

SUSANA MARTINEZ Governor JOHN A. SANCHEZ Lt. Governor

NEW MEXICO ENVIRONMENT DEPARTMENT

Construction Programs Bureau

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BUTCH TONGATE
Cabinet Secretary

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Cabinet Secretary
BRUCE YURDIN
Acting Deputy Secretary

December 18, 2018

Mr. Kevin Powers, Attorney Los Alamos County 1000 Central Avenue, Suite 340 Los Alamos, NM 87544

RE: Conference Call December 17, 2018

Dear Mr. Powers:

Included with this letter is a copy of Los Alamos County Ordinance 687 authorizing loan CWSRF 083. Two clauses in the recitals are highlighted. As discussed in our telephone conference 12/17/2018, the New Mexico Environment Department (NMED) Construction Programs Bureau (CPB) believes the first highlighted clause is irrelevant to the subject of Ordinance 687 and the second highlighted clause contains information that is irrelevant and incorrect. Loan CWSRF 083 is independent from the Subordination Agreement signed by Los Alamos and NMED in 2014. We request Ordinance 687 be amended and the two subject clauses be removed.

Because Ordinance 687 authorizes loan CWSRF 083 NMED CPB is amenable to proceeding with the loan agreement execution while the Ordinance is amended to remove the highlighted clauses.

Draft copies of the Interim Loan Agreement and Promissory note are included. Please review and send us any changes in "track changes" prior to signature. If you have any questions, please let us know.

Thank you,

Rhonda Holderman

Financial Manager, Loans and Grants

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cc: Judi Kahl, P.E., NMED CPB Bureau Chief Jennifer Hower, NMED General Counsel Gail Craven, NMED CPB Loan Manager Robert Westervelt, Los Alamos County Utilities