of Payment. Each year while any portion of the Loan Amount remains outstanding, no later than April 1 of each such year, the Borrower/Grantee may apply in writing to the Finance Authority for a determination of whether the annual principal payment on the Loan Amount otherwise due on the upcoming June 1 of such year should be forgiven because such payment would cause undue hardship for the Borrower/Grantee or the public it serves. The Borrower/Grantee shall submit such application to the Finance Authority for determination with sufficient documentation of the existence of such undue hardship as is reasonably required by the Finance Authority to make a determination, and the Borrower/Grantee shall promptly respond to additional requests for information from the Finance Authority. Such application for Hardship Waiver shall be executed by the Authorized

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Officers of the Borrower/Grantee. An “undue hardship” exists if the Finance Authority determines that the Borrower/Grantee is facing unforeseen events or an emergency that has caused the Borrower/Grantee to be unable to pay on a timely basis the annual principal payment on the Loan Amount. The Finance Authority may consult the Department of Finance and Administration in determining whether to grant the Hardship Waiver. The Finance Authority shall make a determination no later than May 15 of the applicable year, and the Finance Authority shall promptly communicate to the Borrower/Grantee in writing the results of its determination. Upon receipt of written notice of the determination, either the principal payment otherwise due on June 1 of such year shall be forgiven (in the event of a determination of undue hardship) or the principal payment shall remain outstanding and due and payable on June 1 (in the event no undue hardship is determined to exist).

(b) Grant to the Borrower/Grantee. The Lender/Grantor hereby grants to the Borrower/Grantee and the Borrower/Grantee hereby accepts from the Lender/Grantor an amount equal to the Grant Amount.

(c) Project Account. The Finance Authority shall establish and maintain the Project Account as a book account only, on behalf of the Borrower/Grantee, which account shall be kept separate and apart from all other accounts of the Finance Authority.

(d) Constitutional and Statutory Debt Limitations. No provision of this Agreement shall be construed or interpreted as creating a general obligation or other indebtedness of the Water Trust Board, the Finance Authority, the State or the Borrower/Grantee within the meaning of any constitutional or statutory debt limitation.

Section 5.2 Application of Loan/Grant Amount. Following the determination by the Finance Authority in its sole and absolute discretion that the Conditions to the disbursement of the Loan/Grant Amount have been satisfied, the Finance Authority shall make an entry in its accounts, and in particular in the Project Account, reflecting the proceeds of the Loan/Grant Amount made available for disbursement from the Water Project Fund to the Borrower/Grantee at its request, and as needed by it to acquire and complete the Project, as provided in Section 7.2 of this Agreement.

Section 5.3 Final Requisition. The Final Requisition shall be submitted by the Borrower/Grantee within the Interim Period. The Interim Period may be extended only as approved in writing by an Authorized Officer of the Finance Authority, based on the Borrower/Grantee’s demonstration, to the reasonable satisfaction of the Authorized Officer of the Finance Authority, that unanticipated circumstances beyond the control of the Borrower/Grantee resulted in delaying the acquisition and completion of the Project, and submission of the Borrower/Grantee’s Final Requisition.

Section 5.4 Investment of Monies. Money in the Water Project Fund, representing proceeds of this Agreement, held and administered by the Finance Authority, may be invested by the Finance Authority for the credit of the Water Project Fund.

ARTICLE VI LOAN PAYMENTS BY THE BORROWER/GRANTEE

Section 6.1 Loan to the Borrower/Grantee; Payment Obligations Limited to Pledged Revenues; Pledge of Pledged Revenues. The Finance Authority hereby lends to the Borrower/Grantee and the Borrower/Grantee hereby borrows from the Finance Authority an amount not to exceed the Loan Amount. The Borrower/Grantee promises to pay, but solely from the sources pledged herein, the Loan Payments and the Administrative Fees and other amounts owed by the Borrower/Grantee as herein provided. Subject to any outstanding Parity Obligations and Senior Obligations, the Borrower/Grantee does hereby grant a lien on and a security interest in and does hereby convey, assign and pledge unto the Finance Authority and unto its successors in trust forever all right, title and interest of the Borrower/Grantee in and to (i) the Pledged Revenues to the extent required to pay the Loan Payments, and to pay the Administrative Fees and other amounts owed by the Borrower/Grantee as herein provided, subject to and subordinate to all other pledges of the Pledged Revenues existing on the Closing Date and, further, that may exist in the future (except only that the pledge of the Pledged Revenues herein shall be on a parity with any other pledge of the Pledged Revenues by the Borrower/Grantee to repay any obligations issued by the Lender/Grantor pursuant to the Act or the Colonias Infrastructure Act); (ii) the Loan/Grant Amount including the Project Account; and (iii) all other rights hereinafter granted, for the securing of the Borrower/Grantee's obligations under this Agreement, including payment of the Loan Payments, Administrative Fees and other amounts owed by the Borrower/Grantee as herein provided, however, that if the Borrower/Grantee, its successors or assigns, shall pay, or cause to be paid, all Loan Payments and Administrative Fees at the time and in the manner contemplated by this Agreement, or shall provide as permitted by Section 6.5 of this Agreement for the payment thereof, and shall pay all other amounts due or to become due under this Agreement in accordance with its terms and provisions then, upon such final payment, this Agreement and the rights created thereby shall terminate; otherwise, this Agreement shall remain in full force and effect.

The schedule of Loan Payments, assuming the disbursal of the entire Loan/Grant Amount within twenty-four (24) months after the Closing Date, identified as the Interim Debt Service Schedule, is attached to this Agreement as Exhibit "B". Within thirty (30) days after the Final Requisition is made, the Finance Authority shall provide a Final Debt Service Schedule, reflecting the amount of the Loan/Grant Amount actually disbursed to the Governmental Unit pursuant to this Agreement. Such Final Debt Service Schedule shall supersede the schedule attached hereto as Exhibit "B". The Finance Authority shall additionally calculate the amount of the Administrative Fee that has accumulated during that twenty-four (24) month period from the Closing Date, and shall include such amount in the first Loan Payment due from the Governmental Unit on the Final Debt Service Schedule.

The pledge of the Pledged Revenues and the lien thereon shall be effective upon the Closing Date. The Borrower/Grantee and the Finance Authority acknowledge and agree that the obligations of the Borrower/Grantee hereunder are limited to the Pledged Revenues; and that this Agreement with respect to the Loan Amount, the Administrative Fee and other amounts owed by the Borrower/Grantee as herein provided, and that the Agreement shall constitute a special, limited obligation of the Borrower/Grantee. No provision of this Agreement shall be construed or interpreted as creating a general obligation or other indebtedness of the Borrower/Grantee or the State within the meaning of any constitutional or statutory debt limitation. No provision of this Agreement shall be construed to pledge or to create a lien on any class or source of

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Borrower/Grantee moneys other than the Pledged Revenues, nor shall any provision of this Agreement restrict the future issuance of any bonds or obligations payable from any class or source of Borrower/Grantee moneys other than the Pledged Revenues. In addition, to the extent not required for the payment of obligations of the Borrower/Grantee hereunder, the Pledged Revenues may be utilized by the Borrower/Grantee for any other purposes permitted by law.

Section 6.2 Deposit of Payments of Loan Amount to Water Project Fund. All Loan Payments made by the Borrower/Grantee to the Finance Authority to repay the Loan Amount and interest thereon, if any, shall be deposited into the Water Project Fund.

Section 6.3 Manner of Payment. The Loan Amount and Administrative Fee shall be payable by the Borrower/Grantee to the Lender/Grantor in annual installments on June 1 beginning after expiration of the Interim Period and continuing through the expiration of the last Loan Payment due as outlined in the Final Debt Service Schedule. All payments of the Borrower/Grantee hereunder shall be paid in lawful money of the United States of America to the Finance Authority at the address designated in Section 11.1 of this Agreement. The obligation of the Borrower/Grantee to make payments hereunder, from and to the extent of the available Pledged Revenues, shall be absolute and unconditional in all events, except as expressly provided hereunder. Notwithstanding any dispute between the Borrower/Grantee and the Finance Authority, any vendor or any other person, the Borrower/Grantee shall make all deposits hereunder, from and to the extent of the available Pledged Revenues, when due and shall not withhold any deposit hereunder pending final resolution of such dispute, nor shall the Borrower/Grantee assert any right of set-off or counterclaim against its obligation to make such deposits required hereunder.

Section 6.4 Borrower/Grantee May Budget for Payments. The Borrower/Grantee may, in its sole discretion, but without obligation and subject to the Constitution of the State, governing laws, and its budgetary requirements, make available properly budgeted and legally available funds to make the Loan Payments and other amounts owed by the Borrower/Grantee hereunder; provided, however, the Borrower/Grantee has not covenanted and cannot covenant to make such funds available and has not pledged any of such funds for such purpose.

Section 6.5 No Penalty for Prepayment of the Loan Amount. The Loan Amount shall be pre-payable by the Borrower/Grantee at the conclusion of the Interim Period without penalty.

Section 6.6 Lender/Grantor's Release of Lien and Further Assurances. Upon payment in full of the Loan Amount, Administrative Fee and other amounts owed by the Borrower/Grantee as herein provided in this Agreement and upon written request from the Borrower/Grantee the Lender/Grantor agrees to execute a release of lien and to give such further assurances as are reasonably necessary to ensure that the Lender/Grantor no longer holds or maintains any lien or claim against the Pledged Revenues.

ARTICLE VII THE PROJECT

Section 7.1 Agreement to Acquire, Complete and Maintain the Project.

(a) The Borrower/Grantee hereby agrees that in order to effectuate the purposes of this Agreement and to acquire and complete the Project it shall take such steps as are necessary and appropriate to acquire, complete, and maintain the Project lawfully and efficiently. The Project shall be designed so as to incorporate the available technologies and operational design for water use efficiency. The plans and specifications shall be approved on behalf of the Finance Authority by the New Mexico Environment Department prior to the disbursement of any part of the Loan/Grant Amount for construction of the Project, and the Project shall be constructed and completed substantially in accordance with the approved plans and specifications. No Loan/Grant funds shall be used for items not constituting Eligible Items.

(b) As provided by NMSA 1978, § 72-4A-7(A)(1), as amended, of the Act, the Borrower/Grantee shall operate and maintain the Project in good condition and repair at all times during the Useful Life of the Project, which shall in no event be less than twenty (20) years, so that the Project will function properly over the Useful Life of the Project; provided, that if any portion of the Project will be constructed, located, completed, installed or extended on real property owned by a qualifying entity (as defined by the Act) other than the Borrower/Grantee, the Borrower/Grantee may, prior to any use of the Loan/Grant funds for the Project on such real property, obtain the written agreement of such other qualifying entity to perform these obligations with respect to such real property (and the portion of the Project to be constructed, located, completed or extended on such real property), which written agreement shall be subject to approval by the Lender/Grantor and shall include an express statement by such other qualifying entity that the Lender/Grantor is a third party beneficiary of such written agreement.

Section 7.2 Accounting for Amounts Credited to the Project Account. So long as no Event of Default shall occur and provided that all Conditions to the disbursement of the Loan/Grant Amount have been satisfied (including approval of the plans and specifications), upon receipt by the Finance Authority of a requisition substantially in the form of Exhibit "C" attached hereto signed by an Authorized Officer of the Borrower/Grantee, supported by certification by the Borrower/Grantee's project architect, engineer, or such other authorized representative of the Borrower/Grantee that the amount of the disbursement request represents the progress of design, construction, acquisition or other Project-related activities accomplished as of the date of the disbursement request, the Finance Authority shall, in its sole and absolute discretion: (1) submit a request for payment to the State Board of Finance for payment; and/or (2) disburse from the Water Project Fund, amounts which together are sufficient to pay the requisition in full. The Finance Authority shall make the appropriate entry in the Project Account reflecting the amount of the payment. The certification provided pursuant to this Section 7.2 in support of the requisition must be acceptable in form and substance to the Finance Authority and, at its request, the Water Trust Board. The Borrower/Grantee shall provide such records or access to the Project as the Finance Authority, and, at its request, the Water Trust Board, in the discretion of each, may request in connection with the approval of the Borrower/Grantee's requisition requests made hereunder.

Section 7.3 No Disbursement for Prior Expenditures Except upon Approval. No disbursement shall be made from the Water Project Fund of the Loan/Grant Amount, or any portion thereof, without the approval of the Finance Authority and, at its request, the Water Trust Board, to reimburse any expenditure made prior to the Closing Date.

Section 7.4 Borrower/Grantee Reporting to Lender/Grantor. During the acquisition, implementation, installation and construction of the Project, the Borrower/Grantee shall provide the Lender/Grantor with a quarterly written report executed by an Authorized Officer of the Borrower/Grantee, in the form attached as Exhibit "D" hereto or in another form reasonably acceptable to the Lender/Grantor, describing the status of the Project as of the report date, uses of Loan/Grant funds during the quarterly period ending on the report date, and requests for distributions of Loan/Grant funds anticipated to occur during the quarterly period immediately following the report date. The first quarterly report shall be due on March 31, 2020, and subsequent reports shall be due on each March 31, June 30, September 30 and December 31 thereafter until the report date next following final distribution of the Loan/Grant funds. No reports shall be required after the report date next following final distribution of the Loan/Grant Funds, unless specifically required by the Finance Authority or the Water Trust Board. The description of the status of the Project in each quarterly report shall include, among other information, (a) a comparison of actual and anticipated requests for distributions of Loan/Grant funds as of the report date with those anticipated as of the Closing Date, (b) a description of actual and anticipated changes in the cost estimates for the Project as of the report date compared with those anticipated as of the Closing Date, (c) a description of the percentage of completion of the Project; and (d) a timeline of projected milestones.

Section 7.5 Completion of Disbursement of Loan/Grant Funds. Upon completion of the Project an Authorized Officer of the Borrower/Grantee shall deliver a certificate to the Finance Authority substantially in the form of Exhibit "E" attached hereto, stating that, to his or her knowledge, either (1) the Project has been completed, or (2) that the portion of the Loan/Grant Amount needed to complete the Project has been disbursed in accordance with the terms of this Agreement. No portion of the Loan/Grant Amount shall be disbursed after expiration of the Interim Period.

Section 7.6 Application of Project Account Subsequent to Disbursement of Loan/Grant Funds; Termination of Pledge.

(a) Upon the completion of the Project as signified by delivery of the completion certificate required by Section 7.5 hereof, the Finance Authority shall determine, by reference to the Project Account, whether any portion of the authorized Loan/Grant Amount remains unexpended and shall dispose of such unexpended proceeds in accordance with law;

(b) In the event that a portion of the Loan/Grant Amount remains unexpended after the expiration of the Interim Period, the Finance Authority shall dispose of such funds in accordance with law.

Upon the occurrence of either event described in (a) or (b) above, the Finance Authority shall make the appropriate entry in the Project Account and, upon such entry, the pledge of the Loan/Grant Amount established in this Agreement shall terminate.

ARTICLE VIII COMPLIANCE WITH LAWS AND RULES; OTHER COVENANTS

Section 8.1 Further Assurances and Corrective Instruments. The Lender/Grantor and the Borrower/Grantee agree that they will, from time to time, execute, acknowledge and deliver,
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or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Project or of the Pledged Revenues and for carrying out the intention hereof.

Section 8.2 Representatives of Lender/Grantor or of Borrower/Grantee. Whenever under the provisions hereof the approval of the Lender/Grantor or the Borrower/Grantee is required, or the Borrower/Grantee, or the Lender/Grantor is required to take some action at the request of either of them, such approval or such request shall be given for the Lender/Grantor or for the Borrower/Grantee, by an Authorized Officer of the Lender/Grantor or the Borrower/Grantee, as the case may be, and any party hereto shall be authorized to act on any such approval or request.

Section 8.3 Selection of Contractors. All contractors providing services or materials in connection with the Project shall be selected in accordance with applicable provisions of the New Mexico Procurement Code, NMSA 1978, §§ 13-1-28 through 13-1-199, as amended, or, if the Borrower/Grantee is not subject to the New Mexico Procurement Code, shall be selected in accordance with a documented procurement process duly authorized and established pursuant to laws and regulations applicable to the Borrower/Grantee.

Section 8.4 Non-Discrimination in Employment. Except as otherwise specifically provided in the laws, statutes, ordinances or regulations of the Borrower/Grantee, the Borrower/Grantee shall require in any contract or subcontract executed in connection with the Project to which the Borrower/Grantee is a party that there shall be no discrimination against any employee or applicant for employment because of race, color, creed, sex, religion, sexual preference, ancestry or national origin.

Section 8.5 Little Miller Act. To the extent NMSA 1978, § 13-4-1 et seq., (the “Little Miller Act”) is applicable to the Project, the Borrower/Grantee shall comply with the requirements of the “Little Miller Act”. If bonding requirements of the Little Miller Act are not applicable to the Project, the Borrower/Grantee will require that the contractor to whom is given any contract for construction appertaining to the Project supply a performance bond or bonds satisfactory to the Borrower/Grantee. Any sum or sums derived from said performance bond or bonds shall be used within six (6) months after such receipt for the completion of said construction, and if not so used within such period, shall be treated as Gross Revenues.

Section 8.6 Required Contract Provisions. The Borrower/Grantee shall require the following provisions in any contract or subcontract executed in connection with the Project to which the Borrower/Grantee is a party:

(a) There shall be no discrimination against any employee or applicant for employment because of race, color, creed, sex, religion, sexual preference, ancestry or national origin; and

(b) Any contractor or subcontractor providing construction services in connection with the Project shall post a performance and payment bond in accordance with the requirements of NMSA 1978, § 13-4-18, as amended.

(c) Any contractor or subcontractor providing construction services in connection with the Project shall comply with the prevailing wage laws in accordance with the requirements of NMSA 1978, § 13-4-11, as amended.

Section 8.7 Application of Act and Board Rules. While this Agreement is outstanding, the Lender/Grantor and the Borrower/Grantee expressly acknowledge that this Agreement is governed by provisions and requirements of the Act and the Board Rules, as amended and supplemented, and all applicable provisions and requirements of the Act and Board Rules are incorporated into this Agreement by reference.

Section 8.8 Continuing Disclosure. The Borrower/Grantee shall provide continuing disclosure to the Finance Authority, as the Finance Authority may require, that shall include, but not be limited to: annual audits and notification of any event deemed material by the Finance Authority, including but not limited to, any event which may or does affect the Pledged Revenues, the ability of the Borrower/Grantee to repay the loan, and the default of the Borrower/Grantee in performance or observance of any covenant, term, or condition contained in any other loan agreement.

ARTICLE IX INSURANCE; NON-LIABILITY OF LENDER/GRANTOR

Section 9.1 Insurance. The Borrower/Grantee shall carry general liability insurance or participate in the State's risk-management program and, to the extent allowed by the New Mexico Tort Claims Act, NMSA 1978, §§ 41-4-1 through 41-4-30, as amended, shall and hereby agrees to name the Lender/Grantor as an additional insured with respect to all claims, by or on behalf of any person, firm, corporation or other legal entity arising from the acquisition, completion or implementation of the Project or otherwise during the Agreement Term; provided, that if any portion of the Project will be constructed, located, completed or extended on real property owned by a qualifying entity (as defined by the Act) other than the Borrower/Grantee, the Borrower/Grantee may obtain the written agreement of such other qualifying entity to perform these insurance/risk-management program requirements for Borrower/Grantee with respect to such real property (and the portion of the Project to be constructed, located, completed or extended on such real property), which written agreement shall include an express statement by such other qualifying entity that the Lender/Grantor is a third party beneficiary of such written agreement.

Section 9.2 Non-Liability of Lender/Grantor.

(a) Lender/Grantor shall not be liable in any manner for the Project, Borrower/Grantee's use of the Loan/Grant, the acquisition, implementation, construction, installation, ownership, operation or maintenance of the Project, or any failure to act properly by the Borrower/Grantee or any other owner or operator of the Project.

(b) Lender/Grantor shall not be liable for the refusal or failure of any other agency of the State to transfer any portion of the Loan/Grant Amount in its possession, custody and control to the Finance Authority for disbursement to the Borrower/Grantee, or to honor any request for such transfer or disbursement of the Loan/Grant Amount.

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(c) From and to the extent of the Pledged Revenues, and to the extent permitted by law, the Borrower/Grantee shall and hereby agrees to indemnify and save the Finance Authority harmless against and from all claims, by or on behalf of any person, firm, corporation, or other legal entity, arising from the acquisition or operation of the Project during the Agreement Term, from: (i) any act of negligence or other misconduct of the Borrower/Grantee, or breach of any covenant or warranty by the Borrower/Grantee hereunder; and (ii) the incurrence of any cost or expense in connection with the acquisition or operation of the Project in excess of the Loan/Grant Agreement proceeds and interest on the investment thereof. The Borrower/Grantee shall indemnify and save the Finance Authority harmless, from and to the extent of the available Pledged Revenues, from any such claim arising as aforesaid from (i) or (ii) above, or in connection with any action or proceeding brought thereon and, upon notice from the Finance Authority, shall defend the Finance Authority in any such action or proceeding.

ARTICLE X EVENTS OF DEFAULT AND REMEDIES

Section 10.1 Events of Default Defined. Any one of the following shall be an “Event of Default” under this Agreement:

(a) Failure by the Borrower/Grantee to pay any amount required to be paid under this Agreement on the date on which it is due and payable;

(b) Failure by the Borrower/Grantee to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Agreement for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to the Borrower/Grantee by the Lender/Grantor unless the Lender/Grantor shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice can be wholly cured within a period of time not materially detrimental to the rights of the Lender/Grantor but cannot be cured within the applicable thirty (30) day period, the Lender/Grantor will not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the Borrower/Grantee within the applicable period and diligently pursued until the failure is corrected; and provided, further, that if by reason of force majeure the Borrower/Grantee is unable to carry out the agreements on its part herein contained, the Borrower/Grantee shall not be deemed in default under this paragraph 10.1(b) during the continuance of such inability (but force majeure shall not excuse any other Event of Default); or

(c) Any warranty, representation or other statement by or on behalf of the Borrower/Grantee contained in this Agreement or in any instrument furnished in compliance with or in reference to this Agreement is false or misleading in any material respect;

(d) A petition is filed against the Borrower/Grantee under any bankruptcy, moratorium, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, and is not dismissed within thirty (30) days after such filing, but the Finance Authority shall have the right to

intervene in the proceedings prior to the expiration of such thirty (30) days to protect their interests;

(e) The Borrower/Grantee files a petition in voluntary bankruptcy or seeking relief under any provision of any bankruptcy, moratorium, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, or consents to the filing of any petition against it under any such law; or

(f) The Borrower/Grantee admits insolvency or bankruptcy or its inability to pay its debts as they become due or is generally not paying its debts as such debts become due, or becomes insolvent or bankrupt or makes an assignment for the benefit of creditors, or a custodian (including, without limitation, a receiver, liquidator or trustee) of the Borrower/Grantee for any of its property is appointed by court order or takes possession thereof and such order remains in effect or such possession continues for more than thirty (30) days, but the Finance Authority shall have the right to intervene in the proceedings prior to the expiration of such thirty (30) days to protect their interests.

(g) Default by the Borrower/Grantee in performance or observance of any covenant contained in any other loan agreement, document or instrument of any type whatsoever evidencing or securing obligations of the Borrower/Grantee to the Finance Authority.

Section 10.2 Remedies on Default. Whenever any Event of Default has occurred and is continuing and subject to Section 10.2 hereof, the Lender/Grantor may take any or all of the following actions as may appear necessary or desirable to collect the payments then due and to become due or to enforce performance of any obligations of the Borrower/Grantee in this Agreement:

(a) File a mandamus proceeding or other action or proceeding or suit at law or in equity to compel the Borrower/Grantee to perform or carry out its duties under the law and the agreements and covenants required to be performed by it contained herein;

(b) Terminate this Agreement;

(c) Cease disbursing any further amounts from the Project Account;

(d) Demand that the Borrower/Grantee immediately repay the Loan/Grant Amount or any portion thereof if such funds were not utilized in accordance with this Agreement;

(e) File a suit in equity to enjoin any acts or things which are unlawful or violate the rights of the Lender/Grantor;

(f) Intervene in judicial proceedings that affect this Agreement or the Pledged Revenues; or

(g) Cause the Borrower/Grantee to account as if it were the trustee of an express trust for all of the Pledged Revenues;

(h) Take whatever other action at law or in equity may appear necessary or desirable to collect amounts then due and thereafter to become due under this Agreement or to enforce any other of its rights hereunder; or

(i) Apply any amounts in the Project Account toward satisfaction of any and all fees and costs incurred in enforcing the terms of this Agreement.

Section 10.3 Limitations on Remedies. A judgment requiring payment of money entered against the Borrower/Grantee shall be paid from only available Pledged Revenues unless the Borrower/Grantee in its sole discretion pays the judgment from other available funds.

Section 10.4 No Remedy Exclusive. No remedy herein conferred upon or reserved to the Lender/Grantor is intended to be exclusive, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Borrower/Grantee or the Lender/Grantor to exercise any remedy reserved in this Article X, it shall not be necessary to give any notice, other than such notice as may be required in this Article X.

Section 10.5 Waivers of Events of Default. The Lender/Grantor may, in its sole discretion, waive any Event of Default hereunder and the consequences of any such Event of Default; provided, however, all expenses of the Lender/Grantor in connection with such Event of Default shall have been paid or provided for. Such waiver shall be effective only if made by a written statement of waiver issued by the Finance Authority. In case of any such waiver or rescission, or in case any proceeding taken by the Lender/Grantor, on account of any such Event of Default shall have been discontinued or abandoned or determined adversely, then and in every such case, the Lender/Grantor shall be restored to its former position and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other Event of Default, or impair any right consequent thereon.

Section 10.6 No Additional Waiver Implied by One Waiver. In the event that any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver shall be in writing and limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Section 10.7 Agreement to Pay Attorneys' Fees and Expenses. In the event that the Borrower/Grantee shall default under any of the provisions hereof and the Finance Authority shall employ attorneys or incur other expenses for the collection of payments hereunder, or the enforcement of performance or observance of any obligation or agreement on the part of the Borrower/Grantee herein contained, the Borrower/Grantee agrees that it shall, on demand therefor, pay to the Finance Authority the fees of such attorneys and such other expenses so incurred, to the extent such attorneys' fees and expenses may be determined to be reasonable by a court of competent jurisdiction; provided, however, that the obligation of the Borrower/Grantee under this Section shall be limited to expenditures from and to the extent of the available Pledged Revenues.

ARTICLE XI
MISCELLANEOUS

Section 11.1 Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered as follows:

If to the Borrower/Grantee, to:

Incorporated County of Los Alamos
Attn.: Philo Shelton, Utilities Manager
1000 Central Avenue, Suite 130
Los Alamos, New Mexico 87544

If to the Finance Authority, then to:

New Mexico Finance Authority
Attn.: Chief Executive Officer
207 Shelby Street
Santa Fe, New Mexico 87501

The Borrower/Grantee or the Lender/Grantor may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 11.2 Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the Lender/Grantor and the Borrower/Grantee and their respective successors and assigns, if any.

Section 11.3 Integration. This Agreement and any other agreements, certifications and commitments entered into between the Lender/Grantor and the Borrower/Grantee on the Closing Date constitute the entire agreement of the parties regarding the Loan/Grant and the funding of the Project through the Loan/Grant as of the Closing Date, and the terms of this Agreement supersede any prior applications, discussions, understandings or agreements between or among the parties in connection with the Loan/Grant, to the extent such prior applications, discussions, understandings or agreements are inconsistent with this Agreement.

Section 11.4 Amendments. This Agreement may be amended only with the written consent of both of the parties hereto. The consent of the Finance Authority for amendments not affecting the terms of payment of the loan component of this Agreement may be given by an Authorized Officer of the Finance Authority. The execution of any such consent by an Authorized Officer of the Finance Authority shall constitute his or her determination that such amendment does not affect the terms of payment of the loan component of this Agreement.

Section 11.5 No Liability of Individual Officers, Directors or Trustees. No recourse under or upon any obligation, covenant or agreement contained in this Agreement shall be had against any member, employee, director or officer, as such, past, present or future, of the

Loan/Grant Agreement
Incorporated County of Los Alamos, Loan/Grant No. WPF-4826

Lender/Grantor, either directly or through the Finance Authority, or against any officer, employee, director or member of the Borrower/Grantee, past, present or future, as an individual so long as such individual was acting in good faith. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such officer, employee, director or member of the Borrower/Grantee or of the Finance Authority is hereby expressly waived and released by the Borrower/Grantee and by the Finance Authority as a condition of and in consideration for the execution of this Agreement.

Section 11.6 Severability. In the event that any provision of this Agreement, other than the obligation of the Borrower/Grantee to make the Loan Payments and the Administrative Fee hereunder, shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 11.7 Execution in Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 11.8 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State.

Section 11.9 Captions. The captions or headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement.

Section 11.10 Further Assurances and Corrective Instruments. The Finance Authority and the Borrower/Grantee will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Project or of the Pledged Revenues, or for otherwise carrying out the intention hereof.

Section 11.11 Finance Authority and Borrower/Grantee Representatives. Whenever under the provisions hereof the approval of the Finance Authority or the Borrower/Grantee is required, or the Borrower/Grantee or the Finance Authority is required to take some action at the request of the other, such approval or such request shall be given for the Finance Authority or for the Borrower/Grantee by an Authorized Officer of the Finance Authority or the Borrower/Grantee, as the case may be, and any party hereto shall be authorized to act on any such approval or request.

Section 11.12 CONSENT TO JURISDICTION. THE BORROWER/GRANTEE IRREVOCABLY AGREES THAT ALL ACTIONS OR PROCEEDINGS IN ANY WAY ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE DOCUMENTS SIGNED IN CONNECTION WITH THIS TRANSACTION WILL BE LITIGATED IN THE FIRST JUDICIAL DISTRICT COURT, SANTA FE COUNTY, NEW MEXICO, PURSUANT TO SECTION 6-21-26, NMSA.

[Signature pages follow]

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Finance Authority, on behalf of itself, has executed this Agreement, which was approved by the Water Trust Board on May 8, 2019 and by the Finance Authority's Board of Directors on May 23, 2019 and December 19, 2019, in its corporate name by its duly authorized officer; and the Borrower/Grantee has caused this Agreement to be executed in its corporate name and the seal of the Borrower/Grantee affixed and attested by its duly authorized officers. All of the above are effective as of the date first above written.

LENDER/GRANTOR:

NEW MEXICO FINANCE AUTHORITY

By: _____
John Gasparich, Interim Chief Executive Officer

PREPARED FOR EXECUTION BY OFFICERS OF THE
NEW MEXICO FINANCE AUTHORITY:

SUTIN, THAYER & BROWNE
A PROFESSIONAL CORPORATION
As Loan/Grant Counsel

By: _____
Suzanne Wood Bruckner

APPROVED FOR EXECUTION BY OFFICERS OF THE
NEW MEXICO FINANCE AUTHORITY:

Daniel C. Opperman
General Counsel
New Mexico Finance Authority

BORROWER/GRANTEE:

INCORPORATED COUNTY OF LOS ALAMOS,
NEW MEXICO

By: _____
Sara C. Scott, Council Chair

[SEAL]

ATTEST:

By: _____
Naomi D. Maestas, County Clerk

5307357_2

EXHIBIT “A”

TERM SHEET

**\$800,000 WATER PROJECT LOAN/GRANT TO THE
INCORPORATED COUNTY OF LOS ALAMOS, NEW MEXICO**

Project Description: The Project is for water conservation or recycling, treatment or reuse of water. The Loan/Grant Amount will be used only for Eligible Items necessary to complete the Project. In particular, the Project will consist of the construction of a replacement effluent booster station at Overlook Park for the purpose of irrigating the ball fields and park facilities, and shall include such other related work and revisions necessary to complete the Project. The Project may be further described in the Application and in the final plans and specifications for the Project approved by the Water Trust Board and the Finance Authority as provided by this Agreement. However, in the event of any inconsistency, the description of the Project as stated in this Term Sheet shall control.

Grant Amount: \$480,000

Loan Amount: \$320,000

Pledged Revenues: Net System Revenues

Outstanding Senior Obligations for Pledged Revenues: Governmental Unit's Utility System Revenue Bonds, Series 2010A-D (PPRF Loan PPRF-2461) maturing in 2030

Outstanding Subordinate Obligations for Pledged Revenues: ~~Governmental Unit's Second Lien Utility System Revenue Bonds, Series 2014A and B (PPRF Loan PPRF 3150) maturing in 2034~~None

Commented [A1]: The 2014 Bonds were issued by and secured by revenues of the electric fund only.

Outstanding Parity Obligations (Super Subordinate): ~~Governmental Unit's Utility System Revenue Bonds, Series 2006B maturing in 2021;~~ New Mexico Environment Department (NMED) CWSRF No. 1438143 Loan maturing in 2030; 2009 NMED ARRA CWSRF Loan maturing in 2031; NMFA WTB Loan WTB-0063; NMFA WTB Loan WTF-0089; NMFA WTB Loan WTB-0156; NMFA WTB

Commented [A2]: The 2006 Bond issue was an electric utility bond issue and was refinanced in its entirety with the 2014 bond issue, which is secured by revenues of the electric utility.

Loan Agreement A-1
Incorporated County of Los Alamos, Loan/Grant No. WPF-4826

Loan WTB-0157; NMFA WTB Loan WTB-0220; NMFA WTB Loan WTB-0221; NMFA WTB Loan WTB-0318; NMFA WTB Loan WTB-0340; and NMFA WTB Loan WTB-3557

Authorizing Legislation: Borrower/Grantee Ordinance No. 698, adopted January ~~728~~, 2020

Additional Funding Amount: \$120,000

Closing Date: February 14, 2020

Project Account Amount: \$800,000

Expense Account Deposit: \$0

Administrative Fee: 0.25%

Conditions to be satisfied prior to first disbursement of Loan/Grant funds: Delivery to Finance Authority of (i) a copy of the agenda of the meeting of the Governing Body at which the Ordinance was adopted and at which this Agreement, the Ordinance and all other Loan/Grant documents were authorized by the Governing Body (the "Meeting"), certified as a true and correct copy by the County Clerk of the Borrower/Grantee, (ii) a copy of the minutes or record of proceedings of the Meeting, approved and signed by the Council Chair and attested to by the Village Clerk of the Borrower/Grantee, and (iii) a copy of the notice of meeting for the Meeting evidencing compliance with the Borrower/Grantee's Open Meetings standards in effect on the date of the Meeting.

Other Conditions applicable to the Loan/Grant: All Conditions defined in the Agreement.

EXHIBIT B

PAYMENT PROVISIONS OF THE LOAN

The Loan Amount and Administrative Fee shall be payable by the Borrower/Grantee to the Lender/Grantor in twenty (20) annual installments of principal pursuant to the attached debt service schedule, beginning June 1, 2022 and ending June 1, 2041. The Loan Amount shall be pre-payable upon expiration of the Interim Period without penalty. The Administrative Fee shall be due and payable annually on June 1 of each year while the Loan, or any portion thereof, remains outstanding.

[ATTACH INTERIM DEBT SERVICE SCHEDULE]

EXHIBIT "C"

FORM OF REQUISITION
(Water Project Fund)

RE: \$800,000 Loan/Grant Agreement by and between the New Mexico Finance Authority, as Lender/Grantor, and the Incorporated County of Los Alamos, as Borrower/Grantee (the "Loan/Grant Agreement")

Loan/Grant No. WPF-4826

Closing Date: February 14, 2020

TO: NEW MEXICO FINANCE AUTHORITY

You are hereby authorized to disburse from the Project Account – Incorporated County of Los Alamos with regard to the above-referenced Loan/Grant Agreement, the following:

I. PAYMENT INFORMATION

REQUISITION NO. _____ PAYMENT AMOUNT: \$ _____

PAYEE'S NAME: _____

PAYEE'S ADDRESS: _____

II. REQUISITION INFORMATION

If this Requisition includes multiple Vendors, Eligible Item Categories or Payment Purposes, please itemize below or attach separate page.

Vendor Name _____

Total Amount \$ _____ Invoice No.(s) _____

Purpose of Payment _____

Eligible Item Category _____

Vendor Name _____

Total Amount \$ _____ Invoice No.(s) _____

Purpose of Payment _____

Eligible Item Category _____

Vendor Name _____

Total Amount \$ _____ Invoice No.(s) _____

Purpose of Payment _____

Eligible Item Category _____

Loan Agreement

Incorporated County of Los Alamos, Loan/Grant No. WPF-4826

III. WIRING INFORMATION:

BANK NAME:	
ROUTING NUMBER:	
ACCOUNT NUMBER:	

IV. MATCH INFORMATION

AMOUNT OF LOCAL MATCH EXPENDED SINCE LAST REQUISITION: \$ _____
Attach proof of expenditures for hard match (cancelled check, wire transfer receipt) and written certification of type and value of any soft match.

AMOUNT OF LOCAL MATCH EXPENDED TO DATE: \$ _____
TOTAL: \$120,000

V. VERIFICATION AND AUTHORIZATION

Each obligation, item of cost or expense mentioned herein is for a loan/grant made by the Lender/Grantor pursuant to the Water Project Finance Act to the Borrower/Grantee within the State of New Mexico, is due and payable, has not been the subject of any previous requisition and is a proper charge against the Project Account – Incorporated County of Los Alamos. All representations contained in the Loan/Grant Agreement and the related closing documents remain true and correct and the Borrower/Grantee is not in breach of any of the covenants contained therein.

The proceeds of the Loan/Grant have been or will be used to pay the costs of Eligible Items, as defined in the Loan/Grant Agreement. Eligible Items are (1) matching requirements for federal and local cost shares, (2) engineering feasibility reports, (3) contracted engineering design, (4) inspection of construction, (5) special engineering services, (6) environmental or archeological surveys, (7) construction, (8) land acquisition, (9) easements and rights of way, (10) Eligible Legal Costs and (11) Eligible Fiscal Agent Fees, subject to limitations as set forth in the Loan/Grant Agreement.

All construction and all installation of equipment with proceeds of the Loan/Grant has or will be used in accordance with plans and/or specifications approved on behalf of the Finance Authority by the New Mexico Environment Department and/or the Office of the State Engineer, has or will be acquired in compliance with applicable procurement laws and regulations and has or will be inspected and approved in accordance with applicable laws and regulations.

Capitalized terms used herein, are used as defined or used in the Loan/Grant Agreement.

DATE: _____

AUTHORIZED OFFICER (Mayor, Mayor Pro-Tem, or Clerk)

Title: _____

EXHIBIT "D"

WATER TRUST BOARD PROJECT STATUS REPORT
PREPARED FOR THE
NEW MEXICO FINANCE AUTHORITY

<p>Fund Recipient Names: Incorporated County of Los Alamos</p> <p>Recipient Contact:</p> <p>Phone Number:</p>	<p>WTB Project Number: WPF-4826</p> <p>WTB Project Name: Overlook Park Effluent Waster Booster Station</p> <p>Project Type: Construction</p>
<p>Quarterly Project Report <input type="checkbox"/> Final <input type="checkbox"/> Other <input type="checkbox"/> _____</p> <p>Report Period: From - / / To - / /</p>	
<p>Contract Expiration: _____</p> <p>Total WTB Award: \$ _____ Current Balance: \$ _____</p> <p>Loan 40% Grant 60% Match \$120,000</p> <p>Expected WTB Award Expenditure Next Quarter: \$ _____</p> <p>Additional Funding Amount Expended to Date: \$ _____</p> <p>Expected Additional Funding Amount Expenditure Next Quarter: \$ _____</p> <p>Project Phase: Planning <input type="checkbox"/> Design <input type="checkbox"/> Construction <input type="checkbox"/></p>	
<p>PROJECT TIME: Original Completion Date: _____</p> <p> Current Completion Date: _____</p> <p> Days Remaining for Completion _____</p> <p>Percent Project is Complete _____ % On Schedule? Yes <input type="checkbox"/> No <input type="checkbox"/></p>	
<p>Briefly Describe Project Progress During This Reporting Period:</p>	
<p>Issues Addressed During This Period (Indicate any current and/or anticipated issues that remain unresolved):</p>	
<p>Goals/Milestones With Timeline or Dates For The Next Reporting Period:</p>	
<p>Name and Title of Authorized Officer: (Print)</p> <p>Date: _____</p>	<p>Authorized Officer Signature:</p>

Loan Agreement
Incorporated County of Los Alamos, Loan/Grant No. WPF-4826

EXHIBIT "E"
FORM OF CERTIFICATE OF COMPLETION

RE: \$800,000 Loan/Grant Agreement by and between the Finance Authority, as Lender/Grantor, and the Incorporated County of Los Alamos, as Borrower/Grantee (the "Loan/Grant Agreement")

Loan/Grant No. WPF-4826

Closing Date: February 14, 2020

TO: NEW MEXICO FINANCE AUTHORITY

I, _____, the _____ of the
[Name] [Title or position]

Borrower/Grantee, hereby certify as follows:

1. The project described in the Loan/Grant Agreement (the "Project"), or the applicable phase of the project if funding was for a phased Project, was completed and placed in service on _____, 20__.
2. The total cost of the Project was \$ _____.
3. Cost of the Project paid from the Loan/Grant Amount was \$ _____.
4. Cost of the Project paid from the Additional Funding Amount was \$ _____.
5. The portion of the Loan/Grant Amount unexpended for the Project is \$ _____.
6. The Project was completed and is and shall be used consistent with and subject to the covenants set forth in the Loan/Grant Agreement.

This certificate shall not be deemed to prejudice or affect any rights of or against third parties which exist at the date of this certificate or which may subsequently come into being.

INCORPORATED COUNTY OF LOS ALAMOS, NEW
MEXICO

By: _____

Its: _____

EXHIBIT “F”

DOCUMENTS

1. Open Meetings Act Resolution No. 19-01 adopted by the Borrower/Grantee on January 8, 2019, as amended by Resolution No. 19-04 adopted on June 25, 2019
2. Ordinance No. 698, adopted January ~~7~~28, 2020, Agenda, and the Affidavits of Publication of the Notice of Intent to Adopt Ordinance and the Notice of Adoption of Ordinance in *The Los Alamos Daily Post*
3. Loan/Grant Agreement
4. General and No Litigation Certificate of the Borrower/Grantee
5. Delivery, Deposit and Cross-Receipt Certificate
6. Right of Way Certificate
7. Borrower’s Counsel Opinion
8. Approving Opinion of Sutin, Thayer & Browne A Professional Corporation, Loan/Grant Counsel to the Finance Authority
9. Finance Authority Application and Project Approval (informational only)
10. NMED Consent



County of Los Alamos

Staff Report

December 18, 2019

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.:	6.C
Index (Council Goals):	DPU FY2020 - 5.0 Achieve Environmental Sustainability
Presenters:	James Alarid, Deputy Utilities Manager - Engineering
Legislative File:	AGR0649-19

Title

Approval of Amendment No. 1 to Services Agreement No. AGR16-033 with Pajarito Environmental Education Center in the Amount of \$200,000.00 for a Revised Total Contract Amount Not to Exceed \$399,000.00 for the Purpose of Community Water and Energy Conservation Services

Recommended Action

I move that the Board of Public Utilities approve Amendment No. 1 to Services Agreement No. AGR16-033 with Pajarito Environmental Education Center in the amount of \$200,000.00 for a Revised Total Contract Amount Not to Exceed \$399,000.00, plus applicable gross receipts tax, for the purpose of Community Water and Energy Conservation Services and forward to Council for approval.

Staff Recommendation

Staff recommends approval of Amendment No. 1 to Services Agreement No. AGR16-033 with Pajarito Environmental Education Center.

Body

The Pajarito Environmental Education Center (PEEC) has been providing water and energy conservation outreach services to the Department of Public Utilities under AGR 16-33 since 2016. Amendment No.1 will increase the agreement spending authority by \$200,000 and add an additional three years to the term of the agreement. Examples of the types of public outreach efforts include interactive class presentations, organizing an annual water festival, representation in various school sponsored activities and participation in Earth Day activities. The services also include assistance in developing and executing outreach efforts aimed at educating and providing resources to home owners. Examples of the home owner outreach efforts are the Home Energy Expo, Electric Car Show and Home Energy Efficiency Tour. PEEC has provided excellent service to the DPU in these outreach efforts. We consistently receive praise from our constituents on PEEC's performance and their promotion of the DPU conservation program. We would like to continue to work with PEEC to further enhance our conservation program for another three years.

Alternatives

If the amendment is not approved a request for proposals will be issued to solicit for conservation support services.

Fiscal and Staff Impact

Funding for services provided under this contract will be from conservation funds that are budgeted annually.

Attachments

A - Amendment No. 1 AGR16-033

**AMENDMENT NO. 1
INCORPORATED COUNTY OF LOS ALAMOS
SERVICES AGREEMENT NO. 16-033**

This **AMENDMENT NO. 1** is entered into by and between the **Incorporated County of Los Alamos**, an incorporated county of the State of New Mexico ("County"), and **Pajarito Environmental Education Center**, a New Mexico no-profit corporation ("Contractor" or "PEEC"), to be effective for all purposes January 8, 2019.

WHEREAS, County and Contractor entered into Agreement No. AGR16-033, dated February 5, 2016, to expand and realize the Water and Energy Conservation Program in the community of Los Alamos County; and

WHEREAS, the Board of Public Utilities approved this Amendment at a public meeting held on December 18, 2019; and

WHEREAS, the County Council approved this Amendment at a public meeting held on January 7, 2020; and

WHEREAS, the services are ongoing, and County and Contractor would like to extend the term of the contract and increase the compensation, which was contemplated in the RFP.

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

- I. To remove **SECTION B. TERM** in its entirety and replace it with the following:

SECTION B TERM: The term of this Agreement shall commence February 5, 2016, and shall continue through February 4, 2023, unless sooner terminated, as provided herein.

- II. To remove **SECTION C. COMPENSATION** in its entirety and replace it with the following:

1. **Amount of Compensation.** County shall pay compensation for performance of the Services in an amount not to exceed THREE HUNDRED NINETY-NINE THOUSAND DOLLARS (\$399,000.00), for the term of this Agreement and which amount does not include applicable New Mexico Gross Receipts Taxes ("NMGR"). Compensation shall be paid in accordance with the rate schedule set out in Exhibit "A," attached hereto and made a part hereof for all purposes.
2. **Monthly Invoices.** Contractor shall submit itemized monthly invoices to County's Project Manager showing amount of compensation due, amount of any NMGR, and total amount payable. Payment of undisputed amounts shall be due and payable thirty (30) days after County's receipt of the invoice.

Except as expressly modified by this Amendment, 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: _____
PHILO S. SHELTON, III, P.E. **DATE**
UTILITIES MANAGER

Approved as to form:

J. ALVIN LEAPHART
COUNTY ATTORNEY

PAJARITO ENVIRONMENTAL EDUCATIONAL CENTER,
A NEW MEXICO NO-PROFIT CORPORATION

BY: _____
Katie Bruell **DATE**

Exhibit "A"
Compensation Rate Schedule
AGR16-033-A1

Educator: \$40.00 per hour
Siobhan Niklasson
Denise Matthews
(Additional Educator staff to be determined.)

Program Organizer: \$40.00 per hour
Jonathan Creel

Student Intern: \$20.00 per hour
(To be determined.)

Educator and Program Organizer rates are subject to an increase of 3% at the beginning of each contract year, however Contractor shall not exceed the total allowed compensation under the Term of the agreement.



County of Los Alamos

Staff Report

December 18, 2019

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.:	6.D
Index (Council Goals):	DPU FY2020 - 3.0 Be a Customer Service Oriented Organization that is Communicative, Efficient, and Transparent
Presenters:	Bob Westervelt, Deputy Utilities Manager - Finance/Admin
Legislative File:	AGR0651-19

Title

Approval of Amendment No. 1 to Services Agreement No. AGR20-912 with SmartPhone Meter Reading, L.L.C. in the amount of \$25,512.90, for the Purpose of adding a second seat to the SPMR WEB licensing for the Smart Phone Meter Reading System, plus approval of additional funding for the ten percent escalator enumerated in the agreement but not included in the funding total previously approved, for a revised base contract total of \$94,713.64 plus a contingency in the amount of \$10,488.00 for a revised project total of \$105,201.64, plus Applicable Gross Receipts Tax.

Recommended Action

I move that the Board of Public Utilities approve Amendment No. 1 to Services Agreement No. AGR20-912 with SmartPhone Meter Reading, L.L.C. in the amount of \$25,512.90 for the purpose of adding a second seat to the SPMR WEB licensing for the Smart Phone Meter Reading System, plus approve additional funding for the ten percent annual escalator enumerated in the agreement but not included in the funding total previously approved, for a revised base contract total of \$94,713.64 plus a contingency in the amount of \$10,488.00 for a revised project total of \$105,201.64, plus applicable gross receipts tax.

Staff Recommendation

Staff recommends that the Board approve as presented.

Body

In September 2019 DPU launched the Smart Phone Meter Reading application to replace the old Datamatic hand held devices and meter reading system. While implementation has gone smoothly and the expected benefits are being realized, staff has realized that the billing team needs regular access to the system to upload or verify route changes or schedules and verify reads. With current licensing only one person can be in the system at a time, meaning if the meter readers are in the system downloading their routes for the day or performing other activities, billing staff must wait to perform their functions. This requires coordination and other delays, occasionally exacerbated if the meter readers are all in the field when Billing needs access to the system. Addition of one license will allow both to be in the system at the same time and will facilitate efficient operations and timely billing.

It was also noted during review of this item that funding for the ten percent escalator included in the agreement was not included in the previous approval. Approval of that funding is included in the recommended motion as well.

Alternatives

The Board could elect not to approve the proposed amendment in which case staff would have to continue to coordinate between billing staff and metering staff and billing errors or delays may result.

Fiscal and Staff Impact

Staff impact is to facilitate efficiency in operations and coordination between the billing staff and the meter reading staff and avoid delays in billing. Fiscal impact is \$25,512.90 over the life of the contract if all renewals are taken, assuming the maximum allowed escalation of costs each year.

Attachments

A - AGR20-912-A1 Smartphone Meter reading_SPMR_FINAL 12-10-2019

**AMENDMENT NO. 1
INCORPORATED COUNTY OF LOS ALAMOS
SERVICES AGREEMENT NO. 20-912**

This **AMENDMENT NO. 1** is entered into by and between the **Incorporated County of Los Alamos**, an incorporated county of the State of New Mexico ("County"), and **Smartphone Meter Reading ("SPMR")**, a Texas limited liability corporation ("Contractor"), to be effective for all purposes December 19, 2019.

WHEREAS, it has been determined by the County Purchasing Agent that there is only one source for the required services; and

WHEREAS, pursuant to Section 31-104 of the County Code, County and Contractor entered into Agreement No. AGR20-912 for an application for smart phones, or similar devices, to record utility meter data and to communicate such data to its remove server; and

WHEREAS, both parties wish to amend Agreement to add licensing for one (1) additional seat of SPMR WEB; and

WHEREAS, the Board of Public Utilities approved this Agreement at a public meeting held on December 18, 2019.

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

- I. To delete Exhibit 1 in its entirety and replace it with the attached revised Exhibit 1.
- II. To add a new **Paragraph 3** to **ARTICLE 2 - PAYMENTS** as follows:

ARTICLE 2 - PAYMENTS:

3. Total compensation for the Services, including all possible extensions, shall not exceed NINETY-FIVE THOUSAND DOLLARS (\$95,000.00), which amount does not include applicable New Mexico Gross Reciepts Tax. Compensation shall be paid in accordance with the rate schedule set out in Exhibit 1, attached hereto and made a part hereof for all purposes.

Except as expressly modified by this Amendment, 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: _____
PHILO S. SHELTON, III, P.E. **DATE**
UTILITIES MANAGER

Approved as to form:

J. ALVIN LEAPHART
COUNTY ATTORNEY

SMARTPHONE METER READING, LLC A TEXAS
LIMITED LIABILITY CORPORATION

BY: _____
NAME: _____ **DATE**
TITLE: _____

Exhibit 1 – REVISED SPMR Services Schedule
AGR20-912-A1

Description	Effective Rate per Month	Qty	Cost Extended Annual Pre-Pay
SMPR SmartPhone: License and Support	\$107.10	4	\$ 5,140.80
SMPR SmartPhone: Data Hosting	\$26.10	4	\$1,252.80
SMPR WEB: License and Support, 1 st Seat	\$224.10	2	\$5,378.40
SMPR SmartPhone: Warm Backup	\$71.10	1	\$ 853.20
TOTALS			\$12,625.20

*Plus Gross Receipts Tax

Other User Fees and One-Time Service Fees	Cost
Setup – Web Server, Web Seat(s), Phone(s), Users	\$ 719.00
Training – SMPR WEB, SMPR SmartPhone	\$ 1,349.00

*Plus Gross Receipts Tax

Subscriber hereby chooses the ☐ Monthly or ☒ Pre-Pay Option Listed Above.



County of Los Alamos

Staff Report

December 18, 2019

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.:	6.E
Index (Council Goals):	DPU FY2020 - 1.0 Provide Safe and Reliable Utility Services
Presenters:	James Alarid, Deputy Utilities Manager - Engineering
Legislative File:	AGR0646-19

Title

Approval of Services Agreement No. AGR20-23 with Wilson and Company Inc., Engineers and Architects for the Purpose of Design of the Well House and Equipment for Otowi Well #2 and Design of a Replacement Motor Control Center for Otowi Well #4

Recommended Action

I move that the Board of Public Utilities approve Services Agreement No. AGR20-23 with Wilson and Company Inc., Engineers and Architects, in a form acceptable to the County Attorney, in the amount of \$205,813.54 and a contingency in the amount of \$35,000, for a total of \$240,813.54, plus applicable gross receipts tax, for the purpose of Design of the Well House and Equipment for Otowi Well #2 and Design of a Replacement Motor Control Center for Otowi Well #4 and forward in final form to Council for approval.

Staff Recommendation

Staff recommends that the Board approve as presented.

Body

Drilling and development of Otowi Well #2 was completed in May of 2019. Completion of the engineering design of the well house and associated equipment are the next step in placing the well into service. Wilson and Company is the same firm contracted to drill Otowi Well #2, and they are familiar with the newly constructed well, the site conditions and the jurisdictional/regulatory issues associated with construction on the site. As part of this same design effort, a replacement motor control center will be designed for Otowi Well #4. The Otowi Well #4 equipment has been showing signs of failure and to maintain the reliable production of this crucial well we will bid and construct these improvements with the Otowi Well #2 project to take advantage of the economy of scale of contracting this similar work in the same vicinity. The project is scheduled to bid for construction in October of 2020 and be complete in the summer of 2021.

Alternatives

If the agreement is not awarded, production from Otowi Well #2 will be delayed and the risk of failure of the Otowi Well #4 increases due to the delay.

Fiscal and Staff Impact

Design of the Otowi Well #2 well house and equipment has been budgeted in the current fiscal year. Design of the replacement motor control center for Otowi Well #4 will be funded from approved water production capital funds. At the time construction is awarded a budget adjustment may be required.

Attachments



INCORPORATED COUNTY OF LOS ALAMOS SERVICES AGREEMENT

This **SERVICES AGREEMENT** ("Agreement") is entered into by and between the **Incorporated County of Los Alamos**, an incorporated county of the State of New Mexico ("County"), and **Wilson & Company Inc., Engineers & Architects**, a Kansas corporation ("Consultant"), to be effective for all purposes January 8, 2020.

WHEREAS, the County Purchasing Agent determined in writing that the use of competitive sealed bidding was either not practical or not advantageous to County for procurement of the Services and County issued Request for Proposals No. 20-23 ("RFP") on September 15, 2019, requesting proposals for Otowi 2 Well ("OW-2") Equipment Sizing, Selection, Controls Design, Site Improvements, Alternative Power Options Evaluation Professional Engineering Services, as described in the RFP; and

WHEREAS, Consultant timely responded to the RFP by submitting a response dated October 8, 2019 ("Consultant's Response"); and

WHEREAS, based on the evaluation factors set out in the RFP, Consultant was the successful Offeror for the services listed in the RFP; and

WHEREAS, the Board of Public Utilities approved this Agreement at a public meeting held on December 18, 2019; and

WHEREAS, the County Council approved this Agreement at a public meeting held on January 7, 2020; and

WHEREAS, Consultant shall provide the Services, as described below, to County.

NOW, THEREFORE, for and in consideration of the premises and the covenants contained herein, County and Consultant agree as follows:

SECTION A. SERVICES: All Services listed below shall be delivered in accordance with the Project Schedule (Schedule), as "Exhibit B," attached hereto and made a part hereof for all purposes. Revisions to this Schedule may only be made upon the written agreement of the parties. The circumstances behind the need for any revision shall only be the result of demonstrably forces beyond the control of either party.

1. General Consultant Services

- a. Consultant shall perform an evaluation of a minimum of at least two (2) alternatives for the energizing of the OW-2 well pump: (a) gas-powered pump motor solely dedicated to pumping water from OW-2 to Pajarito Booster Pump 1 Tank ("BP1T"), plus an emergency manual switch for a trailer-mounted emergency generator; or (b) grid-fed electrically energized pump motor, along with gas-powered emergency generator. Consultant shall provide a technical report summarizing the technical elements, operational considerations, and life span costs and benefits for each alternative; recommendation of

the best alternative and best approach, including phasing and/or bid alternates that would ultimately result in a fully operational OW-2 facility. Upon approval by County, the selected alternative shall become part of the design documents to be prepared by the Consultant.

- b. Consultant shall develop and provide final complete design documents such that OW-2 sustainable yield and water conveyance capacity is between 1,200 Gallons per Minute ("GPM") and 1,300 GPM. The final complete design documents shall include provisions for the water to be conveyed to the existing County's Pajarito Booster 1 Tank, in White Rock, using the existing sixteen (16) inch concrete cylinder pipeline under New Mexico State Road 4, and the new twelve (12) inch pipeline recently installed under the access road to OW-2.
- c. Consultant's design services shall be completed in a manner and according to Exhibit B to ensure that all project improvements related to Otowi 4 Well ("OW-4") are fully operable no later than March 31, 2021 and all project improvement related to OW-2 are fully available for normal production no later than January 31, 2021.

2. Consultant Services during Design

- a. Consultant shall size and provide detailed performance specifications for selected well pump and pump controls, to include the method to make the existing County's Supervisory Control and Data Acquisition ("SCADA") system connection fully operational, in accordance with Project Schedule, "Exhibit B" to this Agreement;
- b. Consultant shall provide a design of two identical Motor Control Centers ("MCC") to be installed at both OW-2 OW-4. Installation and removal of the MCCs shall be included under the same construction project and included in the final design documents;
- c. Consultant shall design and include in the final design documents detailed performance specifications for the selected pump-energizing option for both normal and emergency conditions;
- d. Consultant shall design and include in the final design documents a permanent housing facility for all equipment (concrete block or pre-cast concrete structure);
- e. Consultant shall include in the final design documents site improvements, including re-grading of site, pump start-up flow disposal, site drainage, and site security fencing at the site of the newly completed and tested Otowi-2 Wellhead in Los Alamos Canyon;
- f. Consultant shall prepare and include in the final design documents Consultant's deliverables for County review and approval at completion stages of 50% and 100%;
- g. Consultant shall prepare and provide an engineer's opinion of cost at each stage of the design work; and
- h. Consultant shall submit a complete application for Substantial Modifications to the County's Water System for approval by the New Mexico Environment Department's ("NMED") Drinking Water Bureau, and assure that all design work is approved by the NMED Construction Grants, prior to the County's bidding of the project; and
- i. Consultant shall assist County during the project bidding with tasks, including by not limited to clarification of bidding documents, preparing addenda for prospective bidders, and other bidding related tasks as requested by County.

3. Consultant Services during Construction

- a. Consultant shall assist County in coordinating all relevant regulatory compliance with NMED and Office of the State Engineer ("OSE"), in connection with the design, installation, and construction of equipment at OW-2 and OW-4;

- b. Consultant shall, as requested by County, perform general project administration duties, such as review and recommend County action with respect to construction contractor's Pay Applications;
- c. Consultant shall, as requested by County, review construction contractor's and County's requests with regard to unforeseen field conditions and events, make appropriate recommendations, and prepare relevant change order documents on behalf of County;
- d. Consultant shall, as requested by County, consult with County staff regarding the selected construction contractor's proposed acceptance of substantial completion and final completion, as defined in the construction documents;
- e. Consultant shall, as requested by County, assist County staff during start-up of the both OW-2 and OW-4, making sure they operate as specified;
- f. Consultant shall, as requested by County, assist County staff with construction observation and field compliance verification duties throughout the construction period;
- g. Consultant shall, as requested by County, provide general project administration records and information to County, including a monthly narrative of project execution progress and percent completion;
- h. Consultant shall, as requested by County, assist County in verifying construction contractor's partial payment requests, and make appropriate recommendations to County;
- i. Consultant shall document and provide to County all As-Built conditions throughout the construction and installation period, and
- j. Consultant shall, as requested by County, assist County in verifying final payment quantities and issue appropriate recommendations to County.

4. Consultant Services Following Construction

- a. Consultant shall draft and provide to County three (3) copies of the Standard Job Operations Procedures ("SOJP");
- b. Consultant shall assemble all equipment operations and maintenance manuals for well OW-2;
- c. Consultant shall prepare, stamp and seal Record Drawings and Post-Construction Information Documents for OW-2 and OW-4 MCC and provide to County, as relevant; and
- d. Consultant shall prepare all required submittals to OSE and NMED to meet conditions, requirements, and approval of the respective regulatory agencies.

SECTION B. TERM: The term of this Agreement shall commence January 8, 2020, and shall continue through December 31, 2023, unless sooner terminated, as provided herein. At County's sole option the Agreement may be renewed for up to two (2) consecutive one-year periods, unless sooner terminated, as provided therein. Engineering services shall be completed as shown on the Project Schedule of Services (Schedule) shown as "Exhibit B" to this Agreement.

SECTION C. COMPENSATION:

1. **Amount of Compensation.** County shall pay compensation for performance of the Services in an amount not to exceed TWO HUNDRED FIVE THOUSAND EIGHT HUNDRED THIRTEEN AND 54/100 DOLLARS (\$205,813.54) which amount does not include applicable New Mexico gross receipts taxes ("NMGR"). Compensation shall be paid in accordance with the rate schedule set out in Exhibit "A," attached hereto and made a part hereof for all purposes.

- 2. Monthly Invoices.** Consultant shall submit itemized invoices to County's Project Manager showing amount of compensation due, amount of any NMGR, and total amount payable. Payment of undisputed amounts shall be due and payable thirty (30) days after County's receipt of the invoice.

SECTION D. TAXES: Consultant shall be solely responsible for timely and correctly billing, collecting and remitting all NMGR levied on the amounts payable under this Agreement.

SECTION E. STATUS OF CONSULTANT, STAFF, AND PERSONNEL: This Agreement calls for the performance of services by Consultant as an independent contractor. Consultant is not an agent or employee of County and will not be considered an employee of County for any purpose. Consultant, its agents or employees shall make no representation that they are County employees, nor shall they create the appearance of being employees by using a job or position title on a name plate, business cards, or in any other manner, bearing County's name or logo. Neither Consultant nor any employee of Consultant shall be entitled to any benefits or compensation other than the compensation specified herein. Consultant shall have no authority to bind County to any agreement, contract, duty or obligation. Consultant shall make no representations that are intended to, or create the appearance of, binding County to any agreement, contract, duty, or obligation. Consultant shall have full power to continue any outside employment or business, to employ and discharge its employees or associates as it deems appropriate without interference from County; provided, however, that Consultant shall at all times during the term of this Agreement maintain the ability to perform the obligations in a professional, timely and reliable manner.

SECTION F. STANDARD OF PERFORMANCE: Consultant agrees and represents that it has and will maintain the personnel, experience and knowledge necessary to qualify it for the particular duties to be performed under this Agreement. Consultant shall perform the Services described herein in accordance with a standard that meets the industry standard of care for performance of the Services.

SECTION G. DELIVERABLES AND USE OF DOCUMENTS: All deliverables required under this Agreement, including material, products, reports, policies, procedures, software improvements, databases, and any other products and processes, whether in written or electronic form, shall remain the exclusive property of and shall inure to the benefit of County as works for hire; Consultant shall not use, sell, disclose, or obtain any other compensation for such works for hire. In addition, Consultant may not, with regard to all work, work product, deliverables or works for hire required by this Agreement, apply for, in its name or otherwise, any copyright, patent or other property right and acknowledges that any such property right created or developed remains the exclusive right of County. Consultant shall not use deliverables in any manner for any other purpose without the express written consent of County.

SECTION H. EMPLOYEES AND SUB-CONTRACTORS: Consultant shall be solely responsible for payment of wages, salary or benefits to any and all employees or contractors retained by Consultant in the performance of the Services. Consultant agrees to indemnify, defend and hold harmless County for any and all claims that may arise from Consultant's relationship to its employees and sub-contractors.

SECTION I. INSURANCE the term of this Agreement with an insurer acceptable to County. Consultant shall assure that all sub-contractors maintain like insurance. Compliance with the terms and conditions of this Section is a condition precedent to County's obligation to pay compensation for the Services and Consultant shall not provide any Services under this

Agreement unless and until Consultant has met the requirements of this Section. County requires Certificates of Insurance or other evidence acceptable to County that Consultant has met its obligation to obtain and maintain insurance and to assure that sub-contractors maintain like insurance. Should any of the policies described below be cancelled before the expiration date thereof, notice will be delivered in accordance with the policy provisions. General Liability Insurance and Automobile Liability Insurance shall name County as an additional insured.

1. **General Liability Insurance:** ONE MILLION DOLLARS (\$1,000,000.00) per occurrence; TWO MILLION DOLLARS (\$2,000,000.00) annual aggregate.
2. **Workers' Compensation:** In an amount as may be required by law. County may immediately terminate this Agreement if Consultant fails to comply with the Worker's Compensation Act and applicable rules when required to do so.
3. **Automobile Liability Insurance for Consultant and its Employees:** ONE MILLION DOLLARS (\$1,000,000.00) combined single limit per occurrence; TWO MILLION DOLLARS (\$2,000,000.00) annual aggregate on any owned, and/or non-owned motor vehicles used in performing Services under this Agreement.
4. **ERRORS AND OMISSIONS/PROFESSIONAL LIABILITY INSURANCE:** Whichever is applicable to the particular profession or service to be provided, with a limit of not less than ONE MILLION (\$1,000,000.00) each Claim, with a TWO MILLION \$2,000,000 annual aggregate, without any restrictive "negligent act, negligent error, or negligent omission" clause, and sufficient to protect the Consultant, the Board, and the City, for a five (5) year period from completion of this contract, against any and all claims which may arise from the Consultant's negligent performance of work described herein.

SECTION J. RECORDS: Consultant shall maintain, throughout the term of this Agreement and for a period of six (6) years thereafter, records that indicate the date, time, and nature of the services rendered. Consultant shall make available, for inspection by County, all records, books of account, memoranda, and other documents pertaining to County at any reasonable time upon request.

SECTION K. APPLICABLE LAW: Consultant shall abide by all applicable federal, state and local laws, regulations, and policies and shall perform the Services in accordance with all applicable laws, regulations, and policies during the term of this Agreement. In any lawsuit or legal dispute arising from the operation of this Agreement, Consultant agrees that the laws of the State of New Mexico shall govern. Venue shall be in the First Judicial District Court of New Mexico in Los Alamos County, New Mexico.

SECTION L. NON-DISCRIMINATION: During the term of this Agreement, Consultant shall not discriminate against any employee or applicant for an employment position to be used in the performance of the obligations of Consultant under this Agreement, with regard to race, color, religion, sex, age, ethnicity, national origin, sexual orientation or gender identity, disability or veteran status.

SECTION M. INDEMNITY: Consultant shall indemnify, hold harmless and defend County, its Council members, employees, agents and representatives, from and against all liabilities, damages, claims, demands, actions (legal or equitable), and costs and expenses, including without limitation attorneys' fees, of any kind or nature, arising from Consultant's performance hereunder or breach hereof and the performance of Consultant's employees, agents, representatives and sub-contractors.

SECTION N. FORCE MAJEURE: Neither County nor Consultant shall be liable for any delay in the performance of this Agreement, nor for any other breach, nor for any loss or damage arising from uncontrollable forces such as fire, theft, storm, war, or any other force majeure that could not have been reasonably avoided by exercise of due diligence.

SECTION O. NON-ASSIGNMENT: Consultant may not assign this Agreement or any privileges or obligations herein without the prior written consent of County.

SECTION P. LICENSES: Consultant shall maintain all required licenses including, without limitation, all necessary professional and business licenses, throughout the term of this Agreement. Consultant shall require and shall assure that all of Consultant's employees and sub-contractors maintain all required licenses including, without limitation, all necessary professional and business licenses.

SECTION Q. PROHIBITED INTERESTS: Consultant agrees that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its services hereunder. Consultant further agrees that it will not employ any person having such an interest to perform services under this Agreement. No County Council member or other elected official of County, or manager or employee of County shall solicit, demand, accept or agree to accept a gratuity or offer of employment contrary to Section 31-282 of the Los Alamos County Code.

SECTION R. TERMINATION:

1. **Generally.** County may terminate this Agreement with or without cause upon ten (10) days prior written notice to Consultant. Upon such termination, Consultant shall be paid for Services actually completed to the satisfaction of County at the rate set out in Section C. Consultant shall render a final report of the Services performed to the date of termination and shall turn over to County originals of all materials prepared pursuant to this Agreement.
2. **Funding.** This Agreement shall terminate without further action by County on the first day of any County fiscal year for which funds to pay compensation hereunder are not appropriated by County Council. County shall make reasonable efforts to give Consultant at least ninety (90) days advance notice that funds have not been and are not expected to be appropriated for that purpose.

SECTION S. NOTICE: Any notices required under this Agreement shall be made in writing, postage prepaid to the following addresses, and shall be deemed given upon hand delivery, verified delivery by telecopy (followed by copy sent by United States Mail), or three (3) days after deposit in the United States Mail:

County:

Project Manager, Dept. of Public Utilities
Incorporated County of Los Alamos
1000 Central Avenue, Suite 130
Los Alamos, New Mexico 87544

Consultant:

Daniel Aguirre, PE, Senior Vice President
Wilson & Company Inc., Engineers & Architects
4401 Masthead Street, NE, Suite 150
Albuquerque, New Mexico 87109

SECTION T. INVALIDITY OF PRIOR AGREEMENTS: This Agreement supersedes all prior contracts or agreements, either oral or written, that may exist between the parties with reference to the services described herein and expresses the entire agreement and understanding between the parties with reference to said services. It cannot be modified or changed by any oral promise

made by any person, officer, or employee, nor shall any written modification of it be binding on County until approved in writing by both County and Consultant.

SECTION U. CAMPAIGN CONTRIBUTION DISCLOSURE FORM: A Campaign Contribution Disclosure Form was submitted as part of the Consultant's Response and is incorporated herein by reference for all purposes. This Section acknowledges compliance with Chapter 81 of the Laws of 2006 of the State of New Mexico.

IN WITNESS WHEREOF, the parties have executed this Agreement 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: _____
PHILO S. SHELTON, III, P.E. **DATE**
UTILITIES MANAGER

Approved as to form:

J. ALVIN LEAPHART
COUNTY ATTORNEY

**WILSON & COMPANY INC., ENGINEERS &
ARCHITECTS, A KANSAS CORPORATION**

BY: _____
NAME: _____ **DATE**
TITLE: _____

Exhibit "A"
Compensation Rate Schedule
AGR20-23

ATTACHED

EXHIBIT A

	Task 1: General Engineering Services			Task 2: Engineering Services During Design			Task 3: Engineering Services During Construction				Task 4: Engineering Services Following Construction			Total Hours		
	1a: Kickoff	1b: Project Administration	1c: Power Alternative Analysis	2a: 50% Design	2b: 100% Design	2c: Permitting	3a: Bidding	3b: Construction Administration	3c: Construction Observation	3d: Start-up Assistance	4a: SOP Development	4b: Development of Record Drawings	4c: Contract Closeout			
Staff	Classification	Billing Rate	1a hrs	1b hrs	1c hrs	2a hrs	2b hrs	2c hrs	3a hrs	3b hrs	3c hrs	3d hrs	4a hrs	4b hrs	4c hrs	
Project Manager	P6	\$ 177.47	4	38	15	10	10	4	0	2	0	0	0	2	5	90
WWW Sr. Engineer	P5	\$ 132.55	0	20	20	1	1	0	14	44	0	0	10	5	10	125
WWW Jr. Engineer	P3	\$ 93.57	0	0	0	46.5	46.5	0	21	98	0	0	0	0	20	232
WWW CADD	OD4	\$ 102.12	0	0	0	64	64	0	0	0	0	0	0	30	0	158
WWW Operations	SP5	\$ 146.87	0	0	0	0	0	0	0	0	0	20	60	0	0	80
WWW Project Engineer	P4	\$ 106.75	4	16	8	38	38	40	0	0	0	0	0	0	0	144
Sr. Arch	A6	\$ 161.99	4	0	0	8	8	0	1	1	0	0	0	0	0	22
Proj. Arch	A3	\$ 93.57	0	0	0	9	9	0	2	31	0	0	0	0	0	51
Arch CAD	OD5	\$ 103.25	0	0	0	45	45	0	2	4	0	0	0	0	0	96
Electrical Engineer	P5	\$ 177.47	4	0	4	15.5	15.5	0	0	4	0	0	0	0	0	43
Sr. Electrical Designer	PD4	\$ 114.27	0	0	20	28	28	0	4	28	0	0	0	0	0	108
Electrical Designer	PD3	\$ 103.25	0	0	0	45	45	0	4	0	0	0	0	0	0	94
Mechanical Engineer	P5	\$ 177.47	0	0	4	7.5	7.5	0	1	1	0	0	0	0	0	21
Sr. Mechanical Designer	PD4	\$ 103.25	0	0	20	10	10	0	4	18	0	0	0	0	0	62
Mechanical Designer	PD3	\$ 103.25	0	0	0	10	10	0	0	2	0	0	0	0	0	22
Const. Observer	FC4	\$ 93.01	0	0	0	0	0	0	0	9	240	0	0	0	0	249
Structural Engineer	P5	\$ 183.92	0	0	0	16	16	0	2	6	0	0	0	0	0	40
Structural CAD	OD4	\$ 53.24	0	0	0	12	12	0	0	0	0	0	0	0	0	24
Total Hours by Task:			16	74	91	365.5	365.5	44	55	248	240	20	70	37	35	1661
Expenses:			\$ 108.31	\$ 3,000.00	\$ -	\$ 108.31	\$ 108.31	\$ -	\$ 216.62	\$ 15,299.72	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,841.26
Task Sub-Total (excl. NMGR):			\$ 2,603.01	\$ 14,102.79	\$ 9,286.09	\$ 41,316.82	\$ 41,316.82	\$ 4,979.93	\$ 6,421.22	\$ 42,224.34	\$ 22,322.22	\$ 2,937.32	\$ 10,137.50	\$ 4,081.32	\$ 4,084.17	\$ 205,813.54

Exhibit "B"
Project Schedule of Services
AGR20-23

ATTACHED

ID	Task Mode	WBS	Task Name	Duration	Start	Finish	11/23/19	12/23/19	3	1/22/20	2/21/20	3/22/20	4/21/20	5/21/20	6/20/20	7/20/20	8/19/20	9/18/20	10/18/20	11/17/20	12/17/20	1/16/21	2/15/21	3/17/21	4/16/21	5/16/21	6/15/21	7/15/21	8/14/21	9/13/21	
1			NTP	0 days	Tue 1/7/20	Tue 1/7/20																									
2		1	Kickoff Meeting	0 days	Tue 1/7/20	Tue 1/7/20																									
3		2	General Services	30 days	Tue 1/7/20	Mon 2/17/20																									
4		3	Pump Selection and Sizing	2 wks	Tue 1/7/20	Mon 1/20/20																									
5		3.1	Pump Power Evaluation	3 wks	Tue 1/7/20	Mon 1/27/20																									
6		3.2	Summary Report	3 wks	Tue 1/28/20	Mon 2/17/20																									
7		3.3	Engineering Services During Design	110 days	Tue 1/21/20	Mon 6/22/20																									
8		4	Preliminary Design	50 days	Tue 1/21/20	Mon 3/30/20																									
9		4.1	Building Design	6 wks	Tue 1/21/20	Mon 3/2/20																									
10		4.1.1	Pump & Piping Design	6 wks	Tue 1/21/20	Mon 3/2/20																									
11		4.1.2	OW2 Electrical Design	2 wks	Tue 3/3/20	Mon 3/16/20																									
12		4.1.3	OW4 Electrical Design	2 wks	Tue 3/3/20	Mon 3/16/20																									
13		4.1.4	Site Drainage Design	1 wk	Tue 3/3/20	Mon 3/9/20																									
14		4.1.5	Submit 50% Plans	0 days	Mon 3/16/20	Mon 3/16/20																									
15		4.1.6	50% County Review Period	2 wks	Tue 3/17/20	Mon 3/30/20																									
16		4.1.7	Final Design	60 days	Tue 3/31/20	Mon 6/22/20																									
17		4.2	Building Design	5 wks	Tue 3/31/20	Mon 5/4/20																									
18		4.2.1	Pump & Piping Design	3 wks	Tue 5/5/20	Mon 5/25/20																									
19		4.2.2	OW2 Electrical Design	2 wks	Tue 5/26/20	Mon 6/8/20																									
20		4.2.3	OW4 Electrical Design	1 wk	Tue 6/2/20	Mon 6/8/20																									
21		4.2.4	Site Drainage Design	10 days	Tue 5/5/20	Mon 5/18/20																									
22		4.2.5	Submit 100% Plans	0 days	Mon 6/8/20	Mon 6/8/20																									
23		4.2.6	100% County Review Period	2 wks	Tue 6/9/20	Mon 6/22/20																									
24		4.2.7	Plan Approval by County	0 days	Mon 6/22/20	Mon 6/22/20																									
25		5	Permitting	155 days	Mon 3/16/20	Mon 10/19/20																									
26		5.1	PRID Assistance	30 days	Tue 6/23/20	Mon 8/3/20																									
27		5.2	NMED DWQB	90 days	Tue 6/16/20	Mon 10/19/20																									
28		5.2.1	Preparation of Application	1 wk	Tue 6/16/20	Mon 6/22/20																									
29		5.2.2	Submission of Design	0 days	Mon 6/22/20	Mon 6/22/20																									
30		5.2.3	NMED Review Period	30 days	Tue 6/23/20	Mon 8/3/20																									
31		5.2.4	Receive Initial Comments	0 days	Mon 8/3/20	Mon 8/3/20																									
32		5.2.5	Address NMED Comments	2 wks	Tue 8/4/20	Mon 8/17/20																									
33		5.2.6	Submission of Revised Design & Response Letter	0 days	Mon 8/17/20	Mon 8/17/20																									
34		5.2.7	NMED Review Period	45 days	Tue 8/18/20	Mon 10/19/20																									
35		5.2.8	NMED Approval	0 days	Mon 10/19/20	Mon 10/19/20																									
36		5.3	NMED SWQB	90 days	Mon 3/16/20	Mon 7/20/20																									
37		5.3.1	Coordination Conference Call	1 hr	Tue 5/12/20	Tue 5/12/20																									
38		5.3.2	Submission of Preliminary Plans	0 days	Mon 3/16/20	Mon 3/16/20																									
39		5.3.3	Address NMED Comments	1 wk	Tue 3/17/20	Mon 3/23/20																									
40		5.3.4	Submission of Final Plans	0 days	Mon 6/22/20	Mon 6/22/20																									
41		5.3.5	NMED Approval	4 wks	Tue 6/23/20	Mon 7/20/20																									
42		6	Bidding	25 days	Tue 10/20/20	Mon 11/23/20																									



County of Los Alamos

Staff Report

December 18, 2019

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.: 7.A

Index (Council Goals): DPU FY2020 - 1.0 Provide Safe and Reliable Utility Services; DPU FY2020 - 6.0 Develop and Strengthen Partnerships with Stakeholders

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

Legislative File: OR0867-19

Title

Recommendation to Council for Approval and Adoption Of Incorporated County Of Los Alamos Code Ordinance No 02-302, An Ordinance Amending Chapter 40, Article II, Division 2, Sections 40-63, 40-65, And 40-67 of the Code of the Incorporated County of Los Alamos To Clarify The Transfer Of Operating Profits From The County Department Of Public Utilities To The General Fund And To Clarify The Appropriate Procurement Code For The Department; Approval Of Incorporated County Of Los Alamos Resolution No 19-29, A Resolution To Update A Payment In Lieu Of A Franchise Fee For The Incorporated County Of Los Alamos, Department Of Public Utilities Pursuant To Charter Section 506; and Approval Of Incorporated County Of Los Alamos Resolution No.19-30, A Resolution Repealing Incorporated County Of Los Alamos Council Resolution 97-07, A Resolution Establishing A Methodology For Computing Electric And Gas Operating Profits For Transfer To The County General Fund.

Recommended Action

I move that the Board of Public Utilities recommend to Council approval and adoption of Incorporated County of Los Alamos Code Ordinance 02-302, Incorporated County of Los Alamos Resolution 19-29, and Incorporated County of Los Alamos Resolution 19-30, as presented.

Staff Recommendation

Staff recommends approval of the motion as presented

Body

At the March 19, 2019 County Council meeting the "Transfer of Revenues from Electric and Gas Funds to the General Fund" was discussed/voted on. Because this annual process is driven by County Charter, Ordinance and Resolution, this item was passed for 2019, however, Council agreed to consider options/alternatives for future years.

As a result, options for changing the approach were considered using the following goals to guide the development of proposed options:

- o Assure consistency with word and Intent of Charter (get

"back to basics"), this includes:

- § Being sure that LAC Charter, Sections, 504,506, and 509 are being met.
- § Specifically, assure that items 1-5 of Section 509 are being met and that both near-term and long-term utility infrastructure requirements and expenses are being planned and budgeted for.
 - o In the past, mechanisms and timing for gas and electric purchase did result in potential yearly profits (or losses) but these mechanisms have been replaced with more real-time purchasing approaches.
- § Specifically, for Section 509 item 4, appropriately set franchise fees that would normally be assessed against privately owned gas and electric utilities.
 - o These are currently set at 2% and changes to this have not been considered in over 25 years.
 - o Franchisee fees are now set at 2-4% for comparable providers/organizations (Albuquerque-Bernalillo County Water Utility Authority 4%, PNM 3%).
- o Improve transparency (to the DPU, BPU, County Council, and the public) regarding how the County informs, understands, and presents data regarding options and decisions regarding rates, reserves, infrastructure maintenance and replacement, and capital investment.
- o Facilitate performing "what if" option analysis for DPU for rates, reserves, infrastructure maintenance and replacement, and capital investment to clearly elucidate trade-offs for different approaches.

As a result, four documents are recommended for approval.

- o An Ordinance Amending Chapter 40, Article II, Division 2, Sections, 40-63,40-65 and 40-67 to Clarify the Transfer of Operating Profits from the Department of Public Utilities to the General Fund and to Clarify the Appropriate Procurement Code for the Department which
 - § More clearly states financial review process to reflect how it is actually being performed and alignment with the other changes to the ordinance. (reword Section 40-63 (b))
 - § Removes the requirement for the annual 5% profit transfer. (Delete Section 40-63 (c)(11))
 - § Changes the definition of the Schedule of Funds to include data regarding reserve balances. (Update Section 40-65)
 - § Clarifies that expenditures and obligations must be created in accordance with the County's procurement code.

(Section 40-67)

- o A Resolution Repealing Incorporated County of Los Alamos Council Resolution 97-07, A Resolution Establishing a Methodology for Computing Electric and Gas Operating Profits for Transfer to the County General Fund
 - § This resolution repeals the 1997 methodology for managing a 5% transfer to the County's General Fund.
- o A Resolution to Update the Franchise Fee for the Incorporated County of Los Alamos, Department of Public Utilities Pursuant to Charter Section 506
 - § This resolution updates the franchise fee from 2% to 3% based on current comparison with other communities in New Mexico.
- o An updated version of LAC County Council 's Financial Policies. Key changes include:
 - § Deletion of the paragraph concerning "Utility Profit Transfers to the General Fund."
 - § Addition of a section entitled "Utilities Budget" which documents that a Schedule of Funds (as required in LAC Charter, Sections 506, and 509 and County Code Chapter 40) is prepared as part of the budget development and approval process and includes 10-year projections of rates, revenues, funding reserves, and the capital project program plan.
 - § Clarification that Council will review and approve the DPU utility reserve policy in accordance with the County Code Section 40-45.

Alternatives

The BPU could elect to wait to endorse these items pending further discussion, however because of the budget preparation, review, and approval process and schedule, such action would result in having to prepare two drafts of the FY21 Budget, one including the profit transfer and lower franchise fee, and another with no profit transfer and the revised franchise fee, for review and consideration. The BPU/Council sub committee and CMO and DPU staff have reviewed the proposed revisions and collectively endorsed moving forward as proposed, albeit with recognition that such further discussion may be desired by the full Governing Bodies.

Fiscal and Staff Impact

In FY18 DPU paid \$321,153 in Franchise fees to the General Fund. With the proposed revision this would increase to \$481,729. In FY18 DPU paid \$781,421 in "Profit Transfer" to the General Fund. With the proposed revisions this transfer would be eliminated. The net result is \$620,845 lower costs to the Utilities Systems and lower interfund revenues for the County General Fund. That savings in the Utilities funds provides the opportunity for increased investment in infrastructure. There is no specific staff impact.

Attachments

-
- A - Incorporated County of Los Alamos Draft Code Ordinance No 02-302
 - B - Incorporated County of Los Alamos Draft Resolution No 19-29
 - C - Incorporated County of Los Alamos Draft Resolution No 19-30
 - D - Draft Updates to LAC County Council Financial Policies
 - E - Draft Format of Schedule of Funds and Budget Projections

INCORPORATED COUNTY OF LOS ALAMOS CODE ORDINANCE NO. 02-302

AN ORDINANCE AMENDING CHAPTER 40, ARTICLE II, DIVISION 2, SECTIONS , 40-63, 40-65, and 40-67 TO CLARIFY THE TRANSFER OF OPERATING PROFITS FROM THE COUNTY DEPARTMENT OF PUBLIC UTILITIES TO THE GENERAL FUND AND TO CLARIFY THE APPROPRIATE PROCUREMENT CODE FOR THE DEPARTMENT

WHEREAS, Incorporated County of Los Alamos (“County”) is an incorporated county under the law of the State of New Mexico; and

WHEREAS, the pursuant to the New Mexico Constitution, the County is a Home-Rule jurisdiction and has adopted a governing charter; and

WHEREAS, County Charter Section 506 requires that the County and its Department of Public Utilities (“DPU”) through its Board of Public Utilities (“BPU”) include in its annual budget requirements an amount for payment of in lieu of franchise fees and the taxes that would be normally assessed against privately owned gas and electric utilities; and

WHEREAS, the Council has established in the County Code of Ordinances (“Code”), in Chapter 40, Article II, Division 2 codes reflecting these Charter requirements; and

WHEREAS, one of the Charter requirements in Section 509, was to transfer any remaining operating profits to the County’s General Fund; and

WHEREAS, the County, DPU, and the BPU, in 1997, set out in Resolution No. 97-07 a method for determining operating profits which are transferred to the County’s General Fund; and

WHEREAS, the Council, DPU, and BPU now believe that such a requirement is not necessary and that the County, DPU, and BPU should instead focus on setting rates to be compensatory to the Charter Priority of Budgeted Expenditures pursuant to Sections 504, 506, and 509; and

WHEREAS, certain amendments to Chapter 40, Article II, Division 2 are required to restate the proper allocation of funds and expenses; and

WHEREAS, Section 40-67 must be changed to reflect the correct procurement code applicable to the County’s Department of Public Utilities.

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE INCORPORATED COUNTY OF LOS ALAMOS that:

Section 1. Section 40-63 of the Los Alamos County Code of Ordinances is amended to read as follows:

Sec. 40-63. - Budget.

(a) *Generally.* The board shall submit a proposed budget to the council for adoption in accordance with article V, sections 506 and 509 of the Charter. The annual budget shall be a complete financial plan for the ensuing fiscal year, consisting of an operating and a capital budget conforming to article V, section 509 of the Charter, and the items listed in subsection (c) of this section. Should the council fail to adopt the department's proposed budget on or before the start of the ensuing fiscal year, the latest approved budget of the department shall be the budget of the department until the council adopts a new budget for the ensuing fiscal year. Budget changes shall be recommended by the board to the council for consideration for approval.

(b) *Financial review.* After publication of audited financial statements, the board shall review the results from the previous fiscal year and the related updated 10-year projections of rates and revenues, funding of reserves (the Schedule of Funds) and Capital Project Program Plan as submitted to it by the director. Based upon this review, the Board shall determine and recommend to the council for their consideration and approval, as part of the annual budget submission, the following possible changes to the 10-year projections:

(1) rate adjustments;

(2) adjustments to Schedule of Funds;

(3) adjustments to the Capital Program;

(4) Designation of specific remaining amounts as transfers to the General Fund.

~~Prior to the end of the fiscal year, the board shall review the actual revenues and expenditures as submitted to it by the director and determine and recommend to the council the amounts to be classified as operating profit pursuant to article V, section 509 of the Charter. The amount recommended by the board to be classified as operating profits and any interest thereon shall be transferred, unencumbered at the end of the fiscal year, to the general fund. For revenue in excess of that budgeted as operating profits, the board may recommend such excess revenue for utility use. Excess revenue shall be deposited, with interest, in a separate account. No expenditures or transfers shall be made from this account until the recommendations of the board are acted upon by the council at a regular meeting. Final determination of the excess revenue shall be based upon the reconciliation of the department accounts according to the annual audit conducted by the independent certified public accountant. Any adjustment of the operating profit shall carry with it accrued interest thereon and must be acted upon by the council within 30 days of the audit completion and after consideration of the audit and board recommendations.~~

(c) *Budget items.* The budget shall include, but not be limited to:

- (1) A projection of revenues from commodity sales of each utility system by customer type, interest income, service fees and other sources;
- (2) Reserve accounts required by the Charter, bond ordinances and bond indentures;

- (3) A projection of normal expense for each utility system;
 - (4) A projection of funds required for each replacement and addition and improvement project and a statement of objectives and schedule for their completion;
 - (5) A projection of funds needed for contingencies;
 - (6) A schedule of funds in accordance with section 40-65;
 - (7) A capital-asset budget indicating new equipment associated with department projects;
 - (8) A projection of bond payments, redemptions and other transactions under the bond ordinance or indentures;
 - (9) A staffing schedule of the department showing the number of persons assigned to department projects and programs and changes therein for the fiscal year;
 - (10) A ~~ten-five~~ year plan update showing the status of the replacement and addition and improvement projects of the department;
 - (11) ~~An amount for planning purposes for each fiscal year of at least five percent of the electric and gas utilities gross retail revenue and exclusive of that from the county and schools for commodities for their sole use, and an additional amount representing a percentage of the revenue from the Department of Energy, generated as a result of the Department of Energy/County Joint Power Pool Coordination Agreement, for transfer to the general fund as operating profits;~~
 - (12) The disposition of net county revenues, if any, generated as a result of economy energy sales, bulk power sales, or brokered power sales shall be governed by subsection (b) of this section.
- (d) *Capital project program plan.* In addition to items listed in subsection (c) of this section, the utilities board shall submit a capital project program plan which includes the following information concerning any planned capital project: program justification, funding sources, a proposed schedule and completion date, breakdown of elements into projected contracts with estimated costs; and other necessary financial information.
 - (e) *Plan approval.* A capital project program plan approved by the council shall require no further council action aside from the normal consent calendar process except any contract costs or commitments which exceed, or are anticipated to exceed, the total original budget estimates.
 - (f) *Written notice.* The utilities board shall provide notice, in writing, for its approval of any deviation from the capital project program plan to the council.

Section 2. Section 40-65 of the Los Alamos County Code of Ordinances is amended to read as follows:

Sec. 40-65. - Schedule of funds.

The schedule of funds, and any amendment of the schedule, as proposed by the board, shall be referred to the council for consideration for adoption. The schedule of funds shall prescribe the necessary yearly funding of reserves for replacements, additions and improvements, and other reserves authorized by Charter, bond ordinances and bond indentures or other governing instrument and shall be consistent with the needs of the utilities systems. The replacement reserve shall cover (among other things) ~~tools,~~ machinery and

equipment, ~~vehicles~~ and system replacements. The schedule of funds shall reflect separate reserve allocations for separate utility systems.

Section 3. Section 40-67 of the Los Alamos County Code of Ordinances is amended to read as follows:

Sec. 40-67. - Expenditures and creation of obligations.

No money shall be disbursed, nor shall any obligation for expenditure of money be incurred, except as provided in the adopted budget. Obligations created against revenues of the department and payment of obligations therefrom shall not be valid unless created in accordance with the ~~state~~ County's procurement code.

Section 4. Effective Date. This Ordinance shall become effective thirty (30) days after notice is published following its adoption.

Section 5. 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 6. 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 ____ day of _____, 2020.

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

Council Chair

ATTEST: (SEAL)

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

INCORPORATED COUNTY OF LOS ALAMOS RESOLUTION NO. 19-29

**A RESOLUTION TO UPDATE A PAYMENT IN LIEU OF A FRANCHISE FEE
FOR THE INCORPORATED COUNTY OF LOS ALAMOS, DEPARTMENT OF
PUBLIC UTILITIES PURSUANT TO CHARTER SECTION 506**

WHEREAS, Incorporated County of Los Alamos (“County”) is an incorporated county under the law of the State of New Mexico; and

WHEREAS, the pursuant to the New Mexico Constitution, the County is a Home-Rule jurisdiction and has adopted a governing charter; and

WHEREAS, County Charter Section 506 requires that the County and its Department of Public Utilities (“DPU”) through its Board of Public Utilities (“BPU”) include in its annual budget requirements an amount for payment of in lieu of franchise fees that would be normally assessed against privately owned gas and electric utilities; and

WHEREAS, the County currently assess a two percent (2.0%) in lieu franchise fee on the gross revenues of the gas and electric distribution systems of DPU; and

WHEREAS, to ensure that the County is properly managing the public right-of-way in an equitable and fair manner to others using the right-of-way; the County has conducted a review of other local public body franchise fees for similar services and uses; and

WHEREAS, after review and comparison, the Council believes it necessary to increase the current in-lieu franchise fee of 2.0% to ~~X.X%~~ 3% on the gross revenue sales of the natural gas and electric distribution systems; and

WHEREAS, such an increase is necessary to ensure compliance with the Charter requirement that the Department of Public Utilities pay into the general fund an amount equal to franchise fees that would normally be assessed against gas and electric utilities occupying the right of way.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE INCORPORATED COUNTY OF LOS ALAMOS, that the in-lieu franchise fee, as required by the County Charter Section 506, which shall be included in the County’s DPU budget, shall be ~~X.X%~~ 3% on the gross revenue sales of the natural gas and electric distribution systems of the DPU.

PASSED AND ADOPTED this _____ day of _____, 2020.

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

Council Chair

ATTEST:

Naomi D. Maestas
Los Alamos County Clerk

INCORPORATED COUNTY OF LOS ALAMOS RESOLUTION NO. 19-30

**A RESOLUTION REPEALING INCORPORATED COUNTY OF LOS ALAMOS
COUNCIL RESOLUTION 97-07, A RESOLUTION ESTABLISHING A
METHODOLOGY FOR COMPUTING ELECTRIC AND GAS OPERATING
PROFITS FOR TRANSFER TO THE COUNTY GENERAL FUND**

WHEREAS, Incorporated County of Los Alamos (“County”) is an incorporated county under the law of the State of New Mexico; and

WHEREAS, the pursuant to the New Mexico Constitution, the County is a Home-Rule jurisdiction and has adopted a governing charter; and

WHEREAS, County Charter Section 509 sets out the order to which the County’s Department of Public Utilities (“DPU”) and the County’s Board of Public Utilities (“BPU”) is to establish its budget to meet certain departmental expenditures; and

WHEREAS, Section 506 of the Charter, requires, among other things, that DPU and BPU provide in its budget a Schedule of Funds which prescribes the necessary annual rates to meet various reserves, including replacement and extension reserves; and

WHEREAS, the Council has established in the County Code of Ordinances (“Code”), in Chapter 40, Article II, Division 2 codes reflecting these Charter requirements; and

WHEREAS, one of the Charter requirements in Section 509, was to transfer any remaining operating profits to the County’s General Fund; and

WHEREAS, the County, DPU, and the BPU, in 1997, set out in Resolution No. 97-07 a method for determining operating profits which are transferred to the County’s General Fund; and

WHEREAS, the Council, DPU, and BPU now believe that such a requirement is not necessary and that the County, DPU, and BPU should instead focus on setting rates to be compensatory to the Charter Priority of Budgeted Expenditures pursuant to Sections 504, 506, and 509.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE INCORPORATED COUNTY OF LOS ALAMOS, that Resolution No. 97-07 of the County Council is hereby repealed in its entirety.

PASSED AND ADOPTED this _____ day of _____, 2020.

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

Council Chair

ATTEST:

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

FINANCIAL POLICIES

I. PURPOSE

The purpose of these financial policies is to give overall direction to Council, management, and employees for the long-term financial operation of the Incorporated County of Los Alamos. This direction is not only intended to be the basic framework for strategic long-term financial planning for the delivery of services to all the citizens and visitors of the County, but is also intended to provide specific policy guidance for the development of the annual budget. These policies may also be used by those who are familiar with County operations to communicate to others how certain community goals are being addressed.

II. GENERAL POLICY STATEMENT

The Incorporated County of Los Alamos shall strive to maintain a sound financial condition by taking a fiscally conservative and disciplined approach to revenue forecasting, budgeting, capital improvement programming, investing of public funds, and managing its expenditures and debt. This goal will be accomplished by making financial decisions based on the community's ability to pay; maintaining reserves for emergencies and future expenditure demands; and providing future generations with the ability to borrow capital without severe financial burden or undue constraint.

III. OPERATING POSITION

A. General Fund Unassigned Fund Balance

The General Fund Unassigned Fund Balance shall be the source used by Council and management to deal with unforeseen contingencies or to fund necessary and worthwhile projects and programs which may arise during the course of the fiscal year but have no specific long-term funding source. Examples include (but are not limited to) the matching of grants, funding of loans to other funds, and providing capital for transfers to other funds. This can also be a source of funds that helps to mitigate the magnitude of adverse budget changes if larger and longer-term negative revenue trends occur. The method to be used for utilization of this account is by formal budget revision approved by the Council.

The target amount to be maintained in the General Fund Unassigned Fund Balance is twenty percent (20%) of General Fund actual revenues. The amount should be adjusted during the course of budget development and re-adjusted based upon audited figures.

The following process must be followed whenever the General Fund Unassigned Fund Balance falls below 15% of actual revenues:

Within 90 calendar days of the acceptance of a Comprehensive Annual Financial Report that indicates that the balance is below the 15% level, the Council must approve a documented plan to rebuild the balance to at least 15% of actual revenues within a period of three fiscal years. The plan may include enhanced or new revenues, reduced expenditures, or a combination utilizing both additional revenue and reduced expenditures. The documented plan must be considered by Council during each annual budget development cycle until the balance is restored to the 15% level.

FINANCIAL POLICIES

B. Nonspendable Fund Balance

Nonspendable fund balances are recorded in governmental funds, where the resources cannot be spent to satisfy current obligations. This includes resources that are not in a spendable form (inventories, prepaid amounts, long-term loans/receivables, or assets held for resale) and resources that are legally or contractually required to remain intact, such as the principal balance in the Capital Projects Permanent Fund.

C. Restricted Fund Balances

Restricted fund balances are recorded in governmental funds, where there are constraints placed upon the use of the resources either by an external party (grants, donations for a specified purpose, bond agreements, etc.) or imposed by law (federal, state, or local). The most significant restricted balances are described below.

1. Restricted for Cash Requirements. The purpose of this balance Restricted for Cash Requirements is to provide a margin to help maintain services during periods of economic decline; meet emergency conditions which may threaten the life, health, or safety of our citizens; meet major unanticipated cash flow shortfalls; and maintain the County's credit rating. The account is established to satisfy the requirements of the State Department of Finance and Administration (DFA) to maintain a cash balance of at least one twelfth of annual General Fund revised budgeted expenditures. The amount to be maintained in the balance Restricted for Cash Requirements is one twelfth (8.3%) of General Fund revised budgeted expenditures. The amount should be adjusted during the course of budget development and re-adjusted based upon audited figures.
2. Restricted for Income Stabilization (in the Capital Projects Permanent Fund). In accordance with County Code section 20-361, the resources in the Permanent Fund in excess of principal are restricted and should be accumulated for eventual transfer to the Capital Improvement Projects Fund or addition to principal.

D. Economic Development (formerly the Self Sufficiency Fund) Fund Balance Assigned for Economic Development

The purpose of this fund was initially to account for the receipt, management, investment, and expenditure of the \$22.6 million lump-sum buyout payment from DOE that was the negotiated payment the County received under the Atomic Energy Community Act. It was established as a special revenue fund in recognition of the unique circumstances under which the County received the funds and because the use of the funds is intended to be limited.

This fund is not intended to be a permanent fund.

The establishment of this separate fund recognizes:

FINANCIAL POLICIES

1. The dependence the County has upon actions related to our single largest employer (DOE/LANL) and the impact of decisions made by other entities that may have far reaching and significant effects upon County resources and service levels; and
2. The need to invest and expend the balance in this fund in order to create economic development and diversify the economy, and to decrease the County's dependence upon DOE/LANL.

By County Council direction, the balance in the Economic Development Fund, including interest earnings, should be used for providing initial capital for economic development projects, economic development loans, housing rehabilitation loans, land development, or similar activities which are designed to achieve Council's economic development strategic goals.

E. Debt Service Fund Balance Assigned for Debt Service

The County's Gross Receipts Tax (GRT) taxpayer base is significantly concentrated in a single taxpaying entity. This represents an additional unique risk for the County whenever GRT revenue bonds are outstanding. To help mitigate this additional risk, the County may, at the direction of the County Council, accumulate a fund balance Assigned for Debt Service over and above any legally required debt service reserve amount. Additionally, this balance may accumulate residual interest over and above those funds that are restricted by debt agreements.

F. Fund Balances Assigned for Continuing Appropriations

The fund balances Assigned for Continuing Appropriations segregates a portion of fund balance which reflects part of the unexpended appropriations at June 30th that are re-appropriated and carried forward to the subsequent fiscal year. County Council approval is required through the established formal budget revision process.

G. Fund Balance Assigned for Capital Projects

The fund balance Assigned for Capital Projects segregates a portion of the fund balance in the Capital Improvement Projects Fund to reflect Council's intent that these funds be spent for approved capital projects.

H. Fund Balance Assigned for Emergency Response and Recovery

The fund balance Assigned for Emergency Response and Recovery is reflected in the Emergency Declarations Fund to reflect Council's intent that these funds be spent for recovery efforts in response to federally declared emergencies.

I. Fund Balance or Working Capital of Other Funds

Financial planning for other County operating funds should provide a positive fund balance, the appropriate level of which would be dictated by legal requirements and characteristics of

FINANCIAL POLICIES

the individual fund and the specific purpose(s) of the fund. These would include, as appropriate:

1. Legal or regulatory requirements affecting revenues and expenditures, e.g., Charter requirements to maintain the real value of the Capital Projects Permanent Fund.
2. Cash flow requirements to support operating expenses.
3. Relative rate stability from year to year for enterprise and internal service funds.
4. Susceptibility to emergency or unanticipated expenditures.
5. Long-term maintenance and replacement plans for infrastructure and equipment.
6. Ability to support debt service requirements.

The financial planning for other County operating funds should avoid large rate increases from one year to the next.

If the “unassigned fund balance” or “working capital balance” becomes excessive within any fund, action shall be taken in the subsequent budget cycles to reduce the balance. Reductions may be accomplished by the deferral of rate increases, rebates to customers, or utilization of funds for one-time expenditures that do not unduly increase ongoing operating expenses.

IV. INTERFUND ACTIVITIES

A. General Fund Transfers to Other Funds

Annual transfers of General Fund revenues to other funds should be construed as payments intended only for the support of specific programs. If revenues generated within those funds exceed the budgeted estimates, the amount of the budgeted transfer from the General Fund will be reduced accordingly.

~~B. Utility Profit Transfers to the General Fund~~

~~The General Fund shall include a “utility profit transfer” as a source of its annual revenues. The amount of the profit transfer shall be based upon independently audited figures and calculated in accordance with the County Code to ensure that budgeted transfers from the Utility Funds to the General Fund will occur without impact to operations.~~

C.B. Interfund Loans

Interfund loans are made under the following conditions:

The loan is approved by the County Council.

The County Council shall review and approve the proposed lending terms including interest rate, period of repayment, and other terms.

FINANCIAL POLICIES

D.C. Interdepartmental Charges

Los Alamos County will use Interdepartmental Charges (IDCs) in order to fully account for all costs of providing services including administrative and indirect support. IDCs will be utilized, particularly for enterprise and internal service fund activities, to account for and recover only those costs where it is determined to be reasonable and cost effective to do so. IDCs will be allocated in an equitable and reasonable manner among benefited departments.

E.D. Pooling of Cash and Investments

Funds which participate in the pooled cash and investments portfolio are allocated investment earnings on a pro-rata basis, for eligible funds. Funds with positive cash balances are credited their pro-rata share of investment earnings, while funds with negative balances are charged interest expense.

F.E. Recording of Interfund Transactions

Whenever interfund transactions occur the County shall record the complete transaction within the financial records. The financial records include the budget, the comprehensive annual financial report, and applicable interim reports.

V. OPERATING BUDGET

A. Pay-As-You-Go Operating Budget

The County shall conduct its operations on a pay-as-you-go basis from available current revenues. To the fullest extent possible, the County shall fund from general revenues those activities that generally benefit a significantly large number of County citizens. Activities that benefit a small portion of the community should be funded directly by those benefited through user fees in accordance with the adopted "User Fee Policy" rather than through general County resources.

To carry out these policy objectives, the County will adhere to the following practices:

1. The County will fund annual operating expenses from current revenues and available fund balances consistent with these financial policies.
2. The County will only fund a new recurring activity if there is an assured funding source for continuing the activity.
3. To initiate new General Fund supported activities, trade-offs of existing activities must first be considered by the County, unless there is a new revenue source available to fund such activities.
4. The County will review existing activities annually to determine the need to continue or modify them.

FINANCIAL POLICIES

The County shall observe the following practices regarding the management of its resources:

1. The County will encourage economic development activities to broaden its tax base.
2. The County will minimize its General Fund contributions to fund special activities that can be supported by dedicated tax revenues or user fees.
3. The County will annually plan and budget for a reasonable level of maintenance to existing major infrastructure including streets and facilities in order to minimize lifecycle costs.
4. Services for the public or others that can be accomplished effectively by outside agencies for less cost will be performed by an outside agency instead of the County.
5. The County's compensation program will be competitive to attract and retain motivated and high-performing staff members.
6. The County will coordinate the operating and capital budgets so that future capital needs will be integrated with projected operating requirements.
7. The County will seek regional cooperation and funding for any program that has regional benefits.
8. The County will only participate in intergovernmental programs that are consistent with the long-term vision and goals of the County.

While observing these practices, the County will strive to prepare a "balanced budget" that adheres to the following definition:

An individual fund's adopted budget is considered balanced if the current year estimated revenues, plus transfers in from other funds, plus appropriations of fund balance is at least as much as the current year estimated expenditures, plus transfers out to other funds. This condition must be true for the single annual budget and in total for the projected following three years.

The entire County budget is considered balanced when each individual fund budget is balanced. When looking to see if a fund has a balanced budget, the use of (or appropriation of) fund balance is considered a satisfactory source for balancing the budget if the fund balance is already restricted, committed, or assigned for such use. For example, using the assigned fund balance in the Capital Improvement Projects Fund as a source for capital projects, even with no other current revenues or operating transfers in, is a legitimate use and would balance the budget. On the other hand, using the unassigned fund balance in the General Fund as a source for regular ongoing operations for multiple years would not be a preferred use and if it was necessary, the budget would not be considered balanced.

FINANCIAL POLICIES

B. Revenues

The County shall observe the following practices to manage its revenues effectively:

1. Encourage economic development activities to broaden the County's tax revenue base.
2. Pursue state-wide tax structure revisions to obtain the greatest tax source flexibility for the County.
3. Aggressively collect revenues and coordinate revenue reporting with appropriate parties.
4. To the fullest extent possible and when appropriate, establish user fees and charges at levels which recover the full costs of providing the services.
5. Review fees and charges annually, and develop a system for periodically changing rates to keep pace with changes in the costs of providing services.
6. Charge fees for all services that benefit limited interests within the community with the exception of human services needs for persons with limited ability to pay.
7. Whenever possible and practical, use multi-year forecasting techniques and tools in order to detect in advance significant changes in revenue.
8. Use one-time revenues for one-time expenditures whenever appropriate.
9. Provide management with regular reports comparing actual revenue to budget estimates.

C. Expenditures

The County shall observe the following practices to manage its expenditures effectively:

1. Ensure that the expenditure growth rate will not exceed the revenue growth rate.
2. Where possible, use performance measures and productivity indicators and integrate them into the annual budget.
3. Analyze all costs of a service and make cost projections for at least three years before increasing a level of service or adding new services.
4. Take advantage of changing technology, improved systems, and management techniques whenever available in order to reduce long-term costs and improve productivity.
5. Eliminate any program or service which is no longer necessary.

FINANCIAL POLICIES

6. Before undertaking any agreements that would create fixed costs, determine fully and project for at least three years the cost implications (both operating and capital) of such agreements.
7. Whenever possible and practical, use multi-year forecasting techniques and tools in order to detect in advance significant changes in expenditures.
8. Prior to any change in the salary and benefit level, prepare a complete cost analysis and multi-year year projection of salaries and benefits.
9. Provide management with regular reports comparing actual expenditures to budgeted appropriations.
10. Transfers into or out of budget line items for salaries or employee benefits may be made only after the County Manager has approved the transfer.

D. Grants

The Council shall review and approve non-recurring grants during the fiscal year. The annual budget will recognize non-recurring grant revenues and expenditures only after Council acceptance of such grants.

Prior to accepting any grant, the County shall analyze the cost-effectiveness of the grant. The analysis should include the consistency of the grant with the County vision and long-term goals, the full costs associated with administering the grant including indirect support for grant management, accounting and auditing, the feasibility of continuing the program with County resources after the conclusion of grant funding, and that the program offered by the grant will benefit a significant number of County citizens.

VI. INVESTMENTS

County funds will be invested in accordance with State law, the Charter, the County Code and the adopted Investment Policy.

The County will apply the prudent investor rule to all its investments. This standard states that investments are made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence would exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of the capital as well as the probable income to be derived.

All idle cash shall be continuously invested at the highest available rate, but only in instruments allowed under the investment policy. Disbursement, collection, and deposit of all funds will be scheduled to ensure maximum cash availability and investment earnings.

FINANCIAL POLICIES

VII. CAPITAL IMPROVEMENT PROGRAMMING, FINANCING, AND MAINTENANCE

A. Capital Improvement Programming

In developing the County's capital improvement projects, the County shall evaluate the need for the capital project and its urgency; perform a long-term cost-benefit analysis of the project; determine the financing sources available for the project and the project's impact on the County's ongoing operating and maintenance costs; and plan for its future replacement.

Highest priority capital improvement projects should be those projects deemed necessary to remedy deficient conditions adversely impacting safety, health, and security; those projects necessary to meet mandatory federal, state, and local legal requirements; those projects which represent a phase of an approved master plan or represent ongoing implementation of phased projects approved in previous years; or those projects which maintain the structural or architectural integrity of existing infrastructure.

B. Capital Improvement Financing

Annually, a 10-year Capital Improvement Program (CIP) will be updated and incorporated into the Long Range Financial Projection (LRFP). The process of updating the CIP will include evaluating new proposed major CIP projects (over 1% of the General Fund's operating budget) and prioritizing them with already approved projects, as well as adding a new year to the plan. It will not include a comprehensive re-evaluation of all projects already included in the CIP. Those, generally, should proceed as previously programmed.

CIP projects will not be funded unless they are included in the approved CIP budget. Addition of new projects to the CIP will be contingent upon identifying the funding sources for all phases of the project and committing, through Council approval, all such sources.

The annual budget, the LRFP, and the 10-year CIP should include sufficient funding for adequate maintenance and the orderly replacement and/or upgrade of all capital plant and equipment. All County assets should be maintained at a level that protects the initial capital investment and minimizes future maintenance and replacement costs. Prior to approval of any capital project, the future maintenance and operational costs of the project must be fully analyzed and those costs must then be included in the approved LRFP for full disclosure of the long-term maintenance and operating impact of the project. The annual budget should include funding for capital programs as identified in the CIP.

The County will actively pursue external long-term financing in accordance with its Debt Management Policy. The County will also pursue external grant funding for CIP project financing whenever it is available and practical to do so.

C. Capital Plant Maintenance

The County shall establish and maintain an inventory showing the condition of its capital plant and shall develop long-term replacement schedules for use in setting priorities and capital financing plan development.

FINANCIAL POLICIES

VIII. DEBT MANAGEMENT

The County will manage its debt in accordance with its adopted Debt Management Policy.

IX. LONG RANGE FINANCIAL PROJECTION

The County Manager will, as an initial step in the development of the annual budget, present to Council for consideration and approval a Long Range Financial Projection (LRFP). This action recognizes that short-term financial plans (annual budgets) need to be placed within a long-term context to be effective and properly coordinated from year to year. Approval by Council indicates their long-range financial policy direction.

The projection will cover 10 years, and will include operational and capital budgets that impact the General Fund.

The projection will be updated at least annually. Updating includes:

- A. Adding new items from the updated CIP, including the operating impact of new capital items;
- B. Reviewing and updating assumptions used for forecasting purposes;
- C. Adding any changes which reflect more current information and significantly change the projection; and
- D. Determining the financial effect of any significant changes in County policy.

Only the annually adopted budget appropriates funds for expenditure. However, the annual budget should be developed to fit within the context of the LRFP. The LRFP should be approved annually concurrently with the annual budget. This approval shall not be construed as agreement with every aspect and assumption within the plan, but shall be considered as a formal acknowledgment of the projected potential long-term impact of adoption of the annual budget.

X. ACCOUNTING & FINANCIAL REPORTING

The County shall follow a high standard in all financial reports by:

- A. Preparing appropriate financial reports in accordance with Generally Accepted Accounting Principles (GAAP);
- B. Making all possible and ethical efforts to obtain unmodified independent auditors' opinions on every annual report;
- C. Adopting a spirit of "full disclosure" in preparing annual reports;
- D. Refraining from the use of "creative accounting" to defer costs or hide long-term problems;

FINANCIAL POLICIES

E. Disclosing within interim reports or analysis all pertinent assumptions which may impact decision making; and

F. Minimizing the number of funds and accounts to prevent unnecessary complexity and cost of maintaining and auditing the records while maintaining ease of reporting.

XI. UTILITIES BUDGET

As required in the section 506 and 509 of the County Charter and Chapter 40 of the County Code, the Department of Public Utilities shall prepare the Department's proposed budget for presentation to and consideration by the Board of Public Utilities (BPU) and County Council.

The proposed budget shall also include 10-year projections of rates and revenues, funding of reserves (the Schedule of Funds) and Capital Project Program Plan. These projections shall be reviewed and approved by the Utility Manager and County Manager or their designees prior to presentation to BPU and Council for their approval in order to ensure adequate and appropriate articulation and reconciliation between these projections and the County's financial statements.

The Schedule of Funds shall identify both targeted reserve balances and annual budgeted funding levels. Individual reserves shall be recorded and reflected in the general ledger at the sub-fund level.

The targeted reserve balances are set and managed in accordance with the Utilities Financial Policies as approved by BPU and County Council (as required per County Code Section 40-45).

XI.XII. PERFORMANCE MEASURES

The County will develop strategic and program performance measures to be used as a component of decision making and to be incorporated into the budgeting process. The performance measures should:

- A. Be based upon program goals and objectives that relate to a statement of program purpose that are developed within the context of broader strategic goals and objectives;
- B. Measure program results or accomplishments;
- C. Provide for comparisons over time;
- D. Measure efficiency and effectiveness;
- E. Be reported internally and externally;
- F. Be monitored and used in decision-making processes; and

FINANCIAL POLICIES

G. Be limited to a number and degree of complexity that can provide an efficient and meaningful way to assess the effectiveness and efficiency of key programs.

GLOSSARY OF TERMS

Advances

An account used to segregate a non-spendable portion of fund balance to indicate the noncurrent portion of long-term interfund receivables that do not represent expendable and available financial resources. This accounting is established by GAAP and is used by the County for interfund loans--particularly from the General Fund to other County funds.

Capital Projects

An account that assigns a portion of the fund balance that reflects money set aside for capital improvement projects.

Cash Requirements

An account which restricts a portion of the fund balance within the General Fund that is equal to one twelfth of General Fund revised budgeted expenditures. The amount is segregated to provide a margin to help maintain services during periods of economic decline; meet unanticipated cash flow shortfalls; meet emergency conditions which may threaten the life, health and safety of our citizens; and maintain the County's credit rating.

FINANCIAL POLICIES

Cemetery Perpetual Care

An account used to restrict a portion of the fund balance in the General Fund, which by contract with the purchasers of cemetery lots, is restricted for future care of the cemetery. When the cemetery is fully developed and all lots are sold, the interest earnings from this reserve will be used to guarantee the maintenance of the cemetery property.

Committed Fund Balance

A "committed fund balance" is a portion of the fund balance that is required by County code to be used for a specific purpose.

Continuing Appropriations

An account used to assign a portion of fund balance which reflects part of the unexpended appropriations at June 30th that are re-appropriated and carried forward to the subsequent fiscal year. Council and County Manager approval is required through the established formal budget revision process.

Debt Service

An account used to restrict the fund balance in the Debt Service funds to demonstrate that this balance is only expendable for debt service purposes as required by provisions of individual legal debt instruments. Additional fund balance amounts may be assigned by Council.

Fund Balances

"Fund Balance" is generally defined as the difference between fund assets and fund liabilities of governmental type funds. In enterprise and internal service type funds, "Retained Earnings" is a similar concept. The State Department of Finance and Administration (DFA) is required to report local governments' fund balances at the end of each fiscal year to the state legislature. Los Alamos County shall record certain restrictions and commitments of fund balance which have specific and/or legal future local uses.

Grants

An account used to restrict a portion of fund balance for expenditure once certain grant requirements are met. This account is established by GAAP and by conditions of the grant award.

Health Care Assistance

An account used to restrict the full fund balance in the Health Care Assistance Fund to demonstrate that this balance is only expendable on the specific activities allowed by the applicable statutes. This reserve is established by the statutory restrictions on the second County increment of Gross Receipts Tax revenue and may be expended with Council approval only for those allowed purposes. Further information, restrictions, and guidelines are contained in the Council approved Health Care policy which is updated periodically.

FINANCIAL POLICIES

Inventories

An account used to segregate a non-spendable portion of fund balance because supplies inventories are not readily available financial resources. This accounting is established by GAAP and is limited to warehouse stock and golf course pro shop inventory items.

Lodgers Tax

An account used to restrict a portion of fund balance in the Lodgers Tax Fund which is planned for promotional activities or expenditure on specific capital infrastructure items allowed by statute. This restriction is established by the statutory restrictions on the lodgers tax revenue and may be expended with Council approval only on those allowed purposes.

Prepaid Items

An account used to segregate a non-spendable portion of fund balance which is not available for expenditure. This accounting is established by GAAP.

Restricted Fund Balances

A "restricted fund balance" is a portion of the fund balance that has external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislations which require the resources to be used only for a specific purpose.

Unassigned Fund Balances

The amount of the fund balance that is totally available for appropriation for any legal purpose. This term is limited in usage to governmental type funds. In proprietary type funds "working capital" is a similar concept.

Schedule of Funds
FY2020 Budget

Operations Reserve (180 days of bud operations and maint)

Beginning Balance FY18 CAFR + FY19 Projected
Budgeted Additions to the Reserve FY20
Budgeted Reductions to the Reserve FY20
Budgeted Balance FY2020

TARGET FY2020

Electric Prod	Elec Dist	Gas	Water Prod	Water Dist	Wastewater	TOTAL
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
0	0	0	0	0	0	0
18,691,867	1,682,025	1,897,419	1,822,841	1,134,657	1,955,746	27,184,553

Debt Service Reserve (as required by loan docs)

Beginning Balance FY18 CAFR + FY19 Projected
Budgeted Additions to the Reserve FY20
Budgeted Reductions to the Reserve FY20
Budgeted Balance FY2020

TARGET FY2020

1,839,743	1,362,329	-	167,907	-	1,682,644	5,052,623
-	-	-	-	-	-	-
8,835	13,707	-	993	-	717,755	741,290
1,830,908	1,348,622	-	166,914	-	964,889	4,311,333
1,830,908	1,348,622	-	168,900	-	964,889	4,313,319

Retirement/Reclamation Reserve (per agreements)

Beginning Balance
Budgeted Additions to the Reserve FY20
Budgeted Reductions to the Reserve FY20
Budgeted Balance FY2020

TARGET FY2020

10,505,209	-	-	-	-	-	10,505,209
386,066	-	-	-	-	-	386,066
-	-	-	-	-	-	-
10,891,275	-	-	-	-	-	10,891,275
10,891,275	-	-	-	-	-	10,891,275

Capital Expenditures Reserve (annual deprec + 2.5%)

Beginning Balance
Budgeted Additions to the Reserve FY20 **Not budgeted**
Budgeted Reductions to the Reserve FY20
Budgeted Balance FY2020

TARGET FY2020

-	-	-	-	-	-	-
3,459,081	1,229,076	399,915	1,326,703	665,674	835,216	7,915,665
-	-	-	-	-	-	-
3,459,081	1,229,076	399,915	1,326,703	665,674	835,216	7,915,665
3,459,081	1,229,076	399,915	1,326,703	665,674	835,216	7,915,665

Rate Stabilization Reserve (where pass-through rate for commodities not in place)

Beginning Balance
Budgeted Additions to the Reserve FY20
Budgeted Reductions to the Reserve FY20
Budgeted Balance FY2020

TARGET FY2020

-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-

Schedule of Funds
FY2020 Budget

Contingency Reserve (single largest equipment with potential for failure DPU Asset Team)

Beginning Balance	-	-	-	-	-	-	-	-	-	-	-	-	-
Budgeted Additions to the Reserve FY20	-	-	-	-	-	-	-	-	-	-	-	-	-
Budgeted Reductions to the Reserve FY20	-	-	-	-	-	-	-	-	-	-	-	-	-
Budgeted Balance FY2020	-	-	-	-	-	-	-	-	-	-	-	-	-
TARGET FY2020	-	-	257,556	-	-	-	-	-	-	-	-	-	257,556
Beginning Balance	1,500,730	3,178,905	-	-	-	-	-	-	-	-	-	-	4,679,635
Budgeted Additions to the Reserve FY20	-	-	-	-	-	-	-	-	-	-	-	-	-
Budgeted Reductions to the Reserve FY20	1,500,730	464,282	-	-	-	-	-	-	-	-	-	-	1,965,012
Budgeted Balance FY2020	-	2,714,623	-	-	-	-	-	-	-	-	-	-	2,714,623
TARGET FY2020	-	2,714,623	-	-	-	-	-	-	-	-	-	-	2,714,623

Bond Proceeds Restricted - not currently in utility policy

TOTAL RESERVES/RESTRICTED CASH

Beginning Balance	13,845,682	4,541,234	-	167,907	-	1,682,644	20,237,467
Budgeted Additions to the Reserve FY20	3,845,147	1,229,076	399,915	1,326,703	665,674	835,216	8,301,731
Budgeted Reductions to the Reserve FY20	1,509,565	477,989	-	993	-	717,755	2,706,302
Budgeted Balance FY2020	16,181,264	5,292,321	399,915	1,493,617	665,674	1,800,105	25,832,896
TARGET FY2020	34,873,130	6,974,346	2,554,890	3,318,443	1,800,331	3,755,851	53,276,990
Total Reserves Over<Under> Target	(18,691,867)	(1,682,025)	(2,154,975)	(1,824,827)	(1,134,657)	(1,955,746)	(27,444,095)

Capital Plan with Funding Sources Schedule
FY2020 Budget
See 10-Year Capital Plan for Detailed Listing of Projects

	Electric Prod	Elec Dist	Gas	Water Prod	Water Dist	Wastewater	TOTAL
Capital Projects Funded through Capital Expenditures Reserve or Unrestricted Cash	265,000	1,400,000	25,000	767,000	-	-	2,457,000
Capital Projects Funded through Debt	-	-	-	355,200	-	-	355,200
Capital Projects Funded through Grants	-	-	-	532,800	-	-	532,800
Total Capital Projects	265,000	1,400,000	25,000	1,655,000	-	-	3,345,000

Cash Projection by Priority of Budgeted Expenditures Schedule
FY2020 Budget

	Electric Prod	Elec Dist	Gas	Water Prod	Water Dist	Wastewater	TOTAL
Beginning Cash - Unrestricted	2,224,744	(2,563,163)	3,942,195	9,495,888	(1,338,911)	2,706,945	14,467,698
Beginning Cash - Restricted Including Reserves	12,722,184	4,063,245	-	168,900	-	717,755	17,672,084
Total Cash	14,946,928	1,500,082	3,942,195	9,664,788	(1,338,911)	3,424,700	32,139,782

Total Budgeted Revenue	32,960,430	14,529,188	6,027,650	2,755,716	5,448,608	5,618,248	67,339,840
Commodity Intrafund	6,017,156	(6,017,156)	-	2,985,026	(2,985,026)	-	-

Budgeted Expenditures by Priority

1. Current Operations Budget (Including Normal Maintenance)	37,383,733	3,364,049	3,794,838	3,645,681	2,269,313	3,911,491	54,369,105
2. Bond & Other Debt Service	2,774,753	1,253,438	-	258,373	-	698,314	4,984,878
3a. Capital Plan for FY2020 - Maintenance/Improvement	265,000	550,000	25,000	1,655,000	-	-	2,495,000
3b. Replacement Reserve (Capital Expenditures Reserve) - NOT BUDGETD	3,459,081	1,229,076	399,915	1,326,703	682,316	856,096	7,953,187
4a. Franchise Fee paid to the County	59,318	311,478	119,543	-	-	-	431,021
4b. In Lieu Taxes paid to the County	-	242,413	104,179	-	-	-	405,910
5a. Capital Plan for FY2020 - Extension	-	850,000	-	-	-	-	850,000
5b. Additions & Improvements Reserve	-	-	-	-	-	-	-

Cash Projection for Other Utilities Reserves per Schedule of Funds ***

w. Net Add/Reduction - Util Operating Reserve	-	-	-	-	-	-	-
x. Net Add/Reduction - Util Retirement/Reclamation Reserve	386,066	-	-	-	-	-	386,066
y. Net Add/Reduction - Util Rate Stabilization Reserve	-	-	-	-	-	-	-
z. Net Add/Reduction - Util Contingency Reserve	-	-	-	-	-	-	-

Total Projected Cash Use (excluding transfers from Unrestricted to Restricted - items 3b. and x.)

40,482,804	6,571,378	4,043,560	5,559,054	2,269,313	4,609,805	63,535,914
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Net Cash Budgeted Sources and Uses

(1,505,218)	1,940,654	1,984,090	181,688	194,269	1,008,443	3,803,926
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Projected Ending Cash - Unrestricted

(2,739,554)	(1,851,585)	5,526,370	8,352,859	(1,810,316)	2,633,038	10,110,812
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Projected Ending Cash - Restricted

16,181,264	5,292,321	399,915	1,493,617	665,674	1,800,105	25,832,896
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Total Projected Ending Cash

13,441,710	3,440,736	5,926,285	9,846,476	(1,144,642)	4,433,143	35,943,708
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6. All Remaining Operating Profits (including funding of reserves)

(5,350,365)	711,578	1,584,175	(1,145,015)	(488,047)	152,347	(4,535,327)
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Los Alamos County Utilities Department
10-Year Financial Forecast - FY2020-FY2029
Wastewater Division

	BUDGET 2020	FORECAST 2021	FORECAST 2022	FORECAST 2023	FORECAST 2024	FORECAST 2025	FORECAST 2026	FORECAST 2027	FORECAST 2028	FORECAST 2029
EXPENSE FORECAST										
WASTEWATER COLLECTION										
Supervision, Misc Direct Admin	302,427	306,963	311,567	316,241	320,984	325,799	330,686	335,647	340,681	345,791
Wastewater Collection Operations	341,652	346,777	351,978	357,258	362,617	368,056	373,577	379,181	384,868	390,641
Sewer Lift Stations	159,288	161,677	164,102	166,564	169,062	171,598	174,172	176,785	179,437	182,128
Capital Project Inspection & Support	4,058	4,119	4,180	4,243	4,307	4,371	4,437	4,504	4,571	4,640
Total WWC Operations Expenses	807,424	819,536	831,829	844,306	856,971	869,825	882,873	896,116	909,557	923,201
WASTEWATER TREATMENT										
LA WWTP Operations & Maintenance	1,310,004	1,329,654	1,349,599	1,369,843	1,390,391	1,411,247	1,432,415	1,453,902	1,475,710	1,497,846
WR WWTP Operations & Maintenance	358,966	364,350	369,816	375,363	380,993	386,708	392,509	398,396	404,372	410,438
Total WWTP Operations Expenses	1,668,970	1,694,005	1,719,415	1,745,206	1,771,384	1,797,955	1,824,924	1,852,298	1,880,083	1,908,284
Interdepartmental Charges	545,371	553,552	561,855	570,283	578,837	587,519	596,332	605,277	614,356	623,572
Administrative Division Allocation	797,400	809,361	821,501	833,824	846,331	859,026	871,912	884,990	898,265	911,739
Operations encumbrances rolled forward										
Debt Service (WWWT)	698,314	1,625,124	1,625,123	1,625,123	1,625,124	1,531,339	1,437,555	1,437,554	1,434,213	1,434,214
Capital	-	13,050,500	-	184,424	878,270	371,007	1,049,843	714,042	406,071	828,467
Total Operations Expenses	4,517,480	5,501,577	5,559,723	5,618,742	5,678,647	5,645,665	5,613,595	5,676,236	5,736,475	5,801,009
Total Capital Expenditures	-	13,050,500	-	184,424	878,270	371,007	1,049,843	714,042	406,071	828,467
Total Cash Requirements	4,517,480	18,552,077	5,559,723	5,803,166	6,556,917	6,016,672	6,663,439	6,390,278	6,142,546	6,629,476
REVENUE FORECAST										
Mgal Processed	430,000	430,000	430,000	430,000	430,000	430,000	430,000	430,000	430,000	430,000
Res'l Single-Family Flat Rate Customers	6,629	6,629	6,629	6,629	6,629	6,629	6,629	6,629	6,629	6,629
Res'l Single Family Flat Rate	42.56	43.84	44.72	44.72	44.72	44.72	44.72	44.72	44.72	44.72
Res'l Single-Family Service Charge	11.76	12.11	12.35	12.35	12.35	12.35	12.35	12.35	12.35	12.35
Rate Increase Percentage	6.00%	3.00%	2.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Revenue from Res'l SF Flat Rate	4,277,837	4,406,203	4,494,406	4,494,406	4,494,406	4,494,406	4,494,406	4,494,406	4,494,406	4,494,406

Los Alamos County Utilities Department
10-Year Financial Forecast - FY2020-FY2029
Wastewater Division

1.50%

	BUDGET 2020	FORECAST 2021	FORECAST 2022	FORECAST 2023	FORECAST 2024	FORECAST 2025	FORECAST 2026	FORECAST 2027	FORECAST 2028	FORECAST 2029
Res'l Multi-Family Flat Rate Customers	75	75	75	75	75	75	75	75	75	75
Res'l Multi-Family Service Charge	11.76	12.11	12.35	12.35	12.35	12.35	12.35	12.35	12.35	12.35
No. of Res'l Multi-Family Dwelling Units	1,585	1,585	1,585	1,585	1,585	1,585	1,585	1,585	1,585	1,585
Res'l Multi-Family Flat Rate	35.46	36.52	37.25	37.25	37.25	37.25	37.25	37.25	37.25	37.25
Rate Increase Percentage	6.00%	3.00%	2.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Revenue from Res'l MF Flat Rate	643,931	663,179	676,433	676,433	676,433	676,433	676,433	676,433	676,433	676,433
Non-Residential Customers	291	291	291	291	291	291	291	291	291	292
Non-Residential Service Charge	11.76	12.11	12.35	12.35	12.35	12.35	12.35	12.35	12.35	12.35
Non-Residential Sales in Kgal	45,572	45,481	45,390	45,299	45,209	45,118	45,028	44,938	44,848	44,758
Adjustment Factor	1.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Adjusted Non-Residential Sales in Kgal	46,370	45,481	45,390	45,299	45,209	45,118	45,028	44,938	44,848	89,516
Non-Res'l Commodity Charge per Kgal	20.03	20.63	21.04	21.04	21.04	21.04	21.04	21.04	21.04	21.04
Rate Increase Percentage	6.00%	3.00%	2.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Revenue from Non-Residential	940,752	951,141	968,186	966,333	964,484	962,639	960,797	958,959	957,125	1,868,900
Total Sales Revenue	5,582,581	6,020,524	6,139,025	6,137,173	6,135,324	6,133,478	6,131,637	6,129,799	6,127,965	7,039,740
Interest on Utility Reserves	35,667	85,956	99,816	116,794	128,064	120,726	126,664	116,536	112,937	115,396
Inter-Utility Loan										
Loan Proceeds	-	13,000,000								
Revenue on Recoverable Work										
Total Cash Inflow	5,618,248	19,106,480	6,238,841	6,253,967	6,263,388	6,254,204	6,258,301	6,246,334	6,240,902	7,155,136
Net Cash Flow	1,100,768	554,403	679,118	450,801	(293,529)	237,532	(405,138)	(143,943)	98,356	525,660
Cumulative Net Cash Flow	1,536,933	2,091,336	2,770,455	3,221,255	2,927,726	3,165,259	2,760,121	2,616,178	2,714,533	3,240,193
Cash Balance	3,438,238	3,992,641	4,671,759	5,122,560	4,829,031	5,066,563	4,661,425	4,517,482	4,615,838	5,141,497
Recommended Cash Balance	3,829,695	4,816,653	4,860,089	4,904,132	4,948,792	4,900,292	4,852,425	4,898,984	4,942,855	4,990,729

Los Alamos County Utilities Department
10-Year Financial Forecast - FY2020 through FY2029
Wastewater Fund Cash Reserve Analysis

WASTEWATER UTILITY CASH RESERVES										
	BUDGET 2020	FORECAST 2021	FORECAST 2022	FORECAST 2023	FORECAST 2024	FORECAST 2025	FORECAST 2026	FORECAST 2027	FORECAST 2028	FORECAST 2029
Cash Balance *	3,438,238	3,992,641	4,671,759	5,122,560	4,829,031	5,066,563	4,661,425	4,517,482	4,615,838	5,141,497
Recommended Cash Balance	3,829,695	4,816,653	4,860,089	4,904,132	4,948,792	4,900,292	4,852,425	4,898,984	4,942,855	4,990,729
TARGET RESERVE BALANCES										
Debt Service Reserve	698,314	1,625,124	1,625,123	1,625,123	1,625,124	1,531,339	1,437,555	1,437,554	1,434,213	1,434,214
Operations Reserve	1,909,583	1,938,226	1,967,300	1,996,809	2,026,761	2,057,163	2,088,020	2,119,341	2,151,131	2,183,398
Capital Expenditures Reserve	861,219	887,315	896,188	905,150	914,202	923,344	932,577	941,903	951,322	960,835
Contingency Reserve	360,579	365,987	371,477	377,049	382,705	388,446	394,272	400,186	406,189	412,282
	3,829,695	4,816,653	4,860,089	4,904,132	4,948,792	4,900,292	4,852,425	4,898,984	4,942,855	4,990,729
RESERVE BALANCE FORECAST										
Debt Service Reserve	698,314	1,625,124	1,625,123	1,625,123	1,625,124	1,531,339	1,437,555	1,437,554	1,434,213	1,434,214
Operations Reserve	1,909,583	1,938,226	1,967,300	1,996,809	2,026,761	2,057,163	2,088,020	2,119,341	2,151,131	2,183,398
Capital Expenditures Reserve	830,341	429,291	896,188	905,150	914,202	923,344	932,577	941,903	951,322	960,835
Contingency Reserve	-	-	183,148	377,049	262,944	388,446	203,273	18,684	79,172	412,282
Total Cash Remaining	-	-	-	218,428	-	166,272	-	-	-	150,768



County of Los Alamos

Staff Report

December 18, 2019

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.:	8.A
Index (Council Goals):	DPU FY2020 - 4.0 Sustain a Capable, Satisfied, Engaged, Ethical and Safe Workforce Focused on Customer Service; DPU FY2020 - 1.0 Provide Safe and Reliable Utility Services
Presenters:	Board of Public Utilities
Legislative File:	12591-19

Title

Status Reports

Body

Each month the Board receives in the agenda packet informational reports on various items. No presentation is given, but the Board may discuss any of the reports provided.

Attachments

A - Electric Reliability Report

B - Accounts Receivables Report

C - Safety Report

STATUS REPORTS

ELECTRIC RELIABILITY

Los Alamos County Utilities



Electric Distribution Reliability

December 18, 2019

Stephen Marez
Electrical Engineering Manager

Electric Distribution Reliability Study
Twelve Month Outage History

Prepared by Stephen Marez
Senior Engineer L.A.C.U.

Date	Call Rcd.	Circuit	Cause	Start Time	End Time	Duration	Customers Affected (Meters)	Combined Customer Durations	Total Outage H:M:S	Running SAIDI
2/4/2019	Utilities	WR2	HUMAN	9:30	9:34	0:04	961	64:04:00	64:04:00	0:00:25
2/8/2019	Utilities	WR2	URD Failure	15:57	17:15	1:18	25	32:30:00	96:34:00	0:00:38
2/14/2019	Utilities	WR1	URD Failure	4:00	6:00	2:00	30	60:00:00	156:34:00	0:01:02
3/3/2019	Utilities	EA4	OH Failure	14:41	17:45	3:04	15	46:00:00	202:34:00	0:01:21
3/12/2019	Utilities	WR2	OH Failure	14:30	14:58	0:28	13	6:04:00	208:38:00	0:01:23
3/12/2019	Utilities	13	TREE	3:00	9:40	6:40	104	693:20:00	901:58:00	0:05:59
3/12/2019	Utilities	13	TREE	3:00	0:00	21:00	12	252:00:00	1153:58:00	0:07:39
3/12/2019	Utilities	13	TREE	14:30	17:10	2:40	1541	4109:20:00	5263:18:00	0:34:55
3/12/2019	Utilities	13	TREE	14:30	17:30	3:00	114	342:00:00	5605:18:00	0:37:11
3/12/2019	Utilities	13	TREE	16:30	20:30	4:00	2	8:00:00	5613:18:00	0:37:14
3/12/2019	Utilities	15	TREE	15:00	17:10	2:10	10	21:40:00	5634:58:00	0:37:23
4/15/2019	Utilities	16	OH Failure	7:00	9:30	2:30	7	17:30:00	5652:28:00	0:37:30
5/22/2019	Utilities	14	URD Failure	15:00	18:15	3:15	5	16:15:00	5668:43:00	0:37:36
5/22/2019	Utilities	16	OH Failure	22:00	23:30	1:30	120	180:00:00	5848:43:00	0:38:48
5/27/2019	Utilities	WR1	URD Failure	17:00	23:30	6:30	10	65:00:00	5913:43:00	0:39:14
6/14/2019	Utilities	16	OH Failure	21:30	2:30	5:00	6	30:00:00	5943:43:00	0:39:26
8/15/2019	Utilities	18	URD Failure	11:35	12:00	0:25	189	78:45:00	6022:28:00	0:39:57
8/15/2019	Utilities	18	URD Failure	11:35	13:00	1:25	24	34:00:00	6056:28:00	0:40:11
8/16/2019	Utilities	16	Weather	16:45	19:00	2:15	40	90:00:00	6146:28:00	0:40:46
8/21/2019	Utilities	16	URD Failure	10:00	12:25	2:25	24	58:00:00	6204:28:00	0:41:09
8/21/2019	Utilities	16	URD Failure	10:00	15:00	5:00	14	70:00:00	6274:28:00	0:41:37
8/21/2019	Utilities	13	TREE	18:00	19:00	1:00	7	7:00:00	6281:28:00	0:41:40
8/30/2019	Utilities	13	URD Failure	3:15	9:30	6:15	36	225:00:00	6506:28:00	0:43:10
9/7/2019	Utilities	15	TREE	7:00	9:00	2:00	8	16:00:00	6522:28:00	0:43:16
9/9/2019	Utilities	WR1	HUMAN	17:30	19:38	2:08	200	426:40:00	6949:08:00	0:46:06
9/28/2019	Utilities	WR1	OH Failure	10:00	14:30	4:30	7	31:30:00	6980:38:00	0:46:18
10/2/2019	Utilities	WR1	ANIMAL	17:30	18:30	1:00	6	6:00:00	6986:38:00	0:46:21
10/15/2019	Utilities	WR2	URD Failure	20:30	21:15	0:45	3	2:15:00	6988:53:00	0:46:22
10/17/2019	Utilities	13	OH Failure	16:45	18:00	1:15	5	6:15:00	6995:08:00	0:46:24
10/18/2019	Utilities	WR2	URD Failure	0:30	1:45	1:15	8	10:00:00	7005:08:00	0:46:28
10/19/2019	Utilities	17	URD Failure	12:00	18:15	6:15	5	31:15:00	7036:23:00	0:46:41
10/29/2019	Utilities	13	UNKNOWN	21:00	22:00	1:00	28	28:00:00	7064:23:00	0:46:52
10/29/2019	Utilities	13	UNKNOWN	2:30	3:00	0:30	28	14:00:00	7078:23:00	0:46:57
11/17/2019	Utilities	13	LOAD	4:20	5:15	0:55	32	29:20:00	7107:43:00	0:47:09
11/18/2019	Utilities	14	URD Failure	12:25	13:45	1:20	24	32:00:00	7139:43:00	0:47:22

CIRCUIT SAIDI IS CALCULATED ACCORDING TO THE NUMBER OF CUSTOMERS IN EACH CIRCUIT RESPECTIVELY											
Running SAIDI Circuit 13	Running SAIDI Circuit 14	Running SAIDI Circuit 15	Running SAIDI Circuit 16	Running SAIDI Circuit 17	Running SAIDI Circuit 18	SAIDI Circuit EA4 & Royal Crest	Running SAIDI Circuit WR1	Running SAIDI Circuit WR2	Monthly SAIDI	Monthly Customer Minutes out of service	WEATHER SAIDI
								0:04:00			
							0:02:16	0:06:02	FEBRUARY	156:34:00	
						0:16:44		0:06:24			
0:25:08											
0:34:16											
3:03:15											
3:15:39											
3:15:56											
		0:00:42							MARCH	0:36:20	0:36:20
			0:00:34						APRIL	4481:00:00	
	0:01:49		0:06:26							4498:30:00	
							0:04:44		MAY	0:01:44	
			0:07:25						JUNE	0:00:12	
					0:22:11						
					0:31:46						0:02:56
			0:02:56								
			0:04:49								
			0:07:06								
3:16:12											
3:24:21									AUGUST	0:03:44	
		0:00:31								562:45:00	
							0:16:08				
							0:01:12		0:03:09	474:10:00	
							0:04:57				
								0:00:08			
0:00:14								0:00:37			
		0:08:58									
0:01:01											
0:01:31									OCTOBER	0:00:39	97:45:00
0:02:35											
									NOVEMBER	0:00:24	61:20:00
	0:03:34										
Circ 13	Circ 14	Circ 15	Circ 16	Circ 17	Circ 18	Circ EA4	Circ WR1	Circ WR2	Total	0:47:22	0:39:16
1655	539	1875	1842	209	213	165	1586	961	9045		

Twelve Month History	Nov. 2019	
Total # Accounts	9045	
Total # Interruptions	35	
Sum Customer Interruption Durations	7139:43:00	hours:min:sec
# Customers Interrupted	3663	
SAIFI (APPA AVG. = 1.0)	.40	int./cust.
SAIDI (APPA AVG. = 1:00)	00:47	hours:min
CAIDI	1:56	hours:min/INT
ASAI	99.9996%	% available

- **SAIFI - System Average Interruption Frequency Index**
A measure of interruptions per customer (Per Year)

$$\text{SAIFI} = \frac{(\text{Total number of customer interruptions})}{(\text{Total number of customers served})}$$

- **SAIDI – System Average Interruption Duration Index**
A measure of outage time per customer if all customers were out at the same time (hours per year)

$$\text{SAIDI} = \frac{(\text{Sum of all customer outage durations})}{(\text{Total number of customers served})}$$

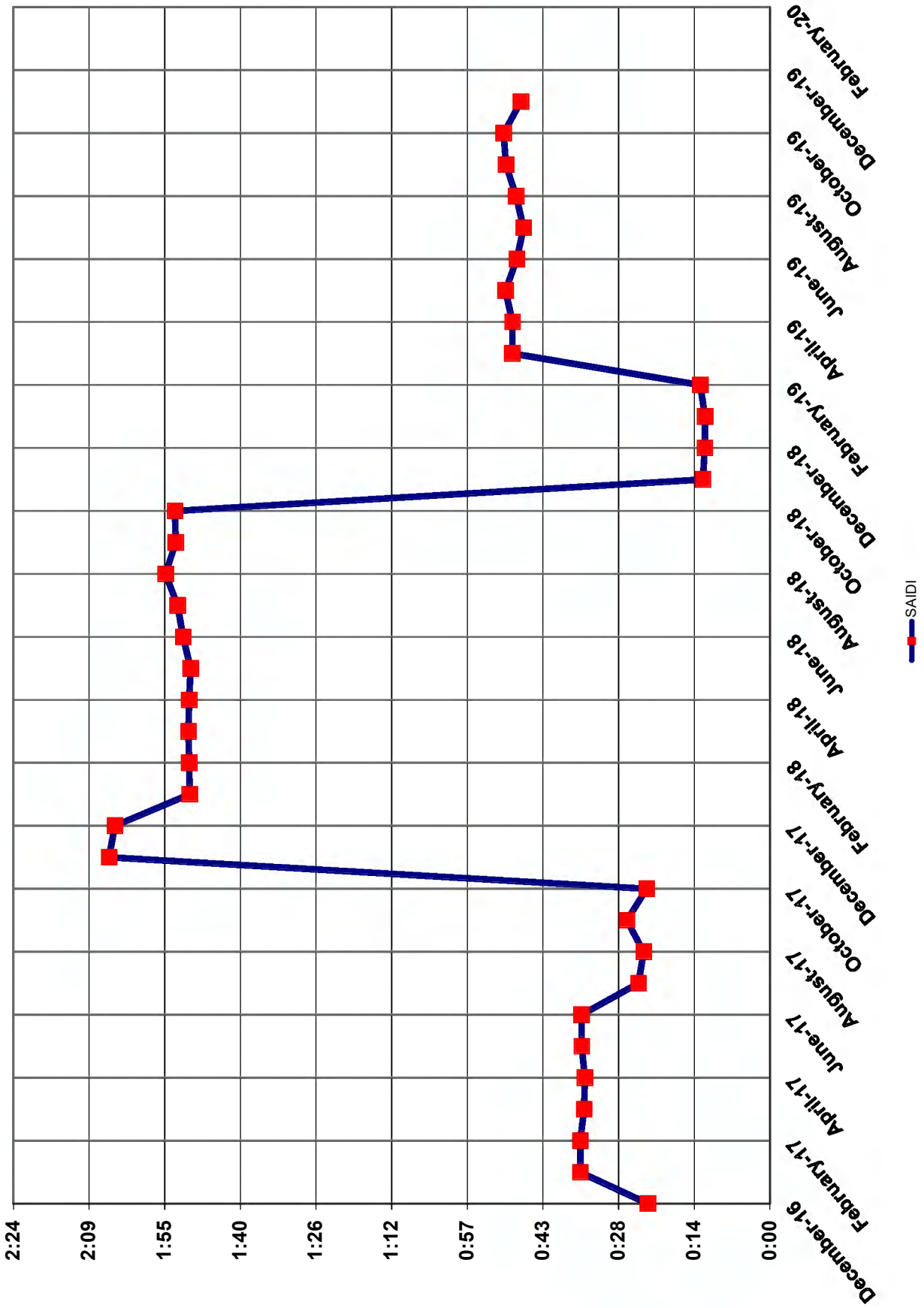
- **CAIDI – Customer Average Interruption Duration Index**
A measure of the average outage duration per customer (hours per interruption)

$$\text{CAIDI} = \frac{(\text{Sum of all customer outage durations})}{(\text{Total number of customer interruptions})} = \frac{\text{SAIDI}}{\text{SAIFI}}$$

- **ASAI – Average System Availability Index**
A measure of the average service availability (Per unit)

$$\text{ASAI} = \frac{(\text{Service hours available})}{(\text{Customer demand hours})} = \frac{8760 - \text{SAIDI}}{8760}$$

EACH POINT IS A 12 MONTH SAIDI HISTORY
1:00:00 = APPA BENCHMARK SAIDI



STATUS REPORTS

ACCOUNTS RECEIVABLES

Los Alamos County Utilities Department
Active Receivables Over 90 Days Past Due
December 1, 2019

Account	Customer ID	Acct Type	Comments	90 - 119	120 +
3000118	2128758	RS	Collection notices mailed and bills emailed to customer	\$ 42.06	\$ 145.71
3000222	2129908	RS	Collection notices issued	\$ -	\$ 2,690.58
3000605	2002197	CM	Collection notice mailed to corporate office	\$ -	\$ 4,049.86
3001411	2126808	RS	Door tag issued 11/8/19 - collection notices issued	\$ 202.62	\$ 283.28
3001538	2005414	CM	Collection notices issued	\$ -	\$ 737.87
3001539	2005415	CM	Collection notices issued	\$ 827.44	\$ -
3003508	2124208	RS	Door tag issued 11/13 - collection notices mailed	\$ 107.01	\$ -
3003666	2011577	CM	Collection notices issued	\$ 597.75	\$ -
3003675	2011586	CM	Collection notices issued	\$ 1,987.97	\$ -
3003698	2011615	SC	Door tag issued 11/13 - collection notices issued	\$ -	\$ 1,059.22
3003701	2011615	SC	Door tag issued 11/13 - collection notices issued	\$ -	\$ 295.23
3003703	2011615	SC	Door tag issued 11/13 - collection notices issued	\$ -	\$ 2,009.19
3003704	2011615	SC	Door tag issued 11/13 - collection notices issued	\$ -	\$ 2,769.96
3004207	2012492	RS	Door tag issued 11/8/19. Customer paid \$300 on 11/12	\$ 217.52	\$ -
3004222	2124748	RS	Collection notices issued	\$ 200.05	\$ 22.12
3004292	2013614	RS	Collection notices issued	\$ 210.84	\$ 53.00
3004458	2063338	RS	Collection notices issued	\$ 12.88	\$ 188.87
3004459	2063338	RS	Collection notices issued	\$ 305.98	\$ -
3005198	2122088	RS	Paid \$150.00 11/28/19	\$ 176.34	\$ 204.24
3005272	2119448	RS	Collection notices issued	\$ 132.61	\$ 217.97
3005273	2119448	RS	Collection notices issued	\$ 254.15	\$ 856.71
3005810	2132968	RS	Collection notices issued	\$ 185.93	\$ -
3006360	2118438	RS	Paid \$180.00 11/18/19	\$ 113.30	\$ -
3006953	2053328	CM	Lien on file, all services shut off	\$ 295.56	\$ 17,414.46
3007310	2083528	RS	Paid \$200.00 12/10/18/19	\$ -	\$ 238.47
3008923	2094088	RS	Paid \$250.00 12/10/19	\$ -	\$ 401.97
3009170	2006040	RS	Paid \$941.33 on 12/09/19	\$ 317.86	\$ -
3010032	2047968	CM	Collection notices issued	\$ 232.26	\$ -
3010273	2138308	CM	Working with company on payments	\$ 1,222.13	\$ 2,140.73
				\$ 7,397.58	\$ 35,779.44
					\$ 43,177.02

Los Alamos County Utilities Department
Receivables More than 60 Days Inactive
December 1, 2019

<i>YEAR</i>	<i>OUTSTANDING 12/1</i>	<i># OF ACCOUNTS</i>	<i>OUTSTANDING 11/1</i>	<i># OF ACCOUNTS</i>
FY16	17,722.17	75	17,734.59	74
FY17	29,657.34	78	29,685.42	76
FY18	58,302.34	322	59,607.70	325
FY19	23,485.32	221	43,283.14	280
FY20	12,636.63	99	7,390.82	48
TOTAL	\$ 141,803.80	795	\$ 157,701.67	803

STATUS REPORTS

SAFETY

DEPARTMENT OF PUBLIC UTILITIES CLAIMS

November 2019

(Information provided by the County Risk Department)

TORT CLAIMS

Utilities had one claim filed in November, which occurred in October. A claim was made for a \$107 +/- plumber bill, incurred due to a faulty and defective water meter, which the County replaced.

WORKERS COMPENSATION

None

COUNTY PROPERTY DAMAGE

None

OSHA INCIDENT REPORT

Attached

MONTH	Hours Worked			Hours Worked			Hours Worked			Hours Worked		
	ADMIN	EL DIST	EL PROD	GWS	WA PROD	WWTP	ADMIN	EL DIST	EL PROD	GWS	WA PROD	WWTP
Jan - 2019	3589.0	1793.0	2317.0	4119.0	1678.0	1139.0						
Feb - 2019	3221.0	1358.0	3244.0	3319.0	1132.0	1244.0						
Mar - 2019	2563.0	1941.0	2332.0	3955.0	1641.0	1281.0						
Apr - 2019	3592.0	1760.0	1890.0	3196.0	1199.0	1040.0						
May - 2019	3512.0	1510.0	2149.0	4114.0	1731.0	1231.0						
June - 2019	3085.0	1629.0	1975.0	4115.0	1855.0	1318.0						
July - 2019	3622.0	1587.0	1587.0	3768.0	1591.0	1186.0						
Aug - 2019	5315.0	2559.0	2566.0	6245.0	2029.0	1978.0						
Sept - 2019	3293.0	1578.0	1661.0	3691.0	1278.0	1293.0						
Oct - 2019	3390.0	1666.0	1704.0	3800.0	1304.0	1326.0						
Nov - 2019	3065.0	1689.0	1700.0	3735.0	1242.0	1040.0						
Dec - 2018	3204.0	1251.0	1372.0	3047.0	2427.0	946.0						
Total Hrs Worked ->	41451.0	20321.0	24497.0	47104.0	19107.0	15022.0						
Number of Recordable Injury and Illness Cases	0	1	0	0	0	1						
OSHA Recordable Injury & Illness Incidence Rate	0.00	9.84	0.00	0.00	0.00	13.31						
Number of OSHA Days Away Days Restricted (DART) cases	0	0	0	0	0	0						
OSHA Days Away Days Restricted (DART) Rate	0.00	0.00	0.00	0.00	0.00	0.00						