



County of Los Alamos

1000 Central Avenue
Los Alamos, NM 87544

Agenda - Final Board of Public Utilities

Robert Gibson, Chair; Matt Heavner, Vice Chair
Eric Stromberg,, Charles Nakhleh and Jennifer Hollingsworth,
Members
Philo Shelton, Ex Officio Member
Anne Laurent, Ex Officio Member
Ryn Herrmann, Council Liaison

Wednesday, August 19, 2026

5:30 PM

Municipal Building, Council Chambers

Public Participation ~ in person or <https://us06web.zoom.us/j/82180323960>

Members of the public may also participate remotely and provide public comment via Zoom:

Link ~ <https://us06web.zoom.us/j/82180323960> | Webinar ID ~ 821 8032 3960

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+12532050468,,82180323960# US

+12532158782,,82180323960# US (Tacoma)

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PUBLIC COMMENT:

Oral comments are accepted during the periods identified on the agenda and after initial board discussion on a business item, prior to accepting a main motion on an item. Public comments are limited to three minutes per person. For those participating over Zoom, please use the raise hand function. If you are participating by phone enter *9 to raise your hand. Please submit written comments to the board at bpu@lacnm.us.

1. **CALL TO ORDER**
2. **PUBLIC COMMENT**
3. **APPROVAL OF AGENDA**

4. CONSENT AGENDA

MOTION: I move that the Board of Public Utilities approve the items on the Consent Agenda as (PRESENTED -or- AMENDED) and that the motions in the staff reports be included in the minutes for the record.

- 4.a. [21569-26](#) Approval of Board of Public Utilities Meeting Minutes - July

Presenters: Board of Public Utilities

Attachments: [A - Draft BPU Regular Session Minutes - 7/22/26](#)

- 4.b. [AGR1218-26a](#) Recommendation of Approval for AGR26-62 with Bohannon Huston, Inc. (BHI) and their sub-consultant, John Shomaker & Associates, Inc. (JSAI), for the Revised Long-Range Water Supply Plan in the Amount of \$224,000.00 plus applicable NMGR

Presenters: James Martinez, Deputy Utility Manager-Engineering

Attachments: [A - AGR26-62 Bohannon Huston Inc.](#)

- 4.c. [22063-26a](#)

Presenters: James Martinez, Deputy Utility Manager-Engineering

Attachments: [A - AGR 22-18a Task Order No 35](#)
[B - Ritecon Construction, Inc. Price Agreement](#)

5. PRESENTATIONS**6. PUBLIC HEARINGS**

- 6.a. [OR1152-26.1](#) Incorporated County of Los Alamos Ordinance No. 759; An Ordinance Authorizing the Execution and Delivery of a Water Project Fund Loan/Grant Agreement Between the New Mexico Finance Authority ("NMFA") and the Incorporated County of Los Alamos, New Mexico in the \$3,252,000 for the Purpose of Financing the Costs of Phases II and III of the Denver Steels Waterline Replacements

Presenters: James Martinez, Deputy Utility Manager-Engineering

Attachments: [A – LAC Ordinance No. 759](#)
[B – Amended and Restated Loan / Grant Agreement](#)
[C – Budget Adjustment Request \(BAR\)](#)
[D – Credit Analysis Updated](#)
[E – Debit Service Schedule](#)
[F – NMFA Board Summary Report](#)

- 6.b. [RE0681-26a](#) Recommendation Regarding Incorporated County of Los Alamos

Resolution No. 26-22; A Resolution Removing Uncollectible Utility Accounts from the Incorporated County of Los Alamos Accounts Receivables List for - Fiscal Year 2022

Presenters: Joann Gentry, Deputy Utility Manager-Finance & Admin.

Attachments: [A - Resolution No. 26-22](#)
[B - Exhibit A - Write Off Accounts FY22](#)

7. **DEPARTMENT BUSINESS**

- 7.a. [21707-26b](#) Approval of 2026 Electric Coordination Agreement between the Incorporated County of Los Alamos and the United States Department of Energy National Nuclear Security Administration

Presenters: Ben Olbrich, Deputy Utility Manager-Power Supply

Attachments: [A - 2026 Electric Coordination Agreement Presentation](#)
[B - Contract Terms & Conditions](#)
[C - Attachment 1 ECA PWS](#)
[D - Attachment 2 ECA Operating Procedures](#)
[E - Attachment 3 Los Alamos Electric Power Services Reporting Requirements Checklist](#)
[F - Attachment 4 LANL Exhibit-G Physical Security Lab-wide Rev.20240716](#)

- 7.b. [19438-26](#) Foxtail Flats Business Plan Update

Presenters: Ben Olbrich, Deputy Utility Manager-Power Supply

Attachments: [A - Foxtail Flats Business Plan Update](#)

8. **BOARD BUSINESS**

- 8.a. Chair's Report
- 8.b. Board Member's Reports
- 8.c. Utilities Manager's Report
- 8.d. County Manager's Report
- 8.e. Council Liaison's Report
- 8.f. Environmental Sustainability Board Liaison's Report

8.g. General Board Business

8.g.1. [21572-26b](#) Open Meetings Act and Inspection of Public Records Presentation

Presenters: Cristella Valdez, Assistant County Attorney

Attachments: [A - OMA Training Presentation](#)
[B - Incorporated County of Los Alamos Resolution 26-01](#)
[C - 2026 BPU Meeting Calendar](#)

8.g.2. [21575-26a](#) Annual Review of the Board of Public Utilities Procedural Rules

Presenters: Cristella Valdez, Assistant County Attorney

Attachments: [A - BPU Procedural Rules](#)
[B - B&C Orientation Manual & Procedural Rules](#)
[C - Draft Revised BPU Procedural Rules](#)

8.h. Board Expenses

9. **STATUS REPORTS**9.a. [21570-26](#) Status Reports - July 2026

Presenters: Philo Shelton, Utilities Manager

Attachments: [A - Electric Reliability Report](#)
[B - Accounts Receivables Report](#)
[C - Risk & Safety Report](#)

9.b. [21574-26b](#) Transactional Survey Report: January - June 2026

Presenters: Abbey Hayward, Public Relations Manager

Attachments: [A - Los Alamos Transactional Report CY2026 H1](#)

10. **UPCOMING AGENDA ITEMS**10.a. [21571-26](#) Tickler File for August - December 2026

Presenters: Philo Shelton, Utilities Manager

Attachments: [A - Tickler](#)

11. **PUBLIC COMMENT**12. **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 Human Resources at 505-662-8040 as soon as possible.

Complete Board of Public Utilities agenda packets, past agendas, videos, legislation and minutes can be found online at <https://losalamos.legistar.com>. Learn more about the Board of Public Utilities at <https://ladpu.com/BPU>.



County of Los Alamos

Staff Report

August 19, 2026

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.: 4.a.
Index (Council Goals):
Presenters: Board of Public Utilities
Legislative File: 21569-26

Title

Approval of Board of Public Utilities Meeting Minutes - July

Recommended Action

I move that the Board of Public Utilities approve the minutes for the July 22, 2026 meeting as presented [or amended.]

Body

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.

Attachments

A - Draft BPU Regular Session Minutes - 7/22/26



County of Los Alamos

Minutes

Board of Public Utilities

1000 Central Avenue
Los Alamos, NM 87544

Robert Gibson, Chair; Matt Heavner, Vice Chair
Eric Stromberg,, Charles Nakhleh and Jennifer Hollingsworth, Members
Philo Shelton, Ex Officio Member
Anne Laurent, Ex Officio Member
Ryn Herrmann, Council Liaison

Wednesday, July 22, 2026

5:30 PM

Municipal Building, B&C Room #110

Public Participation ~ in person or <https://us06web.zoom.us/j/82180323960>

1. CALL TO ORDER

This regular meeting of the Incorporated County of Los Alamos Board of Public Utilities was held on Wednesday, July 22, 2026. Chair Gibson called the meeting to order at 5:34 p.m. Members of the public were notified of the ability to participate and provide public comment in-person, remotely, or via email.

The following board members were in attendance:

Present - 4: Members Gibson, Nakhleh, Shelton and Laurent

Remote - 2: Members Hollingsworth, Heavner

Absent - 1: Member Stromberg

Others in attendance in Chambers:

Vice Chair Ryn Herrmann, Council Liaison

Ms. Cristella Valdez, Assistant County Attorney

Mr. James Martinez, Deputy Utility Manager - Engineering

Mr. Clay Moseley, Deputy Utility Manager - GWS Services

Mr. Dennis Astley, Deputy Utility Manager - Electrical Distribution

Ms. Joann Gentry, Deputy Utility Manager - Finance & Administration

Ms. Abbey Hayward, Public Relations Manager

Ms. Kathy Casados, Executive Assistant

Mr. Jedidiah Beddo, IM Technical Support Specialist

Zoom participants:

Ms. Joni Arends, CCNS

Mr. Seth Kirshenberg, Kutak Rock Attorneys

1.a. Statement Regarding Closed Session

Chair Gibson called for a volunteer to read the statement.

Member Nakhleh moved and Member Hollingsworth seconded that the Board of Public Utilities approve the following statement for inclusion in the minutes: "The matters discussed in the closed sessions on June 17, 2026 were limited only to those topics specified in the notice of the closed session, and no action was taken on any matter during the closed session."

The motion passed by the following vote:

YES - 4: Members Hollingsworth, Heavner, Nakhleh and Gibson

NO - 0:

ABSENT - 1: Stromberg

2. PUBLIC COMMENT

Chair Gibson provided an opportunity for public comment on the Consent Agenda or those not otherwise included on the agenda.

The following individuals spoke:

1. Ms. Joni Arends, CCNS

No action was taken on this item.

3. APPROVAL OF AGENDA

Chair Gibson called for amendments to the agenda, discussion or a motion. Member Gibson requested that item 7.b. (Water Service Rate Schedules) be removed from the agenda and rescheduled for August.

Member Nakhleh moved and Member Gibson seconded that the agenda be approved as amended.

The motion passed by the following vote:

YES - 4: Members Hollingsworth, Heavner, Nakhleh and Gibson

NO - 0:

ABSENT - 1: Stromberg

4. CONSENT AGENDA

Chair Gibson called for amendments to the consent agenda, discussion or a motion.

Member Nakhleh moved and Member Gibson seconded that the consent agenda be approved as presented.

The motion passed by the following vote:

YES - 4: Members Hollingsworth, Heavner, Nakhleh and Gibson

NO - 0:

ABSENT - 1: Stromberg

4.a. Approval of Board of Public Utilities Meeting Minutes - June

I move that the Board of Public Utilities approve the minutes for the June 3 and June 17, 2026 meetings as presented.

4.b. Approval of Changes to the Utilities Assistance Program (DPU Rule GR-18)

I move that the Board of Public Utilities approve the revisions to the DPU Rules & Regulations Utilities Assistance Program (GR-18) as presented.

- 4.c. Award of Bid No. IFB26-58 for the Purpose of LASS Cured in Place Piping with AUI, Inc. in the Amount of \$849,570, plus Applicable Gross Receipts Tax for the Term of 180 Days.

I move that the Board of Public Utilities approve the Award of Bid No. IFB 26-58 for the Purpose of Cured in Place Piping with AUI, Inc. in the Amount of \$849,570 and a contingency in the amount of \$169,914, for a total of \$1,019,484, plus Applicable Gross Receipts Tax and forward to Council for approval.

I further move that the Board of Public Utilities approve Budget Revision 2027-02 in the amount of \$1,019,484 and forward to Council for approval.

- 4.d. Award of Task Order No. 10, Agreement No. AGR24-39a for the Purpose of Determining Relay Settings for the New Transformer in White Rock Substation with Transmission & Distribution Services, LLC in the Amount of \$157,262, plus Applicable Gross Receipts Tax for the Term of 180 Days

I move that the Board of Public Utilities approve Task Order #10, Agreement No. AGR24-39a for the Purpose of Completing the study to connect the White Rock Transformer #1 and connecting the controls with Transmission & Distribution Services, LLC in the Amount of \$157,262 plus Applicable Gross Receipts Tax. I further move that the Board recommend Budget Revision 2027-03 and forward to Council for approval.

- 4.e. Approval of Task Order No. 4 (Amendment #2), AGR20-48c (Amendment #2) with Wilson & Company in the Amount of \$164,306.18 for the Purpose of the Remaining Engineering Services for the Jemez Mountain Regional Fire Protection System

I move that the Board of Public Utilities recommend Task Order No. 4 (Amendment #2), AGR20-48c with Wilson & Company for the purpose of engineering services for the Jemez Mountain Regional Fire Protection System in the amount of \$164,306.18, plus applicable gross receipts tax and forward to Council for approval.

- 4.f. Approval of Services Agreement No. AGR26-72 with Southwest Fire Defense, LLC in the Amount of \$1,000,000.00, plus Applicable Gross Receipts Tax, for the Purpose of Electric Power Line Tree Trimming Services Near and Around 15,000 Volt Energized Power Lines Over the Next Seven Years

I move that the Board of Public Utilities recommend Services Agreement No. AGR26-72 with Southwest Fire Defense, LLC in the amount of \$1,000,000.00 plus applicable gross receipts tax, for the purpose of Electric Power Line Tree Trimming services near and around energized power lines over the next seven years and forward to Council for approval.

5. PRESENTATIONS

None scheduled.

6. DEPARTMENT BUSINESS

6.a. 2026 Electric Coordination Agreement (ECA) between the Incorporated County of Los Alamos and the United States Department of Energy National Nuclear Security Administration (DOE/NNSA)

Mr. Philo Shelton introduced the topic and reviewed some changes. Mr. Ben Olbrich, Deputy Utility Manager - Power Supply presented.

Chair Gibson provided an opportunity for comments and questions from the Board. The following individuals spoke:

1. Member Gibson
2. Mr. Kishenberg
3. Member Hollingsworth
4. Member Nakhleh
5. Member Heavner

Chair Gibson provided an opportunity for public comment. The following individuals spoke:

1. Ms. Joni Arends, CCNS

Chair Gibson called for further board discussion or a motion.

1. Member Nakhleh
2. Member Hollingsworth
3. Member Gibson

Member Nakhleh moved and Member Gibson seconded that the Board of Public Utilities request from DOE/NNSA an extension to the current Electric Coordination Agreement with a term through August 31, 2026, to allow additional time for County review. I further move that the Board of Public Utilities recommend Council approve such extension to the current Electric Coordination Agreement.

The motion passed by the following vote:

YES - 4: Members Hollingsworth, Heavner, Nakhleh and Gibson

NO - 0:

ABSENT - 1: Stromberg

NOTE: Member Heavner left the meeting at 7:39 p.m.

6.b. Approval to Execute a Power Purchase Agreement in an Amount not to Exceed \$9,195,750.00 Plus Applicable Gross Receipts Tax, to Meet Forecasted Los Alamos Power Pool Load for the Months of August and September 2026

Mr. Ben Olbrich, Deputy Utility Manager - Power Supply presented.

Chair Gibson provided an opportunity for comments and questions from the Board. The following individuals spoke:

1. Member Nakhleh
2. Mr. Shelton
3. Member Gibson

Chair Gibson provided an opportunity for public comment; there was none. Chair Gibson then called for further board discussion or a motion.

Member Nakhleh moved and Member Hollingsworth seconded that the Board of Public Utilities recommend approval of a power purchase agreement with a yet to be determined power supplier competitively selected not later than July 31st, 2026, in an amount not to exceed \$9,195,750.00 plus applicable gross receipts tax for the purpose of supplying power and energy to serve the Los Alamos Power Pool's electric load with a definite purchase for the month of August and a contingent purchase for the month of September, contingent on whether the electric coordinating agreement is approved, and forward to Council for approval.

The motion passed by the following vote:

YES - 3: Members Hollingsworth, Nakhleh and Gibson

NO - 0:

ABSENT - 2: Members Stromberg and Heavner

7. PUBLIC HEARINGS

- 7.a. Incorporated County of Los Alamos Code Ordinance No. 02-385; An Ordinance Amending Chapter 40, Article III, Sections 40-151, and 40-152 of the Code of the Incorporated County of Los Alamos Pertaining to Gas Service Rates

Ms. Joann Gentry, Deputy Utility Manager - Finance & Administration presented. Mr. Shelton provided clarifying information.

Chair Gibson provided an opportunity for comments and questions from the Board. The following individuals spoke:

1. Member Nakhleh
2. Mr. Shelton
3. Mr. Moseley
4. Member Hollingsworth
5. Member Gibson

Chair Gibson provided an opportunity for public comment; there was none. Chair Gibson then called for further board discussion or a motion. The following individuals spoke:

1. Member Gibson
2. Member Hollingsworth

Member Nakhleh moved and Member Gibson seconded that the Board of Public Utilities recommend that Council adopt Incorporated County of Los Alamos Code Ordinance No. 02-385; An Ordinance Amending Chapter 40, Article III, Sections 40-151, and 40-152 of the Code of the Incorporated County of Los Alamos Pertaining to Gas Service Rates.

The motion passed by the following vote:

YES - 3: Members Hollingsworth, Nakhleh and Gibson

NO - 0:

ABSENT - 2: Members Stromberg and Heavner

- 7.b. Incorporated County of Los Alamos Code Ordinance No. 02-387; An Ordinance Amending the Department of Public Utilities' Water Service Rate Schedules, Chapter 40, Article III, Sections 40-171, 40-173 and

40-175, and adding new Sections 40-176, 40-177, and 40-178 to the Incorporated County of Los Alamos Code

Rescheduled for introduction to the BPU on August 5, 2026.

No action was taken on this item.

RECESS: 8:20 - 8:30 p.m.

8. BOARD BUSINESS

8.a. Chair's Report

Chair Gibson reported that:

1. he gave the annual presentation to Council at the July 14th Work Session;
2. his written report on the APPA Conference is included in the meeting packet;
3. there have been some efficiency improvements in the Municipal Building after the HVAC study and re-commissioning.

No action was taken on this item.

8.a.1. American Public Power Association (APPA) National Conference Summary

Chair Gibson reviewed his report. A copy was provided in the meeting packet.

No action was taken on this item.

8.b. Board Member's Reports

Member Hollingsworth reported that she participated in the FY 26 audit entrance conference. Hinkle and Lander's accountants are working on the audit for this year. The annual comprehensive financial report, or ACFR, will be due December 31st.

No action was taken on this item.

8.c. Utilities Manager's Report

Mr. Philo Shelton reviewed his report which was distributed to Members prior to the meeting and is **attached** to these minutes. Chair Gibson provided an opportunity for comments or questions from the board. The following individuals spoke:

1. Ms. Laurent
2. Member Gibson

No action was taken on this item.

8.d. County Manager's Report

Ms. Anne Laurent, County Manager reported on:

1. current County projects;
2. the after action report on the Juneteenth traffic accident that resulted in injuries and two hour road closure;
3. Council discussions regarding potential public/private partnerships under the local economic development act or Metropolitan Redevelopment Area;
4. there is a Town Hall meeting scheduled for August 17th regarding the Police Departments use of automated license plate readers or speed ticketing program.

No action was taken on this item.

8.e. Council Liaison's Report

Council Vice Chair Herrmann reported that at last Tuesday's Work Session Council, BPU Chair Gibson presented. They also had a demonstration from Dave Krueger, the PIO, about the community dashboard and performance metrics; and there was an update on the comprehensive plan.

No action was taken on this item.

8.f. Environmental Sustainability Board Liaison's Report

Ms. Shannon Blair was absent but reported via email that The Environmental Sustainability Board voted to not recommend an ordinance on banning plastic bags at retail locations in the county. A memo will be provided to county council for their review and Chair David Hampton will provide an in person update on August 4th. Angelica Gurule will provide a quarterly sustainability update to council also on August 4. The update includes sustainability initiatives including some of interest to BPU such as EV charging and general greenhouse gas emission reductions from renewable electricity.

No action was taken on this item.

8.g. General Board Business

None scheduled.

8.h. Board Expenses

8.h.1. Discussion & Possible Approval of BPU Participation in the Los Alamos Nuclear Forum

Chair Gibson introduced the topic; details were provided in the meeting packet. Chair Gibson provided an opportunity for Board discussion. The following individuals spoke:

1. Member Hollingsworth is not available
2. Member Nakhleh is not available
3. Member Gibson will ask Members Stromberg and Heavner regarding their interest

Chair Gibson then called for a motion.

Member Nakhleh moved and Member Gibson seconded that the Board of Public Utilities approve training and per diem expenses not to exceed \$500 per Board Member to participate in the Los Alamos Nuclear Forum on August 25, 2026 in Los Alamos, NM.

The motion passed by the following vote:

YES - 3: Members Hollingsworth, Nakhleh and Gibson

NO - 0:

ABSENT - 2: Members Stromberg and Heavner

8.h.2. Discussion & Possible Approval of BPU Participation at the UAMPS Annual Member Conference

Chair Gibson introduced the topic; details were provided in the meeting packet. Chair Gibson provided an opportunity for Board discussion. The following individuals spoke:

1. Member Nakhleh is not available
2. Member Hollingsworth is not available
3. Member Gibson will contact Members Heavner and Stromberg

Chair Gibson then called for a motion.

Member Nakhleh moved and Member Hollingsworth seconded that the Board of Public Utilities approve training and travel expenses not to exceed \$3,500.00 per Board Member to participate in the UAMPS Annual Member Conference from August 23-25, 2026 in Logan, Utah.

The motion passed by the following vote:

YES - 3: Members Hollingsworth, Nakhleh and Gibson

NO - 0:

ABSENT - 2: Members Stromberg, and Heavner

9. STATUS REPORTS

9.a. Annual Update on Wastewater Systems

This item was rescheduled for the August 5, 2026 BPU Work Session.

No action was taken on this item.

9.b. Status Reports - May 2026

Chair Gibson opened the floor for comments and questions on the status reports. There were none.

No action was taken on this item.

10. UPCOMING AGENDA ITEMS

Tickler File for July - October 2026

Chair Gibson opened the floor for comments and questions on the status reports. There were none.

No action was taken on this item.

11. PUBLIC COMMENT

Chair Gibson provided an opportunity for public comment on any topic; there was none.

No action was taken on this item.

12. ADJOURNMENT

The meeting adjourned at 9:10 p.m.

APPROVAL

Board of Public Utilities Chair

Date Approved by the Board

Minutes transcribed by: Kathy Casados, Executive Assistant

ATTACHMENTS

(in agenda order):

6.a. Revised ECA Presentation

8.c. Utilities Manager Report June 2026

2026 Electric Coordination Agreement

Department of Public Utilities
Electric Production Division
July 22, 2026



Purpose of Presentation

2



Describe the ECA and its goals



Explain the Electric Coordination Agreement (ECA) structure



Overview of how costs and payments are handled



Termination of the Contract



Staff Recommendation, Summary and Next Steps

ATTACHMENT A



What is the ECA?

3

- The Electric Coordination Agreement (ECA) is a collaborative agreement established in 1985 between the Department of Energy (DOE) and Los Alamos County
- DOE/NNSA is authorized pursuant to the Department of Energy Organization Act (Public Law 95-91) and other applicable law, including the Atomic Energy Act of 1954, as amended, to provide or otherwise arrange for utility facilities and services
- Parties: the Incorporated County of Los Alamos ("County") and the U.S. Department of Energy/National Nuclear Security Administration ("NNSA") at Los Alamos National Laboratory ("LANL")
- ECA is for the County to sell electric utility services to NNSA after the expiration of the current Electric Coordination Agreement ("1985 ECA") which expired on June 30, 2025 (and continues with extensions)

ATTACHMENT A



ECA Goals

4

- The Los Alamos National Laboratory (LANL) and County electric utility systems are tightly coupled, with shared infrastructure and generation resources that don't fit the typical "Utility" and "Utility Customer" structure
- The ECA is the contract that allows both parties to combine and efficiently manage their power generation and transmission resources
- The goal is to achieve economic dispatch and enhance the reliability of the electric supply (economic dispatch is the process of minimizing the total operational cost of power generation while considering power balance and unit generation limits)
- With the coming end of the 1985 ECA, the 2026 ECA is ready to take its place

ATTACHMENT A



2026 ECA Sections

5

- Contract 89233126CNA000436 Terms and Conditions
- ECA Performance Work Statement
- ECA Operating Procedures
- LANL Exhibit G Physical Security Lab-wide

ATTACHMENT A

LOS ALAMOS
where discoveries are made

Terms and Conditions

6

- This is a Standard Form 26 for Contract Award
 - Section A - Solicitation/Contract Form
 - Section B - Supplies or Services/Prices
 - Section C - Description/Specifications
 - Section D - Packaging and Marking
 - Section E - Inspection and Acceptance
 - Section F - Deliveries or Performance
 - Section G - Contract Administration Data
 - Section H - Special Contract Requirements
 - Section I - Contract Clauses
 - Section J - List of Documents, Exhibits and Other Attachments

ATTACHMENT A

LOS ALAMOS
where discoveries are made

Performance Work Statement

7

- The performance work statement (PWS) is the statement of work for this contract that describes the supplies or services to be provided, their costs, cost accounting methods and more
 - B.1 Accounting for Resource Costs
 - B.2 Miscellaneous Costs
 - B.3 Allocation of Resource Costs
 - B.4 Classification of Expenditures
 - B.5 Net Cost Responsibility and Payment
 - B.6 Renewable Energy Certificates and Other Attributes
 - C.1 Statement of Services
 - D-F Not Applicable
 - G.1 Contract Administration
 - H.1 Real Property Access
 - H.2 Western Electricity Coordinating Council Compliance
 - H.3 Cooperation of the Parties
 - Attachment 1 Exhibits
 - Exhibit 1: DOE/NNSA Approved Resources and SPARs
 - Exhibit 2: County Approved Resources
 - Exhibit 3: Miscellaneous Costs of Mutual Benefit
 - Exhibit 4: Method for the Cost Determination of DOE Distribution Facilities
 - Exhibit 5: San Juan Generating Station and Mine Reclamation

ATTACHMENT A



Operating Procedures

8

- This section describes how the day-to-day planning, resource scheduling, and other operational tasks are performed
 - Section A Administrative Procedures
 - A1 Operating Committee
 - A2 Manager of Operations and Other Approved Pool Personnel
 - A3 Operating Procedure Changes
 - A4 Retention of Operating Reports and Records
 - Section B Budget and Accounting Procedures
 - B1 Capital Budget
 - B2 Operating Budget
 - B3 Billing and Payment
 - B4 Adjustments for Prior Period Invoiced Corrections
 - B5 Timing of Expenditures
 - B6 Pool Operations Accounts
 - B7 Special Purpose Approved Resources
 - B8 Customer Related Costs

ATTACHMENT A



Operating Procedures cont.

9

- Section C Operations Procedures
 - C1 Annual Operating Plan for Approved Resources
 - C2 Operating Schedules and Reports
 - C3 Operating Reserves
 - C4 Transmission Facility Records and Operational Data
 - C5 Transmission System Operation and Maintenance
 - C6 Coordination of Relays and Protective Equipment
 - C7 Metering
 - C8 Communication Equipment
 - C9 Planned Maintenance Outages of Pool Resources and Service Interruption
 - C10 System Operation and Load Shedding
 - C11 Electric SCADA Maintenance and Security Coordination
 - C12 SNL/KAFB Scheduling Agent Services
 - C13 Load Serving Entity Functions by County for NNSA
- Section D Planning Procedures
 - D1 Planning Studies
 - D2 Participation in Electrical Industry Organizations

ATTACHMENT A

LOS ALAMOS
where discoveries are made

Reporting Requirements Checklist and LANL Exhibit G Physical Security

10

- The Reporting Requirements Checklist is a required form that DOE/NNSA must prepare in association with the ECA
 - Responsible party is DOE/NNSA
- The LANL Exhibit G Physical Security document defines the DOE/NNSA's comprehensive physical, personnel, cyber, and information security requirements for subcontractors performing work for Los Alamos National Laboratory (LANL)
 - Responsible party is the County - fully responsible for following all security rules in Exhibit G

ATTACHMENT A

LOS ALAMOS
where discoveries are made

2026 ECA Contract Structure

11

- Fixed Price contract with a Cost Sharing arrangement – combines a fixed price for utilities with a cost-sharing component that details how DOE and County each bear a portion of the total costs
- Cost risks of future unknowns are mitigated by the Changes Clause under which adjustments are made through a bilateral modification formally amending the contract
- Administrative modifications can be made for changes that do not impact the contract's fixed price, cost-sharing obligations, scope of work, or fundamental rights of the DOE and County
- The 2026 ECA is for 10 years with an additional 10-year option
- \$424 million total contract value for the first 10 years

ATTACHMENT A



Resource Costs and Payments

12

- Portion of the costs are fixed (certain investments in owned resources) and others are variable (transmission, etc.)
- The County true up costs monthly in arrears
- The County and NNSA contract is focused on a rate that is set based on actual costs of the parties

ATTACHMENT A



Key Terms

13

- **Approved Resources** means the electric utility resources contributed by each party pursuant to this contract and utilized by the Operating Committee pursuant to the Approved Operating Procedures.
- **Resource Accounting Pool** means that accounting method wherein costs of the consolidated County and DOE/NNSA Los Alamos Power Pool operations are recorded and apportioned between the parties pursuant to this contract.
- **Resource Planning Horizon** means a rolling five-year period following the current Pool Fiscal Year for capacity and energy planning.
- **Short-Term Capacity Resources** means the portion of Approved Resources beyond those resources defined as Long-Term Capacity Resources that may be operationally available from time to time. The Short-Term Capacity Resources include variable amounts that may be available on a month-by-month basis as well as amounts of purchased power from third party suppliers on a short-term contractual basis of 12 months or less. Short-Term Capacity Resources generally will be utilized to meet specific short-term operational needs.
- **Special Purpose Approved Resources (SPAR)** means the electric utility facilities and power contracts that have been incorporated into the ECA primarily to meet the special needs of one of the parties and utilized by the Operating Committee pursuant to the Operating Procedures.

Note: this presentation is only a general summary of the contract. The details and obligations of the parties are in the contract.

ATTACHMENT A



Pooling of Resources Sets the Rates

14

- Pooling of Approved Resources (Attachment A)
- The County and DOE/NNSA agree to give notice to one another of meetings or proceedings with third parties involving matters that could significantly alter established Resource Accounting Pool cost responsibilities
- The Operating Committee will develop and periodically review such priority plans to assure resources are allocated to give priority to human needs, health, safety, and security needs
- Continuity of Service – subject to Excusable Delay

ATTACHMENT A



Resource Costs and Payments

15

The parties agree to assign all relevant costs to the Los Alamos Power Pool in accordance with appropriate accounting principles and cost mentioned above under (b)(1). However, if actual energy costs are lower than the around-the-clock day-ahead Palo Verde index price plus \$2.00 for net energy delivered through the transmission network from each County owned generating resource or approved long-term power purchase agreement included herein for the month, then the parties agree to split the difference based on the formula below:

Formula: If $COR < PVI + 2$, then $[(PVI + 2) \text{ minus } COR] \text{ divided by } 2 = \text{Difference applied to DOE}$

Definitions: PVI = Palo Verde Index COR = County Owned Resources Total Energy Cost /MWH from the Component Cost Summary

Qualifying resources for this accounting treatment are resources that LAC has a long-term stake in and liabilities that either extend or are not in line with the contracting period. Examples of qualifying resources are set forth in Exhibit 2, *County Approved Resources*.

If actual energy costs are higher than the around-the-clock day-ahead Palo Verde index price plus \$2.00 on a weighted average basis for the month, then the parties agree that no further adjustment will be applied as current accounting methods will split the total energy costs on a pro rata basis according to actual energy used. Transmission, capacity, or demand costs will be allocated to the parties based on each party's contribution to the coincidental peak for the month.

Note: this presentation is only a general summary of the contract. The details and obligations of the parties are in the contract.

ATTACHMENT A



Miscellaneous Costs

16

- Set forth in Exhibit 3. Except as provided herein, all costs associated with personnel, procurement, management, and administration that are not directly related to the combined operation of Approved Resources shall be borne separately by each party. Additions, deletions, or changes of miscellaneous costs to the Resource Accounting Pool may be made upon agreement of the Contracting Officer and County Authority by exchange of correspondence without formal modification of this contract
- Each party shall bear all costs associated with its respective 115/13 kilovolt (kV) transformation and 13 kV distribution facilities. At several locations, however, it is advantageous to connect load to the distribution network of the other party, and thereby avoid an unnecessary duplication of facilities. Operating Procedure B8 Customer Related Costs, provides the facilities charge for monthly cost of service responsibility associated with the County's use of DOE/NNSA's distribution facilities. Such costs are to be accounted for as part of the Resource Accounting Pool

Note: this presentation is only a general summary of the contract. The details and obligations of the parties are in the contract

ATTACHMENT A



New Approved Resources

17

- The ECA provides a method for adding new Approved Resources which are generation or other assets that are included in the Resource Costs
- New DOE/NNSA transmission lines and the County's future East Gate Substation are already listed in the ECA, but not as Approved Resources. They may become Approved Resources upon mutual agreement by the parties

Note: this presentation is only a general summary of the contract. The details and obligations of the parties are in the contract

ATTACHMENT A



ECA Questions and Comments

18

NUM	LOCATION	COMMENT	RESPONSE	M O D1
1	PWS p.4 B.4(3)	One is a quick one for the lawyers. I found (attached) a section that says "will shall" - I assume it is just one (either will or shall) and not both. I don't know which one (or that it matters too much?)	Will ask about changing before signing. If that can't be done, will include in MOD1 change list. The DOE Procurement responded on 7/21/26 that no changes to the ECA, but will add it to Modification #1 after award of agreement.	x
2	PWS p.6 B.4(3)(e)	Second, there is a section about new resources where it looks like the lab could "veto" a new resource specifically identifying the WAPA contracting option. It describes how that the county is pursuing if it raises proposed New Facilities are handled, and supplements section B.4(3)(d) Additional Approved Resources. The agreement of both Parties - is there a potential new lab resource that would raise county rates that the county should have "veto" power over? (Screen shot of section also attached).	This is an entirely new section that was added to identify a path for the County to mitigate the cost risks of procuring long-term capital assets by specifically identifying the WAPA contracting option. It describes how that the county is pursuing if it raises proposed New Facilities are handled, and supplements section B.4(3)(d) Additional Approved Resources. The agreement of both Parties is necessary for any new Approved Resource, including New Facilities. There is no similar language specifically for DOE New Facilities, because the DOE doesn't face the same cost risks that the County does for new electric capital assets.	

ATTACHMENT A



ECA Questions and Comments

19

3	Any choice is between at least two alternatives. So, one big question that I think it would be prudent to be prepared for is: What alternative options to approving the ECA were evaluated by the DPU?	DPU did not explore breaking with the ECA and going a different direction. DPU worked to negotiate a renewed ECA that meets DPU's goals and objectives. The 2017 IRP on page 48 discusses some post 2025 ECA strategies but many of the assumptions behind those strategies are not current with today's mix of loads and resources. One alternative is for DPU and DOE to split their resources completely. This would require substantial actions by both parties to separate all of the interconnected assets, contracts, accounting practices, and generation resources. It would cut DPU's load by 80%, from a range of 60-90 MW to 10-20MW. It would change how the Electric Production division functions, as the reduced load would lower the economy of scale and require changes to planning for the 2040 carbon neutral goal. Fiscal Year 2028 combined energy sales to LANL and SNL/KAFB are estimated at an average of \$4.2 million/month, with much of that energy supplied through DPU's 20-year Foxtail Flats PPA and ESA. DPU's cost risk exposure with Foxtail Flats would increase from an estimated \$2 million/year under the ECA to an estimated \$18 million/year. Additional points are stated in the response to item 4.

ATTACHMENT A

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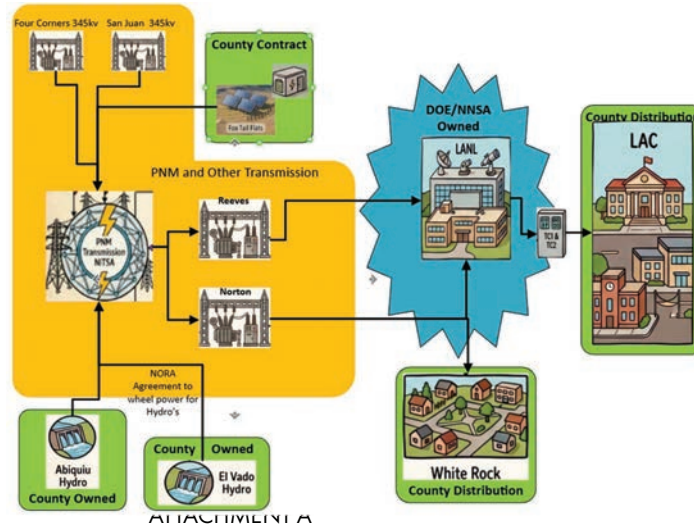
ECA Questions and Comments

20

4	Some subsidiary questions: If the ECA were not approved, could the DPU continue to provide electric power as an independent provider without the ECA? What about looking to PNM for power?	If the ECA was not approved, it is possible to be an independent electric power provider but there would be an extensive unwind process and most likely be a costly proposition. There still would need to be cost allocations made because transmission to Los Alamos is over LANL transmission and distributed to LAC through TA-3 sub-station (and the LANL distribution system in some cases) and then how to address the nine employees who perform power scheduling for LAC, LANL and Sandia/Kirtland. The ECA covers power scheduling where County pays approximately 10% of this team's costs, and LANL and Sandia/Kirtland collectively pay about 90% of these costs. Please keep in mind Sandia/Kirtland was once served by PNM and broke away and asked Los Alamos County to do the power scheduling. PNM is not needed for power because Foxtail Flats and hydroelectric plants would meet all of LAC's power needs. A break in the ECA would require LAC to find another large power off taker and most likely need to be a customer within PNM's balancing area given today's transmission constraints. Also, with Foxtail Flats and the two hydroelectric plants, DPU would still need to continue to procure balancing services from PNM who currently provides this service that supports how we do power scheduling within the PNM balancing area.

ECA Questions and Comments

21



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ECA Questions and Comments

22

5	I understand the ECA benefits of cost sharing, risk mitigation and being able to develop utility-scale solar/battery projects via the relationship with DOE/LANL, a large partner. Just to play devil's advocate, if we didn't have this relationship with such a "large power off-taker," would LAC have sought to advance a smaller, yet still utility-scale, solar project (perhaps closer to home depending on size) that targets more specifically LAC-level power needs (e.g., perhaps 20-30 MW solar plus 10 MW battery)?	DPU's Electric Production division has continually pursued multiple new resources in parallel to meet cost and carbon neutral 2040 goals. For at least the past eight years, including during the same time that the Foxtail Flats opportunity was being developed, staff have continued looking for feasible local County, DOE, or San Ildefonso Pueblo sites for a PV + storage site. DPU staff studied feasibility and cost for a specific DOE site and determined that it would cost greater than \$90/MWh for PV, more than double Foxtail Flats. Staff also worked with San Ildefonso Pueblo in support of a potential PV + storage project of around 20 to 40 MW to be located on tribal property. That project was overcome by events and is transitioning to a potential geothermal project. In the early 2010s, the NEDO project installed the 1 MW PV and storage at the local landfill site. This project is an approved resource, so when it came time to dispose of the lead acid and sodium sulfur storage systems, the DOE paid for most of the disposal cost under the terms of the ECA. DPU retains the ability to pursue generation independently of DOE, notwithstanding the current and future ECAs. For many of the years that the CFPP project was active (8.3 MW), it was not an approved resource, only a County resource. The County still benefitted from the DOE's project development funding as it lowered the costs to the County.

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ECA Questions and Comments

23

6	Is it correct to assume that LANL/DOE would disappear as a large off-taker without the ECA?	It is reasonable to anticipate that without an ECA the DOE would explore all options for meeting their generation resource needs and seek competitive procurements, including not being an off taker of County resources.
7	Where else would they go for their needs?	In addition to the option for becoming a regulated rate customer of DPU, they could: 1. Become a customer of PNM under a regulated rate. 2. Become a network customer of PNM and contract for their energy through WAPA or directly with a power marketer.
8	Would there be any benefit to a different mechanism for us as supplier and them as customer?	Staff have not studied the potential pros and cons if the DOE were to be a customer of under a BPU/CC regulated rate.
9	Is there a downside to LAC for building this relationship through the ECA model vs some other?	Staff and Counsel explored other DOE contract arrangements like the County's Fire Cooperative Agreement and through a series of discussions was narrowed down to this new form of the ECA as the best contract mechanism given DPU is a utility.

ATTACHMENT A



ECA Questions and Comments

24

10	You comment that DPU worked to negotiate a renewed ECA that meets DPU's goals and objectives. Do you believe that the current version has done this?	DPU's goals and objectives were centered around making changes to the ECA to ensure a balanced partnership that mitigates the County's risks from long-term financial commitments for resources that mostly serve LANL. The presentation and staff report mention some of these changes. All changes to the ECA desired and requested by staff have been included in delivered documents in a form that meets staffs' objectives.
11	Is there anything you would change if you could?	Writing a 20 year agreement to align with the 20 year Foxtail Flats would have been DPU's preference.
12	Anything significant that concerns you?	No, DPU added the known unknowns such as Energy Day Ahead Market (EDAM) and provisions to update and change the agreement as the energy market changes.

ATTACHMENT A



ECA Questions and Comments

25

13	In number 2 of July 17 comments, you state, "There is no similar language specifically for DOE New Facilities, because the DOE doesn't face the same cost risks that the County does for new electric capital assets." ...by this, do you mean because DOE is not in the business of developing new electric assets on their own, so it's a moot point?	The DOE could develop new electric assets, but if they do they will be making the entire financial commitment for those assets by themselves, with the backing of the Federal Government. For example, the DOE's new transmission line that is currently under construction is funded entirely by the DOE. There are provisions in the new ECA for the County to contribute to the future expenses of this transmission line when the Parties agree. There is no guarantee that the County will pay any costs of the line. Yet this is not a big risk to the DOE, because the asset largely or entirely is needed for LANL's mission, not for the County, and DOE is prepared to pay for entirely. This is quite different from the County contracting for assets that mostly serve LANL, not the County, but for which the County is financially liable, which is why the County sought to mitigate these risks, but the DOE doesn't need to.
14	What does the term "collaborative agreement" in the presentation mean?	It is an acknowledgment that the ECA was produced and conducted by the County and DOE working together. It is not used here as a legal description of the structure of the agreement, such as a contract between physicians and mid-level providers.

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ECA Questions and Comments

26

15	Why doesn't the contract discuss the 10-year option and its contract award value?	The contract extension is under a separate CLIN and has not been provided to staff.
16	Are there any more details about how a termination for convenience would be priced?	Details regarding termination will be covered during BPU's presentation.
17	When did staff begin working on the new ECA?	The earliest email is from April 18, 2022, referencing consolidated comments to the statement of work (now called the performance work statement).

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Termination of the Contract

27

- The ECA includes a contract ceiling that takes into account the existing contracts
- The contract ceiling sets an expected amount of the funding required for the contract for the full term (as if the contract is renewed for the additional 10 years)
- If the contract is terminated, NNSA will pay the incurred amounts by the County (the termination for convenience process)

Note: this presentation is only a general summary of the contract. The details and obligations of the parties are in the contract

ATTACHMENT A



Staff Recommendations

28

- The Utilities Manager recommends that Board approve the motion as presented
- **Alternative motion:** I move that the Board of Public Utilities request from DOE/NNSA an extension to the current Electric Coordination Agreement with a term through August 31, 2026, to allow additional time for County review. I further move that the Board of Public Utilities recommend Council approve such extension to the current Electric Coordination Agreement.

ATTACHMENT A



Summary

29

- The 2026 ECA recognizes the long-term nature of the County and DOE/NNSA needs and enables a continued electric operations partnership
- It improves on the unique framework refined over the past 40 years
- The 2026 ECA includes a clause requiring the Federal Agency to pay for the additional cost if the electric service contract is terminated prior to the term of the payment of the project, including termination costs

Note: this presentation is only a general summary of the contract. The details and obligations of the parties are in the contract

ATTACHMENT A



Next Steps

30

- Forward to Council for approval
- Sign the 2026 ECA
- Transition power supply operations to the 2026 ECA starting August 1, 2026
- Close out the 1985 ECA

ATTACHMENT A



Thank you!
Questions?



Utilities Manager's Report
July 22, 2026

1. For White Rock Sub-Station, R&M Construction has drilled the first pier and on the second one they experienced a hydraulic leak, and drilling had to be shutdown. The contractor is seeking a replacement drill rig and anticipates restarting next week.
2. For Elk Ridge, all homes are on the new system, and the old gas system is completely abandoned. Staff are working on closeout documentation.
3. New Mexico Gas virtual pipeline is in operation while they hydrotest 8 miles of high-pressure delivery gas line from Santa Fe to Los Alamos. The project is two weeks behind schedule and will now run until the end of August.
4. Time of use and demand rates are in place. We found some metering issues with an apartment complex that staff is in the process of reprogramming these meters. The AMI portal is unexpectedly down during this transition. Staff have been manually checking bills for accuracy before they are mailed. A press release has gone out to explain what occurred in more detail.
5. Recruitment status: Congratulations to Stephen Abeyta who was selected to be the new GWS superintendent. We hired a water operator who started this week and a senior engineer and an energy and water conservation coordinator who will start next month. The remaining vacancies are Electrical Distribution Engineering Manager, Associate Engineer, Management Analyst, Three Power System Operators, and Engineering Aid for utility locates.
6. For the Jemez Fire Protection Project, staff are working with DHSEM on material procurements for the electrical underground work. This FEMA grant will cover electrical undergrounding of lines and the removal of the overhead lines.
7. For the NMED's sanitary survey all items for correction have been closed out.
8. UAMPS Projects: A limited remote meeting was held this month and there are no project updates.
9. San Juan County has accepted the closure of the San Juan Generating Station Demolition and Remediation (Ordinance 121). The formal decommissioning and demolition process was completed over an approximately three (3) year period, from initial contractor mobilization through final completion. The mine reclamation work will continue through 2030.
10. Attended the APPA conference in Boston and attended the preconference workshop on strategic planning. There were several good ideas exchanged at this training. In collaboration with our facilitator Kathy Darwin, we discussed a plan for this year's strategic planning session. Since we have a new team of Deputy Utility Managers and the same BPU members, this year's strategic planning will start with a presentation on the deputy managers'

SWOT analysis. We hope this approach will present some of the challenges and opportunities that the department faces before we seek to update DPU's Strategic Focus Areas, Goals & Objectives. During the main sessions of the conference, Chair Gibson and I attended different breakout sessions. I attended strategic communications, fleet electrification, risk in modernization efforts, operational excellence behind customer satisfaction, and using RP3 strategies. Reliable Public Power Provider (RP3) is APPA's operational excellence program, and I recommend that we seek this designation as part of the once every 5-year peer review activity required by county charter.

11. Attended the NM Groundwater conference and there were much discussion and presentation on the fact that the Rio Grand is "fully appropriated". Also, the extensive use of groundwater is impacting flows in the Rio Grand and hence causing issues with the state meeting its compact obligations with Texas. Santa Fe made a presentation on there plans to meet future growth with fully using their San Juan Chama Project Water. This was useful information on how we can do the same with the proposed well at Overlook Park.
12. The San Juan Chama Project water has made its final allocation of water this year unless heavy monsoon season occurs. To date Los Alamos has been allocated 326 acre-feet of water out of 1200 acre-feet maximum allotment. The Rio Chama Acequia Association is in their final year of our agreement to purchase this amount of water from the County to place to beneficial use.
13. Attended the LANL Consent Order Audit Scoping meeting and between my public comment and the three pueblos that commented on the chromium plume the auditor promised to review closely how these activities are progressing.
14. Working with Atomic Fiber's vendor Bonfire to coordinate and eventually take over all the locates for county fiber.



County of Los Alamos

Staff Report

August 19, 2026

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.: 4.b.
Index (Council Goals):
Presenters: James Martinez, Deputy Utility Manager-Engineering
Legislative File: AGR1218-26a

Title

Recommendation of Approval for AGR26-62 with Bohannon Huston, Inc. (BHI) and their sub-consultant, John Shomaker & Associates, Inc. (JSAI), for the Revised Long-Range Water Supply Plan in the Amount of \$224,000.00 plus applicable NMGR

Recommended Action

I move that the Board of Public Utilities recommend approval of AGR26-62 with Bohannon Huston, Inc. (BHI) and their sub-consultant, John Shomaker & Associates, Inc. (JSAI), for the 40-Year Long-Range Water Supply Plan update in the base amount of \$142,650.00 plus the optional services in the amount of \$56,550.00 to complete a new point of diversion permit application and hydraulic model development/verification, and a 12.4% contract contingency of \$24,800.00, for a total authorized contract amount of \$224,000.00 plus applicable gross receipts tax, and forward to Council for final review and approval.

Utilities Manager's Recommendation

The Utilities Manager recommends that the motion be approved as presented and forwarded to Council.

Body

Back in 2006, the Department of Public Utilities (DPU) hired Daniel B. Stephens & Associates to write our 40-year water plan. That same company helped us do a big review of the plan in 2018 to update our population and water demand numbers based on advice from local water experts and the State Engineer's office. For today's current times, the County is looking to update the plan again to keep up with future needs. DPU put out a formal request for proposals under RFP 26-62, and staff recommends Bohannon Huston and their sub-consultant John Shomaker & Associates. This team will look at future water needs for both the County and the Lab, check our water supply options, help us integrate our San Juan-Chama water, handle state water permits, and present their findings to BPU. The basic work costs \$142,650.00. We are also asking to add extra services for a new water diversion permit and a computer model of our water system for another \$56,550.00. When you add a 12.4% contingency of \$24,800.00 to cover any unexpected permit or modeling issues, the final contract total comes to \$224,000.00 plus NM GRT.

Alternatives

The Board could choose not to award the contract or delay approval. This alternative is not recommended as the current plan requires immediate updates to align with evolving LANL expansion metrics and NMOSE compliance schedules. Delayed planning risks long-term water

security.

Fiscal and Staff Impact/Planned Item

This project is a planned item, and funds are sufficiently budgeted within the Department of Public Utilities' Capital Improvement Project (CIP) budget. (FY 26: 40-year Water Plan Update - \$75,000 and Design of New Water Well at Overlook Park - \$230,000) Staff impact will consist of routine contract management, data sharing, and oversight of the contract by DPU Engineering and Water Production staff, which will be managed strictly within existing operational capacities.

Attachments

A - AGR26-62_Bohannon Huston Inc.



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 **Bohannon Huston, Inc.**, a New Mexico corporation ("Contractor"), collectively (the "Parties"), to be effective for all purposes August 20, 2026 ("Effective Date").

WHEREAS, the County Purchasing Officer 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. 26-62 ("RFP") on April 14, 2026, requesting proposals for Los Alamos County Long Range Water Plan ("Plan"), as described in the RFP

WHEREAS, Contractor timely responded to the RFP by submitting a response dated May 14, 2026 ("Contractor's Response"); and

WHEREAS, based on the evaluation factors set out in the RFP, Contractor 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 August 19, 2026; and

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

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

SECTION A. SERVICES:

1. **Project Initiation and Kick-Off Meeting:** Contractor shall, within ten (10) business days from the Effective Date of this Agreement host a kick-off meeting with County's designated Department of Public Utilities staff. As part of the kick-off meeting, the Parties shall:
 - a. Introduce and assign Contractor and County Project team members and Project leads ("Project Staff" and "Project Manager").
 - b. Establish a mutually agreed upon Project Schedule that includes deliverable due dates, Project Milestones, and communication protocols. Contractor shall provide a written memorandum to County's Project Staff within five (5) business days from the date of the kick-off meeting outlining the final agreed-upon Project Schedule. The Project Schedule may be modified by mutual written agreement of the Parties.
 - c. Discuss the Project's scope of work, planning assumptions, and Project progression to meet County identified deadlines and meeting dates.

- d. Identify the process for submittal, review and approval of deliverables. Establish data transfer methods between Contractor and County Project Staff related to the deliverables for this Agreement.

2. Evaluation of Future Projections for Los Alamos County and Los Alamos National Laboratory

The Contractor shall develop a 40-year water demand forecast for all of Los Alamos County and use the future demands provided by LANL. The final Plan must serve as a 40-Year Municipal Water Development Plan per NMSA 1978, Section 72-1-9. It must include:

- a. All necessary data and justifications required for the County to legally reserve its undeveloped water rights for future use.
- b. Evaluation – Contractor will evaluate projected demands for Los Alamos County and LANL for the next 40-year horizon and verify sufficient water rights are available.
- c. The evaluation shall consider that 679 acre-feet is committed to groundwater remediation efforts for the Chromium Plume, and an additional 188 acre-feet has been committed to Pajarito Mountain snow making.
- d. The Contractor shall provide an evaluation of regional and environmental issues and threats such as climate change and groundwater contamination, etc. Contractor shall make recommendations on how Los Alamos can manage these issues and threats in the Plan.

3. Water Supply Portfolio & SJC Integration

The Plan must evaluate the County's ability to meet projected demand using its total portfolio of 3,878.91 acre-feet of owned groundwater rights and 1,200 acre-feet of undeveloped San Juan-Chama ("SJC") Project rights. The Contractor shall reference the San Juan Chama Water Supply Project Final Preliminary Engineering Report by CDM Smith, dated September 2012 ("2012 Study"), 5E Alternative 5 Groundwater Wells for a single well to be constructed at Overlook Park.

The Contractor will revise the estimates from the 2012 Study to drill and develop a new water supply well at Overlook Park in White Rock, NM. Provide estimates for off-site transmission line, and to include engineering and hydrogeological services for a complete project to produce water to the community.

Contractor shall utilize the provided State Hydrological and Gridded Evapotranspiration Data to conduct riparian evaporation study to evaluate and quantify the losses from the surface water evaporation, and riparian evapotranspiration along the Rio Chama, Rio Grande, and to the point of diversion in White Rock, NM.

Contractor will coordinate with New Mexico Office of State Engineer (OSE) to understand the requirements of engineering and hydrological studies, aquifer testing, sampling, and all other requirements to permit this new point of diversion using the 1,200 acre-feet per year (AFY) of San Juan Chama water.

Los Alamos County has a contract to store 1,200 AFY of water at Abiquiu Lake.

Overlook Park Infrastructure: The Contractor shall conduct technical feasibility analysis for the new production well near Overlook Park. This includes modeling the induced

infiltration capacity of the site to capture SJC surface water and identifying any hydrological risks associated with the well's proximity to the river.

4. Public and Governing Body Presentations

The Contractor is responsible for a robust "Public Involvement Plan" to ensure transparency and support. This includes:

- a. Public Meetings – Planning, coordinate, and facilitate one (1) public meeting in White Rock, NM, and one (1) in Los Alamos, NM.
- b. Board and Governing Body Meetings – Presenting draft and final presentations at two (2) Board of Utilities Meetings, and two (2) Council Meetings, for a total of four (4) presentations.
- c. Soliciting input from the general public, government agencies (OSE, New Mexico Interstate Stream Commission - NMISC, Bureau of Reclamation), and regional stakeholders.

Facilitating public meetings to gather input and presenting the final Plan to the Los Alamos County Utilities Board and County Council.

SECTION B. TERM: The term of this Agreement shall commence August 20, 2026, and shall continue through August 19, 2028, unless sooner terminated, as provided herein. At County's sole option, the County Utilities Manager may renew this Agreement for up to Five (5) consecutive one-year period(s), unless sooner terminated, as provided therein.

SECTION C. COMPENSATION:

- 1. Amount of Compensation.** County shall pay compensation for performance of the Services in an amount not to exceed TWO HUNDRED TWENTY-FOUR THOUSAND AND NO/100 DOLLARS (\$224,000.00), which amount does not include applicable New Mexico gross receipts taxes ("NMGRT"). Compensation shall be paid in accordance with the compensation rate schedule set out in Exhibit A, attached hereto and made a part hereof for all purposes.
- 2. Invoices.** Contractor shall submit itemized invoices to County's Project Manager showing amount of compensation due, amount of any NMGRT, 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: Contractor shall be solely responsible for timely and correctly billing, collecting and remitting all NMGRT levied on the amounts payable under this Agreement.

SECTION E. STATUS OF CONTRACTOR, STAFF, AND PERSONNEL: This Agreement calls for the performance of services by Contractor as an independent contractor. Contractor is not an agent or employee of County and shall not be considered an employee of County for any purpose. Contractor, 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 Contractor nor any employee of Contractor shall be entitled to any benefits or compensation other than the compensation specified herein. Contractor shall have no authority to bind County to any agreement, contract, duty, or obligation. Contractor shall make no representations that are intended to, or create the appearance of, binding County to any agreement, contract, duty, or obligation. Contractor 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 Contractor 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: Contractor agrees and represents that it has and shall maintain the personnel, experience, and knowledge necessary to qualify it for the particular duties to be performed under this Agreement. Contractor 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; Contractor shall not use, sell, disclose, or obtain any other compensation for such works for hire. In addition, Contractor 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. Contractor shall not use deliverables in any manner for any other purpose without the express written consent of County.

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

SECTION I. INSURANCE: Contractor shall obtain and maintain insurance of the types and in the amounts set out below throughout the term of this Agreement with an insurer acceptable to County. Contractor shall ensure that all subcontractors 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 Contractor shall not provide any Services under this Agreement unless and until Contractor has met the requirements of this Section. County requires Certificates of Insurance, or other evidence acceptable to County, stating that Contractor has met its obligation to obtain and maintain insurance and to ensure that subcontractors maintain like insurance. Should any of the policies described below be cancelled before the expiration date thereof, notice shall 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; ONE MILLION DOLLARS (\$1,000,000.00) aggregate.
2. **Workers' Compensation:** In an amount as may be required by law. County may immediately terminate this Agreement if Contractor fails to comply with the Worker's Compensation Act and applicable rules when required to do so.
3. **Automobile Liability Insurance for Contractor and its Employees:** ONE MILLION DOLLARS (\$1,000,000.00) combined single limit per occurrence; ONE MILLION DOLLARS (\$1,000,000.00) aggregate on any owned, and/or non-owned motor vehicles used in performing Services under this Agreement.

- 4. Professional Liability Insurance:** ONE MILLION DOLLARS (\$1,000,000.00). Professional Liability Insurance shall provide coverage for Services provided hereunder during the term of this Agreement and for a period of at least five (5) years thereafter.

SECTION J. RECORDS: Contractor 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. Contractor 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. DUTY TO ABIDE: Contractor 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.

SECTION L. NON-DISCRIMINATION: During the term of this Agreement, Contractor shall not discriminate against any employee or applicant for an employment position to be used in the performance of the obligations of Contractor 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. CHOICE OF LAW: The interpretation and enforcement of this Agreement shall be governed by and construed in accordance with the laws of the State of New Mexico.

SECTION N. VENUE, FORUM NON-CONVENIENS, EXCLUSIVE STATE JURISDICTION: County and Contractor knowingly, voluntarily, intentionally, and irrevocably agree that any and all legal proceedings related to this Agreement, or to any rights or any relationship between the Parties arising therefrom, shall be solely and exclusively initiated, filed, tried, and maintained in the First Judicial District Court of the State of New Mexico. County and Contractor each expressly and irrevocably waive any right otherwise provided by any applicable law to remove the matter to any other state or federal venue, consents to the jurisdiction of the First Judicial District Court of the State of New Mexico in any such legal proceeding, waives any objection it may have to the laying of the jurisdiction of any such legal proceeding. County and Contractor also agree that this term is a material inducement for each to enter this Agreement, and that both County and Contractor warrant and represent that each have had the opportunity to review this term with legal counsel.

SECTION O. WAIVER OF JURY TRIAL: In the event of any action or proceeding, (including without limitation, any claim, counterclaim, cross-claim or third party claim) arising out of or relating to this Agreement, or the transaction contemplated by this Agreement, County and Contractor KNOWINGLY, VOLUNTARILY, INTENTIONALLY, AND IRREVOCABLY WAIVE ANY RIGHT TO A JURY TRIAL, and agree that a court shall determine and adjudicate all issues of law and fact with a jury trial being expressly waived. County and Contractor also agree that this waiver of a jury trial was a material inducement for each to enter this Agreement, and that both County and Contractor warrant and represent that each have had the opportunity to review this jury waiver with legal counsel.

SECTION P. INDEMNITY: Contractor shall indemnify, defend, and hold harmless County, its Council members, employees, agents, and representatives, from and against all liability, claims, demands, actions (legal or equitable), damages, losses, costs, or expenses, including attorney fees, of any kind or nature, to the extent that the liability, claims, demands, actions, damages,

losses, costs, and expenses are caused by, or arise out of, the acts or omissions of the Contractor or Contractor's officers, employees, agents representatives, and subcontractors in the performance or breach of the Services under this Agreement.

SECTION Q. FORCE MAJEURE: Neither County nor Contractor 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; provided, however, that the party failing to perform shall (i) as soon as possible, inform the other party of the occurrence of the circumstances preventing or delaying the performance of its obligations, and describe at a reasonable level of detail the circumstances causing such delay, and (ii) exert reasonable efforts to eliminate, cure, or overcome any of such causes and to resume performance of its Services with all possible speed. In such event, the non-performing party may be excused from any further performance or observance of the obligation(s) so affected for as long as such circumstances prevail and such party continues to use its best efforts to recommence performance or observance whenever and to whatever extent possible without delay.

SECTION R. NON-ASSIGNMENT: Contractor shall not assign this Agreement or any privileges or obligations herein and shall not novate this Agreement to another without the prior written consent of the County Utilities Manager.

SECTION S. LICENSES: Contractor shall maintain all required licenses including, without limitation, all necessary professional and business licenses, throughout the term of this Agreement. Contractor shall require and shall ensure that all of Contractor's employees and subcontractors maintain all required licenses including, without limitation, all necessary professional and business licenses.

SECTION T. PROHIBITED INTERESTS: Contractor 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. Contractor further agrees that it shall 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 U. TERMINATION:

1. **Generally.** The County Utilities Manager may terminate this Agreement with or without cause upon ten (10) days prior written notice to Contractor. Upon such termination, Contractor shall be paid for Services actually completed to the satisfaction of County at the rate set out in Section C. Contractor 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 Contractor at least ninety (90) days advance notice that funds have not been and are not expected to be appropriated for that purpose.

SECTION V. NOTICE: Unless otherwise provided in this Agreement, any notices required under this Agreement shall be made in writing. Notices shall be sent via 1) hand-delivery; 2) registered

or certified mail; 3) a nationally recognized overnight courier service; or 4) electronic mail (with copy by mail or courier). All notices shall be sent to each party at the addresses set out in this section or any address later provided by such party in writing, with postage prepaid by the sender, and shall be deemed delivered upon hand delivery, verified proof of delivery by courier, or three (3) days after deposit in the United States Mail.

County:

James Martinez, PE – Deputy Utility Manger
Incorporated County of Los Alamos
1000 Central Avenue, Suite 130
Los Alamos, New Mexico 87544
james.martinez@losalamosnm.gov

Contractor:

Nathan Roberts, PE - Senior Vice President
Bohannon Huston, Inc.
7500 Jefferson Street NE, Albuquerque, NM
87109
nroberts@bhinc.com

With a copy to:

County Attorney's Office
1000 Central Avenue, Suite 340
Los Alamos, New Mexico 87544
E-mail: ~Attorney@losalamosnm.gov

SECTION W. INVALIDITY OF PRIOR AGREEMENTS AND ENTIRE AGREEMENT:

1. 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 authorized representatives of County and Contractor. In the event of any conflict between the terms, conditions, and provisions of this Agreement, and the terms, conditions and provisions of any exhibits or attachments, the terms, conditions and provisions of this Agreement shall control and take precedence.
2. Regarding the Services described herein, this Agreement shall supersede, now and in the future and without limitation, any terms or conditions on Contractor's website, terms and conditions referenced on Contractor's quote or invoice, or any other Contractor terms and conditions not expressly agreed to and properly authorized by the Parties in writing. For clarity, no "click-through," "click-and-accept," "web-wrap," or other similar agreements or terms whether before, on, or after the date of this Agreement, will be effective to add to or modify the terms of this Agreement, regardless of any Party's acceptance of those terms by electronic means.

SECTION X. NO IMPLIED WAIVERS: The failure of County to enforce any provision of this Agreement is not a waiver by County of the provisions, or of the right thereafter, to enforce any provision(s).

SECTION Y. SEVERABILITY: If any provision of this Agreement is held to be unenforceable for any reason: (i) such provision shall be reformed only to the extent necessary to make the intent of the language and purpose of the Agreement enforceable; and (ii) all other provisions of this Agreement shall remain in effect so long as the substantive purpose of the Agreement is possible.

SECTION Z. CAMPAIGN CONTRIBUTION DISCLOSURE FORM: A Campaign Contribution Disclosure Form was submitted as part of the Contractor's Response and is incorporated herein by reference for all purposes.

SECTION AA. LEGAL RECOGNITION OF ELECTRONIC SIGNATURES: Pursuant to NMSA 1978, Section 14-16-7, this Agreement may be signed by electronic signature.

SECTION AB. DUPLICATE ORIGINAL DOCUMENTS: This document may be executed in two (2) counterparts, each of which shall be deemed an original.

SECTION AC. NEGOTIATED TERMS: This Agreement reflects negotiated terms between the Parties, and each party has participated in the preparation of this Agreement with the opportunity to be represented by counsel, such that neither party shall be considered to be the drafter of this Agreement or any of its provisions for the purpose of any statute, case law, or rule of interpretation or construction that would or might cause any provision to be construed against the drafter of this Agreement.

SECTION AD. CONFIDENTIAL INFORMATION: Any confidential information of one party that is provided to the other party during the term of this Agreement shall be kept confidential and shall not be made available to any individual or organization in accordance with the Confidential Information Disclosure Statement in Exhibit B. The Confidential Information Disclosure Statement shall be completed by Contractor as a condition precedent and submitted as part of this Agreement. Its terms shall govern as if fully set forth herein.

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

MICHAEL D. REDONDO
COUNTY CLERK

BY: _____
ANNE W. LAURENT **DATE**
COUNTY MANAGER

Approved as to form:

J. ALVIN LEAPHART
COUNTY ATTORNEY

**BOHANNAN HUSTON, A NEW MEXICO
CORPORATION**

BY: _____
DATE

NAME: _____

TITLE: _____

Exhibit A
Compensation Rate Schedule
AGR26-62

Project Tasks	Total Hours	Total Amount
Project Initiation and schedule	76	\$14,502.00
Evaluation of Future Projections for Los Alamos County and Los Alamos National Laboratory	362	\$66,000.00
Water Supply Portfolio & San Juan Chama Integration	262	\$45,660.00
Public & Governing Body Presentations	92	\$16,488.00
Total Excluding Optional Services		\$142,650.00
OPTIONAL Service: JSAI Permit application for a new point of diversion		\$12,030.00
OPTIONAL Service: BHI Hydraulic Model updates and validation		\$44,520.00
Total Including Optional Services		\$199,200.00

***Travel Guidelines:**

If Offeror's travel costs are proposed as direct reimbursable costs, copies of all travel expenses must accompany invoices submitted to County and shall only include the following:

1. The most economical means of transportation shall be used, commercial airlines coach fare rates;
2. Business-related tolls and parking fees;
3. Rental car, taxi service or shuttle services;
4. Mileage shall be reimbursed at the standard mileage rate for business miles driven as established from time to time by the Internal Revenue Service or a minimum of \$0.45 per mile;
5. Hotel or motel lodging, not to exceed \$250.00 base rate per night excluding tax;
6. Meals, per Los Alamos County Travel Policy, currently \$90.00 per diem daily for multi-day travel, or up to \$40.00 daily for one day travel;
7. Internet connectivity charges;
8. Any other reasonable costs directly associated with conducting business with County.
9. If reimbursement for lodging or airfare is sought and no receipt is furnished by Contractor showing the actual cost, the travel expense shall be deemed unreasonable and un-reimbursable.

Travel Expenses not allowed are as follows:

1. Entertainment; in-room movies, games, etc. and
2. Alcoholic beverages, mini bar refreshments or tobacco products.

Bohannon Huston Hourly Rate Schedule

	1	2	3	4	5	6	7
ENGINEER Civil, Structural, Mechanical, Electrical	\$128	\$143	\$168	\$188	\$213	\$248	\$273
SURVEYOR	\$128	\$143	\$168	\$188	\$213	\$248	\$273
TECHNICAL MANAGER Project Manager, Data Scientist, Construction, IT	\$128	\$143	\$168	\$188	\$213	\$248	\$273
PLANNER Community, Transportation	\$113	\$123	\$148	\$168	\$188	\$218	\$273
DESIGNER Civil, Structural, Mechanical, Electrical, Survey, Geospatial	\$108	\$118	\$143	\$153	\$173	\$193	\$213
PROJECT ADMINISTRATOR	\$103	\$123	\$148	\$168	\$188	\$213	\$233
CONSTRUCTION OBSERVER	\$98	\$103	\$113	\$118	\$133	\$148	\$188
TECHNICAL SPECIALIST Engineering Tech, Survey Tech, GIS Tech, Graphics Specialist	\$88	\$93	\$113	\$118	\$133	\$143	\$158
MATERIALS TECHNICIAN Field and Laboratory Materials Testing	\$73	\$83	\$98	\$108	\$118	\$143	\$163
ADMINISTRATIVE PROFESSIONAL	\$73	\$83	\$98	\$108	\$118	\$123	\$138

MATERIALS AND REIMBURSABLE EXPENSES

Plotting, Printing and Binding - As invoiced at cost of labor and materials

Courier / Delivery Service - As invoiced by provider

Mileage - As published for the IRS Standard Mileage Rate

Per Diem - Field personnel in accordance with the latest GSA Schedule based on location of service

Travel - Office/Professional staff travel costs (Air, car, meals and lodging) will be billed at cost

Survey Equipment Charge - \$33.00/Hour

Survey Material Charge - \$7.00/Hour

GIS Equipment Charge - \$25.00/Hour

Other Direct Project Expenses - At Cost

Overtime - Performed upon request of the client; will be invoiced at 1.30 times the standard hourly rate **Expert**

Witness - Rates shall be negotiated based on the requirements of the contract with a minimum of four hours while in court

Applicable Gross Receipts or Sales and Use Tax - Added to all fees charged for professional services unless they are exempt and official documentation is on file with Bohannon Huston, Inc.

John Shomaker & Associates Hourly Rate Schedule

Labor Category	Rate
Senior Principal Hydrogeologist	\$240.00
Principal Hydrogeologist	\$195.00
Senior Hydrogeologist	\$150.00
Project Hydrogeologist	\$130.00
Staff Hydrogeologist	\$120.00
AutoCAD	\$100.00
Report Specialist	\$90.00
Project Assistant	\$60.00
Administrator	\$60.00

Exhibit B
Confidential Information Disclosure Statement
AGR26-62

The Incorporated County of Los Alamos is a governmental entity subject to certain disclosure laws including, but not limited to, the New Mexico Inspection of Public Records Act, NMSA 1978, §§ 14-2-1, et seq. Nothing in this Agreement is intended to diminish or expand the application of any applicable disclosure laws to any proprietary or confidential information.

This Confidential Information Disclosure Statement ("Statement") defines obligations and waivers related to Confidential Information disclosed pursuant to the above referenced Agreement between County and Contractor. County and Contractor agree to the following:

1. **Statement Coordinator** – Each party designates the following person as its Statement Coordinator for coordinating the disclosure or receipt of Confidential Information:

	Contractor	County
Name:		
Title:		
Address:		
City/State/Zip:		Los Alamos, New Mexico 87544
Email:		

2. **Definitions:**
 - a) **Confidential Information** - any form of information, in any format, disclosed by the Discloser to the Recipient and identified in writing as confidential.
 - b) **Discloser** - the party disclosing Confidential Information.
 - c) **Exception** – An exception is satisfied if the Confidential Information disclosed: (i) was in Recipient's possession prior to receipt from Discloser, (ii) is publicly known or readily ascertainable by legal means, (iii) is lawfully received by Recipient from a third party without a duty of confidentiality, (iv) is disclosed by Discloser to a third party without a duty of confidentiality on the third party, (v) is independently developed or learned by Recipient, or (vi) is disclosed by Recipient with Discloser's prior written approval.
 - d) **Recipient** – the party receiving Confidential Information.
3. **Obligations** – Recipient shall protect and ensure its participating subcontractors, agents, or associates shall protect all Confidential Information by using the same degree of care, but no less than a reasonable degree of care, to prevent the unauthorized use, dissemination, or publication of the Confidential Information as Recipient uses to protect its own information of a like nature. If any person or entity requests or demands, by subpoena or otherwise, all or any portion of the Confidential Information provided by one party to another, the party receiving such request shall immediately notify the Discloser of such request or demand. The party receiving the request or demand shall independently determine whether the information sought is subject to disclosure under applicable law including the New Mexico Inspection of Public Records Act. If the party receiving the request or demand determines that the information is subject to disclosure, it shall notify the Discloser of its intent to permit the disclosure with sufficient time to permit the Discloser to invoke the jurisdiction of an appropriate court or administrative body to raise any legitimate objections or defenses it may have to the disclosure. In the absence of an appropriate order prohibiting the disclosure, the party receiving the request or demand shall permit and proceed with the disclosure without incurring any duty, obligation or liability to the Discloser.



County of Los Alamos

Los Alamos, NM 87544
www.losalamosnm.us

Staff Report

August 19, 2026

Agenda No.: 4.c.

Index (Council Goals): Quality Excellence - Effective, Efficient, and Reliable Services; Quality Excellence - Infrastructure Asset Management; DPU FY26 - 1.0 Provide Safe and Reliable Utility Services

Presenters:

Legislative File: 22063-26a

Title

Approval of Task Order No. 35, Agreement No. AGR22-18a for Otowi 2 and S-site Booster Station Renovations with Ritecon Construction, Inc. in the amount of \$338,619.65 and a contingency of \$100,000.00, plus Applicable Gross Receipts Tax, for the Purpose of the LAC Booster Stations Rehabilitation

Recommended Action

I move that the Board of Public Utilities approve Task Order No. 35, Agreement No. AGR_22-18a for Otowi 2 and S-site Booster Station Renovations with Ritecon Construction, Inc. in the amount of \$338,619.65 and a contingency of \$100,000.00, plus applicable gross receipts tax, for the purpose of the LAC Booster Stations Rehabilitation and forward to Council for approval.

Utilities Manager's Recommendation

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

Body

The project consists of rehabilitation improvements to the Otowi 2 and S-Site booster water production facilities. Improvements include repair or replacement of the existing roofing systems, replacement of exterior doors and windows, and repair and painting of affected interior and exterior building surfaces. Additional work includes improvements to site drainage, repairs to areas with existing water damage, and replacement of roof exhaust fans where required. These improvements are intended to address deterioration and weather-related damage and restore the facilities to good overall condition.

Alternatives

If the Board does not award the project, staff will continue to allocate staff resources to maintenance to mitigate further degradation of the station and pursue a less desirable means to keep the stations operational.

Fiscal and Staff Impact

Funds were budgeted in FY26 and will be carried over to FY27 to fund the project, no staff will be impacted

Attachments

- A - AGR 22-18a Task Order No. 35
- B - Ritecon Construction, Inc. Price Agreement

Task Order Form
Los Alamos County
2022 On-Call Facilities Construction Services

AGR22-18 (a, c, d, and e)
Date: February 2, 2022
Date: May 8, 2024 Amendment 1
Date: March 31, 2026 Amendment 2

DATE PREPARED: August 11, 2026

TASK ORDER No.: 35 | **AGR22** - 18a | All-Rite Construction | Vendor No. 29045

PROJECT NAME/WORK NEEDED: Otawi 2 and S-site Booster Station Renovations

COUNTY REQUESTOR: James Martinez | (505)663-1907 | james.martinez@losalamosnm.gov

PROJECT MANAGER: Casey Aumack | (505)663-1830 | casey.aumack@lacnm.us

CONTRACT MANAGER: Miguel Jimenez | (505)662-1430 | miguel.jimenez@losalamosnm.gov

SCOPE OF WORK REQUESTED:

The project consists of rehabilitation improvements to the S-Site and Otawi Booster 2 water production facilities. Improvements include repair or replacement of the existing roofing systems, replacement of exterior doors and windows, and repair and painting of affected interior and exterior building surfaces. Additional work includes improvements to site drainage, repairs to areas with existing water damage, and replacement of roof exhaust fans where required. These improvements are intended to address deterioration and weather-related damage and restore the facilities to good overall condition.

CHANGES IN SCOPE OF WORK:

All changes in scope of work, budget, or schedule (extensions) need to be approved in advance by Contract Manager and Project Manager.

ATTACHMENTS:

1. All-Rite quote

REQUESTED DELIVERY DATE:

1. March 31st, 2027

DELIVERABLES:

Please see attachment 1 for deliverables

ESTIMATED COST:

1. Quote Amount: \$ 338,619.65
2. NMGRRT Amount (7.6825%): \$ 26,031.38
3. Bond (required of \$25k): \$ 7,293.02
4. Total Task Order Amount: \$ 371,944.06

Current Contract Value	\$21,000,000.00	
Estimated value of all task orders to date, including this task order:	\$15,094,597.02	Plus GRT
Remaining Contract Value:	\$5,905,402.98	Plus GRT

CHARGE CODE: Project Code: [WP7942] **Org Code:** [54285699] | **Obj Code:** [8369]

Task Order Form
Los Alamos County
2022 On-Call Facilities Construction Services

AGR22-18 (a, c, d, and e)
Date: February 2, 2022
Date: May 8, 2024 Amendment 1
Date: March 31, 2026 Amendment 2

County Council Action:

- ☐ County Council approved Task Order No. Choose an item. on Click or tap to enter a date.
- ☐ Board of Public Utilities approved Task Order No. Choose an item. on Click or tap to enter a date..
- ☐ County Council approval not required.

SIGNATURE PAGE

Casey Aumack
Project Manager

Date

Miguel Jimenez
Contract Manager

Date

Eric Martinez
Public Works Director

Date

James Martinez
Department of Public Utilities, Deputy Utility
Manager

Date

Juan Rael
Deputy County Manager *(over \$20,000)*

Date

Choose an item.
Choose an item.

Date

Anne W. Laurent
County Manager *(\$50,000 or more but under 300K)*

Date

539 Oliver Ross Dr.
Albuquerque, NM 87121
Ph: (505) 344-7663
Fax: (505) 898-8239
www.ritecon.com

**Proposal Submitted To:**

Los Alamos County

RE: LAC Booster Station Rehabilitation

Proposal Submitted By: Jason O'Connor/Tyler Shultis

Attention: Casey A. Aumack

Incorporated County of Los Alamos Department of Public Utilities/Engineer

1000 Central Ave., Suite 130

Los Alamos, NM 87544

August 5, 2026

PRICE AGREEMENT ON-CALL AGR22-18a-A2

Description

Ritecon would like to hereby propose executing the turnkey projects for the County of Los Alamos. We will provide all material and labor to complete the projects detailed below. Compensation for this work is as follows.

<u>S-Site Total Grand Total:</u>	<u>\$240,517.74</u>
<u>Otawi Booster Grand Total:</u>	<u>\$131,426.32</u>
	<u>\$371,944.06</u>

(Grand Totals include applicable Tax and Bonding)

Pricing is valid for 90 days.

Scope of Work

Preconstruction Services

- Administrative coordination
- Subcontractor & material procurement

General Requirements

- Builders risk and general liability insurance
- PM management & coordination
- Roofing permit
- Project master schedule and weekly 3-week look ahead
- Project supervision
- Material submittals
- Quality control and control inspections
- Waste management
- Safety
- Bi-weekly progress meetings
- Closeouts & training

Construction – S-Site

- Roof – Remove and replace existing ladder: new steel ladder painted to match security windows, including concrete landing pad and lower security cage
- Roof – Repair/Install new roof: demo existing roofing, spot repair damaged concrete decking, glue-down felt-backed TPO with perimeter drip edge, boot all penetrations
- Door – Remove and dispose of existing doors: install 3/4" plywood for temporary security overnight
- Door – Replace threshold and weather striping: new double door and hardware with new transom lite (no vision lites on doors), patch, stucco repair, and plaster/paint as needed
- Window – Remove and dispose of existing windows: install temporary scaffolding platform for demo and installation in pit area
- Window – Modify and repaint five (5) existing security screens: weld stand-offs, paint, reinstall
- Window – Install, energy-efficient store front aluminum windows (qty 5): demo and haul existing steel windows, install new aluminum hopper storefront
- Exterior – Stucco patching and color of the building exterior, including around the new windows
- Exterior – Improve drainage channel at base of building: re-sloping and grading of existing material around the north eastern corner of the building
- Additional Alternate (included): Cut down and dispose of two trees against building (no stump removal)

Construction – Ottawa Booster 2

- Roof – Repair/Install new TPO roof: tune-up only, repair corners and joints, area around existing canale
- Roof – Drainage upgrades: new canale and downspout
- Door – Remove and dispose of existing doors: saw cut around frame and remove, install 3/4" plywood for temporary security overnight
- Door – Replace threshold, frame, and weather striping: new double door, frame, and hardware with transom lite (no vision lites), patch and repair stucco and plaster/paint
- Door – Install weather-rated exterior metal door and frame (included with door and frame installation)
- Window – Remove and dispose of existing windows: install temporary scaffolding platform for demo and installation in pit area
- Window – Modify and repaint four (4) existing security screens: weld stand-offs, paint, reinstall
- Window – Install, energy-efficient store front aluminum windows (qty 4): demo and haul existing steel windows, install new aluminum hopper storefront

- Exterior – Repair damaged exterior wall surface: demo concrete pad, demo cracked stucco, lath and base coat damaged door area
- Exterior – Prepare and repaint exterior surface around new door: color-coat blend at repaired door area
- Exterior – Improve drainage channel at base of building: trench and install 6" drainage pipe along building to daylight, with riprap next to road
- Interior – Repair interior wall water damage: frame, patch, and paint wall over existing doorway area and immediate surrounding area
- Replace existing roof exhaust fans (qty 2, Fantech downblast roof fans): touch up roofing membrane under exposed curb, reflash, seal new units onto curb mount, and wire into existing circuitry

Warranty

- The above work carries a 1-year labor and material warranty, excluding roofing.
- The roof work carries a 20-year No Dollar Limit Roof Warranty.

Exclusions

- Weekend or holiday work.
- Anything not specifically noted in bid sheets.
- Hidden conditions.
- HVAC modifications.
- Electrical modifications.
- Geotech/topography surveying.
- Fire alarm/fire sprinkler work.
- Landscaping, irrigation, site restoration beyond disturbed areas.
- Traffic control.
- Interior painting does not include moving furnishings, equipment, and materials prior to the start of painting. Any required moving or relocation services can be provided at an additional cost.
- Asbestos testing/abatement (not included in this proposal; can be priced separately if requested).
- Additional circuits or controls for exhaust fans beyond what currently exists.

Authorized Ritecon Project Manager: Jason O'Connor

S-Site Base Bid

Takeoff / Pricing Sheet

Item #	Description	Notes	Unit	Quantity	Materials	Labor	Base Cost	Total
1	Roof- Remove and replace existing ladder	New steel ladder painted to match security windows. Includes concrete landing pad and lower security cage.	LS	1.00	\$4,321.00	\$5,249.00	\$9,570.00	\$9,570.00
2	Roof- Repair/Install new roof	Demo existing roofing, spot repair damaged concrete decking. Glue down felt backed TPO with perimeter drip edge. Boot all penetrations.	LS	1.00	\$8,230.00	\$28,698.00	\$36,928.00	\$36,928.00
3	Roof- Drainage upgrades	N/A	LS	1.00	\$0.00	\$0.00	\$0.00	\$0.00
4	Door- Remove and dispose existing doors	Remove and install 3/4 Plywood for temp security overnight.	LS	1.00	\$145.00	\$5,727.50	\$5,872.50	\$5,872.50
5	Door- Replace threshold, frame, and weather striping	New double door, HW w/ transom lite. No vision Lites on doors. Patch and repair stucco and plaster/paint as needed.	LS	1.00	\$6,090.00	\$8,700.00	\$14,790.00	\$14,790.00
6	Door- Install weather rated exterior metal door	included with door replacement	EACH	2.00	\$0.00	\$0.00	\$0.00	\$0.00
7	Window- Remove and dispose existing windows	Install temp scaffolding platform for demo and install in pit area	LS	1.00	\$652.50	\$2,755.00	\$3,407.50	\$3,407.50
8	Window security screen, weld stand-offs, paint, reinstall	Modify and repaint five existing security screens	LS	5.00	\$507.50	\$725.00	\$1,232.50	\$6,162.50
9	Window- Install sliding weather rated, energy efficient windows	Demo and haul existing steel windows and install new aluminum hopper storefront	Each	5.00	\$4,495.00	\$9,216.20	\$13,711.20	\$68,556.00
Roof/Doors/Windows Subtotal								\$145,286.50

Alternates Exterior / Interior

Exterior	Exterior- Repair damaged exterior wall surfaces	Included in line item 11	LS	1.00	\$0.00	\$0.00	\$0.00	\$0.00
10	Exterior- Repair damaged exterior wall surfaces	Included in line item 11	LS	1.00	\$0.00	\$0.00	\$0.00	\$0.00
11	Exterior- Prepare and repaint exterior surfaces as required	Includes the stucco patching around new windows	LS	1.00	\$28,800.00	\$36,000.00	\$64,800.00	\$64,800.00
12	Exterior- improve drainage channel at base of building	Re-sloping and grading of existing material around the north eastern corner of the building	LS	1.00	\$0.00	\$8,120.00	\$8,120.00	\$8,120.00
Alternates Exterior/Interior Subtotal								\$72,920.00

Additional Alternates	
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Add Alternates	Description		Unit	Quantity	Materials	Labor	Base Cost	Total
Item #	Description		Unit	Quantity	Materials	Labor	Base Cost	Total
ALT-1				1.00			\$0.00	\$0.00
ALT-2	Cut down and dispose of two trees against building	No stump removal		1.00		\$762.00	\$762.00	\$762.00
Additional Alternates Total								\$762.00

[illegible]

Ottawa Booster 2 Base Bid								
Takeoff / Pricing Sheet								

Item #	Description	Notes	Unit	Quantity	Materials	Labor	Base Cost	Total
1	Roof- Remove and dispose existing roof		LS	1	\$0.00	\$0.00	\$0.00	\$0.00
2	Roof- Repair/Install new TPO roof	Tune up only, repair corners and any joints, area around existing canale.	LS	1	\$495.00	\$3,080.00	\$3,575.00	\$3,575.00
3	Roof- Drainage upgrades	New canale and downspout	LS	1	\$210.00	\$1,281.00	\$1,491.00	\$1,491.00
4	Door- Remove and dispose existing doors	Saw cut around frame and remove. Install 3/4 Plywood for temp security overnight.	LS	1	\$145.00	\$5,727.50	\$5,872.50	\$5,872.50
5	Door- Replace threshold, frame, and weather stripping	New double door, frame, & HW w/ transom lite. No vision Lites on doors. Patch and repair stucco and plaster/paint	LS	1	\$6,090.00	\$7,950.35	\$14,040.35	\$14,040.35
6	Door- Install weather rated exterior metal door and frame	Included with installation of door and frame	EA	1	\$0.00	\$0.00	\$0.00	\$0.00
7	Window- Remove and dispose existing windows	Install temp scaffolding platform for demo and install in pit area	LS	1	\$652.50	\$2,755.00	\$3,407.50	\$3,407.50
8	Window security screen, weld stand-offs, paint, reinstall	Modify and repaint four existing security screens	LS	4	\$507.50	\$725.00	\$1,232.50	\$4,930.00
9	Window- Install sliding weather rated, energy efficient windows	Demo and haul existing steel windows and install new aluminum hopper storefront	EA	4	\$4,495.00	\$6,973.05	\$11,468.05	\$45,872.20
Roof/Doors/Windows Subtotal							\$	79,188.55

Alternates Exterior / Interior								
10	Exterior- Repair damaged exterior wall surfaces	Demo concrete pad, demo cracked stucco, lath and basecoat damaged door area.	LS	1	\$722.10	\$2,755.00	\$3,477.10	\$3,477.10
11	Exterior- Prepare and repaint exterior surfaces as required	Color coat blend repaired door area	LS	1	\$391.50	\$754.00	\$1,145.50	\$1,145.50
12	Exterior- Improve drainage channel at base of building	Trench and install a 6" drainage pipe along building to daylight with riprap next to road.	LS	1	\$4,350.00	\$8,120.00	\$12,470.00	\$12,470.00
13	Interior- Repair interior wall water damage	Frame, patch, and paint wall over existing doorway area an some immediate surrounding area of the door	LS	1	\$609.00	\$3,799.00	\$4,408.00	\$4,408.00
14	Interior- Repair and repaint interior walls	Removed	LS	1	\$0.00	\$0.00	\$0.00	\$0.00
15	Replace existing exhaust fans on roof, touch up roofing membrane under exposed curb, reflash, seal new units onto curb mount, and wire into existing circuitry	Fantech downblast Roof Fan	EA	2	\$3,683.00	\$5,798.00	\$9,481.00	\$18,962.00
Alternates Exterior/Interior Subtotal								\$40,462.60

Additional Alternates								
Item #	Description		Unit	Quantity	Materials	Labor	Base Cost	Total
ALT-1				1.00			\$0.00	\$0.00
ALT-2				1.00			\$0.00	\$0.00
ALT-3				1.00			\$0.00	\$0.00
Additional Alternates Total								\$0.00

							Subtotal	\$119,651.15
						Tax	7.6875%	\$ 9,198.18
						Bonding	2%	\$ 2,576.99
						Grand Total	\$	131,426.32



County of Los Alamos

Staff Report

August 19, 2026

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.:	6.a.
Index (Council Goals):	Quality Excellence - Effective, Efficient, and Reliable Services; Quality Governance - Fiscal Stewardship; DPU FY26 - 1.0 Provide Safe and Reliable Utility Services; DPU FY26 - 2.0 Achieve and Maintain Excellence in Financial Performance
Presenters:	James Martinez, Deputy Utility Manager-Engineering
Legislative File:	OR1152-26.1

Title

Incorporated County of Los Alamos Ordinance No. 759; An Ordinance Authorizing the Execution and Delivery of a Water Project Fund Loan/Grant Agreement Between the New Mexico Finance Authority ("NMFA") and the Incorporated County of Los Alamos, New Mexico in the \$3,252,000 for the Purpose of Financing the Costs of Phases II and III of the Denver Steels Waterline Replacements

Recommended Action

I move that the Board of Public Utilities recommend to Council approval of Incorporated County of Los Alamos Ordinance No. 759; An Ordinance Authorizing the Execution and Delivery of a Water Project Fund Loan/Grant Agreement Between the New Mexico Finance Authority ("NMFA") and the Incorporated County of Los Alamos, New Mexico in the amount of \$3,252,000 for the Purpose of Financing the Costs of Phases II and III of the Denver Steels Waterline Replacements and forward to Council for introduction and adoption.

Utilities Manager's Recommendation

The Utilities Manager recommends that the motion be approved as presented.

Body

The Denver Steels Project Phase II is funded under DWSRF Loan No. 6651. During construction, several existing galvanized water service lines were identified as severely corroded and actively leaking. Replacement of these lines is critical to maintain system integrity and protect public health; the work to replace the service lines was not part of the original scope of work and was not eligible for reimbursement under the DWSRL Loan No. 6651 agreement.

Los Alamos County reached out to NMFA about other funding opportunities and found that under the Infrastructure Investment and Jobs Act (IIJA), specifically the allocation designated for Lead Service Line Replacement (LSLR) through the Drinking Water State Revolving Fund (DWSRF). NMFA assisted Los Alamos County in securing LSLR funding that would allow our on-site contractor to proceed with immediate replacement. The proposed scope of work includes the installation of new PEX service lines from the original meter locations near the residences; Extension of these lines to connect to new water meters located within the public right-of-way (ROW); and Transfer of long-term ownership and maintenance responsibility for the service line

segment between the new meter and the residence to the homeowner upon project completion. The amount of the budget increase required to complete this work is \$525,000.

Alternatives

If the BPU and Council do not approve the ordinance, the project will need to be fully funded by DPU in order to complete the work needed to repair the leaking service lines.

Fiscal and Staff Impact/Planned Item

Approving Ordinance No. 759 increases the maximum authorized principal funding amount from \$2,727,000 to \$3,252,000, an overall project funding increase of \$525,000.

The maximum repayable principal amount owed by the County increases from \$2,102,000 to \$2,627,000. This remaining balance is subject to standard NMFA interest, expenses, and administrative fees.

The principal forgiveness (grant subsidy) remains unchanged at \$625,000. This project constitutes a special limited obligation of the County. There is zero impact on the General Fund. All debt service, fees, and interest will be paid solely out of the net revenues generated by the Joint Utility System.

Attachments

- A - LAC Ordinance No. 759
- B - Amended and Restated Loan / Grant Agreement
- C - Budget Adjustment Request (BAR)
- D - Credit Analysis Updated
- E - Debit Service Schedule
- F - NMFA Board Summary Report

INCORPORATED COUNTY OF LOS ALAMOS ORDINANCE NO. 759

AMENDING AND REPLACING ORDINANCE NO. 741 ADOPTED BY THE INCORPORATED COUNTY OF LOS ALAMOS (THE "GOVERNMENTAL UNIT") ON MAY 20, 2025; AUTHORIZING THE EXECUTION AND DELIVERY OF AN AMENDED AND RESTATED LOAN AND SUBSIDY AGREEMENT ("LOAN AGREEMENT") BY AND BETWEEN THE GOVERNMENTAL UNIT AND THE NEW MEXICO FINANCE AUTHORITY ("NMFA"), IN THE TOTAL AMOUNT OF \$3,252,000 ("LOAN"), EVIDENCING A SPECIAL LIMITED OBLIGATION OF THE GOVERNMENTAL UNIT TO PAY A REVISED MAXIMUM REPAYABLE PRINCIPAL AMOUNT OF NO MORE THAN \$2,627,000, TOGETHER WITH INTEREST, EXPENSES AND ADMINISTRATIVE FEES FOR THE PURPOSE OF FINANCING THE COSTS OF PHASES II AND III OF THE DENVER STEELS WATERLINE REPLACEMENTS INCLUDING REPLACEMENT OF LEAD SERVICE LINES ("PROJECT"), AND SOLELY IN THE MANNER DESCRIBED IN THE LOAN AGREEMENT; PROVIDING FOR THE PLEDGE AND PAYMENT OF THE LOAN SOLELY FROM THE NET REVENUES OF THE JOINT UTILITY SYSTEM OF THE GOVERNMENTAL UNIT; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN 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 AGREEMENT.

Capitalized terms used in the following recitals have the same meaning as defined in Section 1 of this Ordinance, unless the context requires otherwise.

WHEREAS, the NMFA is authorized, pursuant to the Drinking Water State Revolving Loan Fund Act, NMSA 1978, §§ 6-21A-1 through 6-21A-9, as amended (the "DWSRLF Act") to implement a program to permit qualified local authorities, such as the Governmental Unit, to enter into agreements with the NMFA to provide financial assistance in the acquisition, design, construction, improvement, expansion, repair and rehabilitation of drinking water supply facilities as authorized by the Safe Drinking Water Act of 1974 ("SDWA"); and

WHEREAS, the DWSRLF Act was adopted pursuant to the SDWA which authorizes the United States Environmental Protection Agency ("EPA") to set national based standards for drinking water and was originally passed by Congress in 1974 and amended in 1986, 1996, 2018 and 2021 with the passage of the Bipartisan Infrastructure Law, signed into law by President Biden on November 15, 2021 ("BIL"); and

WHEREAS, the BIL, also known as the Infrastructure Investment and Jobs Act was implemented with the purpose, among others, of expanding access to clean drinking water throughout the United States of America; and

WHEREAS, the BIL funds the Lead Service Line Replacement ("LSLR") program with the purpose of removing lead service lines from water systems under the SDWA which includes identification, planning, design and replacement, of lead service lines, corrosion control optimization, lead testing and education, and interim/emergency protocols; and

WHEREAS, the Governmental Unit enters into the Loan Agreement pursuant to the LSLR program authorized by the BIL; and

WHEREAS, the Governmental Unit is a legally and regularly created, established, duly organized and existing county under and pursuant to the laws of the State and more specifically, Article X, Section 5, of the New Mexico Constitution; and

WHEREAS, the Governing Body adopted the Original Ordinance on May 20, 2025, authorizing a Maximum Repayable Principal Amount of \$2,102,000; and

WHEREAS, the NMFA on May 28, 2026, approved an increase in the amount of \$525,000 in the Maximum Repayable Principal Amount; and

WHEREAS, the Original Ordinance shall hereby be amended to specify that the Maximum Principal Amount of \$3,252,000 shall now consist of a loan in the Maximum Repayable Principal Amount of \$2,627,000 and a Maximum Forgiven Principal Amount of \$625,000; and

WHEREAS, the Governing Body has determined and hereby determines that the Project may be financed with amounts borrowed under the Loan Agreement and that it is in the best interest of the Governmental Unit and the public it serves that the Loan Agreement be executed and delivered and that the financing of the Project take place by executing and delivering the Loan Agreement; and

WHEREAS, the NMFA will disburse the proceeds of the Loan for construction after determination by the NMFA, the New Mexico Environment Department (the "Department"), or other appropriate agency or entity on behalf of the NMFA (pursuant to an agreement between such agency or entity and the NMFA), the Governmental Unit's compliance with EPA's guidelines applicable to the Project and with the requirements of the laws and regulations of the State governing the construction and operation of drinking water systems and upon written determination of compliance, the NMFA, the Department or other appropriate agency or entity will approve (1) the engineer and engineering solicitation process for the Project; (2) the engineering contract for the Project; (3) plans and specifications pursuant to 42 U.S.C. Section 300j-12; and (4) bids for the conduction and completion of the Project; and

WHEREAS, the Governing Body has determined that it may lawfully pledge the Pledged Revenues for the payment of amounts due and enter into the Loan Agreement; and

WHEREAS, other than as described on the Term Sheet, the Pledged Revenues have not heretofore been pledged to secure the payment of any obligation which is currently outstanding; 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 Agreement which is incorporated by reference and considered to be a part hereof; and

WHEREAS, the Governing Body hereby determines that the Project to be financed by the Loan Agreement is to be used for governmental purposes of the Governmental Unit; and

WHEREAS, all required authorizations, consents and approvals in connection with (i) the use and pledge of the Pledged Revenues to the NMFA (or its assigns) for the payment of

amounts due under the Loan Agreement, (ii) the use of the proceeds of the Loan Agreement to finance the Project, and (iii) the authorization, execution and delivery of the Loan Agreement, which are required to have been obtained by the date of the Ordinance have been obtained or are reasonably expected to be obtained prior to the Closing Date.

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE INCORPORATED COUNTY OF LOS ALAMOS, NEW MEXICO THAT ORDINANCE NO. 741 IS HEREBY AMENDED AND REPLACED AS FOLLOWS:

Section 1. Definitions. Capitalized terms defined in this Section 1, for all purposes, shall have the meaning 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 Agreement:

"Administrative Fee" or "Administrative Fee Component" means the 0.25% annual fee payable to the NMFA as 0.25% of the Aggregate Repayable Disbursements then outstanding as a part of each Loan Agreement Payment for the costs of originating and servicing the Loan.

"Aggregate Disbursements" means, at any time after the Closing Date, the sum of all Disbursements.

"Aggregate Forgiven Disbursements" means the amount of subsidy provided in the form of principal forgiveness, and shall at any time after the Closing Date be equal to the product of the subsidy times the Aggregate Disbursements, up to the Maximum Forgiven Principal Amount.

"Aggregate Repayable Disbursements" means, at any time after the Closing Date, the Aggregate Disbursements (including the Cost of Issuance) less the Aggregate Forgiven Disbursements.

"Approved Requisition" means a requisition in the form of Exhibit "C" to the Loan Agreement, together with supporting documentation submitted to and approved by the NMFA pursuant to Section 4.2 of the Loan Agreement.

"Authorized Officers" means the Chair, Vice Chair, Utilities Manager, Deputy Utilities Manager – Finance and Administration, Deputy Utilities Manager – Engineering Division and County Clerk of the Governmental Unit.

"Bonds" means drinking water state revolving loan fund revenue bonds, if any, issued hereafter by the NMFA and related to the Loan Agreement and the Loan Agreement Payments.

"Cost of Issuance" means an amount equal to one percent (1%) of each Disbursement for the Project, as permitted by federal law, minus any amount forgiven under the Loan Agreement, simultaneously withdrawn and deposited in the Expense Fund to pay Expenses.

"Closing Date" means the date of execution, delivery and funding of the Loan Agreement authorized by this Ordinance.

"Debt Service Account" means the debt service account established in the name of the Governmental Unit and administered by the NMFA to pay the Loan Agreement Payments under the Loan Agreement as the same become due.

"Disbursement" means an amount caused to be paid by the NMFA for an Approved Requisition for costs of the Project, including the Cost of Issuance.

"DWSRLF Act" means the general laws of the State, particularly the Drinking Water State Revolving Loan Fund Act, NMSA 1978, §§ 6-21A-1 through 6-21A-9, NMSA 1978, §§ 4-62-1 through 4-62-10, all as amended; and enactments of the Governing Body relating to the Loan Agreement, including this Ordinance.

"Drinking Water State Revolving Loan Fund" means the drinking water state revolving loan fund established by the DWSRLF Act.

"Environmental Protection Agency" means the Environmental Protection Agency of the United States.

"Expense Fund" means the expense fund hereby created to be held and administered by the Finance Authority to pay Expenses.

"Expenses" means the NMFA's costs of issuance of the Loan Agreement and the Bonds, if any, and periodic and regular fees and expenses incurred by the NMFA in administering the Loan Agreement, including legal fees.

"Final Loan Agreement Payment Schedule" means the schedule of Loan Agreement Payments due on the Loan Agreement following the Final Requisition, as determined on the basis of the Aggregate Repayable Disbursements.

"Final Requisition" means the final requisition of moneys to be submitted by the Governmental Unit, which shall be submitted by the Governmental Unit on or before the date provided for in Section 4.1(b) of the Loan 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 may hereafter establish for the Governmental Unit as its fiscal year.

"Governing Body" means the duly organized County Council of the Governmental Unit or any successor governing body of the Governmental Unit.

"Gross Revenues" means all income and revenues directly or indirectly derived by the Governmental Unit 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 Governmental Unit, or any municipal corporation or agency succeeding to the rights of the Governmental Unit, 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 Governmental Unit, authorizing the issuance of bonds or obligations payable from the Pledged Revenues, 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 Governmental Unit and remitted to other governmental agencies; and

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

"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.

"Interest Component" means the portion of each Loan Agreement Payment paid as interest accruing on the Aggregate Repayable Disbursements then outstanding, calculated from the date of each Disbursement.

"Interest Rate" means the rate of interest on the Loan Agreement, which includes the Administrative Fee, as shown on the Term Sheet.

"Loan" means the funds to be loaned to the Governmental Unit by the NMFA pursuant to the Loan Agreement, up to the Maximum Principal Amount.

"Loan Agreement" means the amended and restated loan and subsidy agreement and any amendments or supplements thereto, including the exhibits attached to the amended and restated loan and subsidy agreement.

"Loan Agreement Payment" means, collectively, the Maximum Repayable Principal Amount, the Interest Component, Expenses, and the Administrative Fee Component to be paid by the Governmental Unit as payment on the Aggregate Repayable Disbursements under the Loan Agreement, as shown on Exhibit "B" thereto.

"Maximum Forgiven Principal Amount" means the maximum amount of loan subsidy available in the form of principal forgiveness to be applied proportionally at the time of each Disbursement to the Governmental Unit, up to twenty percent (20%) of the Maximum Principal Amount. The Maximum Forgiven Principal Amount is \$625,000.

"Maximum Principal Amount" means \$3,252,000.

"Maximum Repayable Principal Amount" means the maximum amount of Aggregate Repayable Disbursements repayable by the Governmental Unit pursuant to the Loan Agreement. The Maximum Repayable Principal Amount is \$2,627,000.

"Net Revenues" means the Gross Revenues of the System owned 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 System.

"NMSA" 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 Governmental Unit 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 Governmental Unit's general fund, liabilities incurred by the Governmental Unit 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.

"Ordinance" means this Ordinance No. 759 adopted by the Governing Body of the Governmental Unit on September 8, 2026, amending and replacing the Original Ordinance, approving the Loan Agreement and pledging the Pledged Revenues to the payment of the Loan Agreement Payments as shown on the Term Sheet to the Loan Agreement, as supplemented from time to time in accordance with the provisions hereof.

"Original Ordinance" means Ordinance No. 741 adopted by the Governing Body of the Governmental Unit on May 20, 2025.

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

"Pledged Revenues" means the Net Revenues of the Governmental Unit pledged to payment of the Loan Agreement Payments pursuant to this Ordinance and described on the Term Sheet.

"Project" means the project described in the Term Sheet.

"Senior Obligations" means any bonds or other obligations of the Governmental Unit now outstanding or hereafter issued or incurred, payable from or secured by a pledge of the Pledged Revenues and issued with a lien on the Pledged Revenues superior to the lien created by the Loan Agreement, including any such obligations shown on the Term Sheet.

"State" means the State of New Mexico.

"Subordinate Obligations" means any bonds or other obligations of the Governmental Unit now outstanding or hereafter issued or incurred with a lien on the Pledged Revenues subordinate to the lien created by the Loan Agreement and subordinate to any other outstanding Parity Obligations having a lien on the Pledged Revenues, including any such obligations shown on the Term Sheet.

"System" means the joint utility system designated as the Governmental Unit's electric, gas, water and wastewater utility system, owned and operated by the Governmental Unit, and of which the Project, when completed, will form part, and as further defined in the Loan Agreement.

"Term Sheet" means Exhibit "A" to the Loan Agreement.

"Unrequisitioned Principal Amount" means the amount, if any, by which the Maximum Principal Amount exceeds the Aggregate Disbursements at the time the Governmental Unit submits the certificate of completion required pursuant to Section 6.3 of the Loan Agreement.

Section 2. Ratification. All action heretofore taken (not inconsistent with the provisions of the Original Ordinance and this Ordinance) by the Governing Body and officers of the Governmental Unit directed toward the acquisition and completion of the Project, the pledge of the Pledged Revenues to payment of amounts due under the Loan Agreement, and the execution and delivery of the Loan Agreement shall be, and the same hereby is, ratified, approved and confirmed. The Original Ordinance shall be replaced in its entirety by this Ordinance.

Section 3. Authorization of the Project and the Loan Agreement. The acquisition and completion of the Project and the method of funding the Project through execution and delivery of the Loan Agreement and the other documents related to the transaction are hereby authorized and ordered.

The NMFA will disburse the proceeds of the Loan for construction after written determination by the NMFA, the New Mexico Environment Department (the "Department"), or other appropriate agency or entity on behalf of the NMFA (pursuant to an agreement between such agency or entity and the NMFA) that the Governmental Unit has complied with EPA's guidelines applicable to the Project and with the requirements of the laws and regulations of the State governing the construction and operation of drinking water systems. Upon written determination of compliance, the NMFA, the Department or other appropriate agency or entity will approve (1) the engineer and engineering solicitation process for the Project; (2) the engineering contract for the Project; (3) plans and specifications pursuant to 42 U.S.C. Section 300j-12; and (4) bids for the acquisition and completion of the Project; and

The Project is for the benefit and use of the Governmental Unit and the public whom it serves.

Section 4. Findings. The Governmental Unit 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 Governmental Unit and the public whom it serves.

B. Moneys available and on hand for the Project from all sources other than the Loan Agreement are not sufficient to defray the cost of acquiring and completing the Project.

C. The Pledged Revenues may lawfully be pledged to secure the payment of amounts due under the Loan Agreement.

D. It is economically feasible and prudent to defray, in whole or in part, the costs of the Project by the execution and delivery of the Loan Agreement.

E. The Project and the execution and delivery of the Loan Agreement in the Maximum Principal Amount pursuant to the DWSRLF Act to provide funds for the financing of the Project are necessary or advisable in the interest of the public health, safety, and welfare of the residents and the public served by the Governmental Unit.

F. The Governmental Unit will conduct and complete the Project, in whole or in part, with the net proceeds of the Loan.

G. Other than as described on the Term Sheet, the Governmental Unit does not have any outstanding obligations payable from Pledged Revenues which it has incurred or will incur prior to the initial execution and delivery of the Loan Agreement.

H. The net effective interest rate on the Maximum Principal Amount does not exceed the current market rate, which is the maximum rate permitted by federal law.

Section 5. Loan Agreement - Authorization and Detail.

A. Authorization. This Ordinance has been adopted by the affirmative vote of at least two-thirds (2/3) 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 public served by the Governmental Unit and constructing the Project, it is hereby declared necessary that the Governmental Unit, pursuant to the DWSRLF Act, execute and deliver the Loan Agreement evidencing a special limited obligation of the Governmental Unit to pay a principal amount of Maximum Repayable Principal Amount and interest thereon and to accept a loan subsidy in the amount of \$625,000 and the execution and delivery of the Loan Agreement is hereby authorized. The Governmental Unit shall use the proceeds of the Loan Agreement (i) to finance the acquisition and completion of the Project and (ii) to pay the Administrative Fee and Expenses of the Loan Agreement and the costs of issuance of the Bonds, if any. The Project will be owned by the Governmental Unit.

B. Detail. The Loan Agreement shall be in substantially the form of the Loan Agreement presented at the meeting of the Governing Body at which this Ordinance was adopted. The Loan shall be in an amount not to exceed the Maximum Principal Amount of \$3,252,000. The Aggregate Repayable Disbursements shall be payable in installments of principal due on May 1 of the years designated in the Final Loan Agreement Payment Schedule and bear interest payable on May 1 and November 1 of each of the years designated in the

Final Loan Agreement Payment Schedule, at the Interest Rate designated in the Loan Agreement, including Exhibit "A" thereto.

Section 6. Approval of Loan Agreement. The form of the Loan 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 Agreement with such changes, insertions and omissions as may be approved by such individual Authorized Officers, and the County Clerk is hereby authorized to affix the seal of the Governmental Unit on the Loan Agreement and attest the same. The execution of the Loan Agreement by an Authorized Officer shall be conclusive evidence of such approval.

Section 7. Special Limited Obligation. The Loan Agreement shall be secured by the pledge of the Pledged Revenues as set forth in the Loan Agreement and shall be payable solely from the Pledged Revenues. The Loan Agreement, together with interest thereon and other obligations of the Governmental Unit thereunder, shall be a special, limited obligation of the Governmental Unit, payable solely from the Pledged Revenues as provided in this Ordinance, and the Loan Agreement shall not constitute a general obligation of the Governmental Unit or the State, and the holders of the Loan Agreement may not look to any general or other fund of the Governmental Unit for payment of the obligations thereunder. Nothing contained in this Ordinance nor in the Loan Agreement, nor any other instruments, shall be construed as obligating the Governmental Unit (except with respect to the application of the Pledged Revenues) or as imposing a pecuniary liability or a charge upon the general credit of the Governmental Unit or against its taxing power, nor shall a breach of any agreement contained in this Ordinance, the Loan Agreement, or any other instrument impose any pecuniary liability upon the Governmental Unit or any charge upon its general credit or against its taxing power. The Loan Agreement shall never constitute an indebtedness of the Governmental Unit within the meaning of any State constitutional provision or statutory limitation and shall never constitute or give rise to a pecuniary liability of the Governmental Unit or a charge against its general credit or taxing power. Nothing herein shall prevent the Governmental Unit from applying other funds of the Governmental Unit legally available therefor to payments required by the Loan Agreement, in its sole and absolute discretion.

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

A. **Debt Service Account; Disbursements.** The Governmental Unit hereby consents to creation of the Debt Service Account to be held and maintained by the NMFA as provided in the Loan Agreement.

The proceeds derived from the execution and delivery of the Loan Agreement shall be disbursed promptly upon receipt of an Approved Requisition (as defined in the Loan Agreement). The NMFA will disburse the proceeds of the Loan Agreement for construction upon written determination of compliance by the Governmental Unit with EPA's guidelines applicable to the Project and the requirements of the laws and regulations of the State governing the construction and operation of drinking water systems (as defined in Section 3 of this Ordinance and in Section 4.2 of the Loan Agreement).

Until the acquisition and completion of the Project or the date of the Final Requisition, the money disbursed pursuant to the Loan Agreement shall be used and paid out solely for the purpose of conducting and completing the Project in compliance with applicable law and the provisions of the Loan Agreement.

B. Prompt Completion of the Project. The Governmental Unit will complete the Project with all due diligence.

C. Certification of Completion of the Project. Upon the completion of the Project, the Governmental Unit shall execute and send to the NMFA a certificate stating that the completion of and payment for the Project has been completed.

D. NMFA Not Responsible for Application of Loan Proceeds. The NMFA shall in no manner be responsible for the application or disposal by the Governmental Unit or by its officers of the funds derived from the Loan Agreement or of any other funds herein designated.

Section 9. Deposit of Pledged Revenues; Distributions of the Pledged Revenues and Flow of Funds.

A. Deposit of Pledged Revenues. Pledged Revenues shall be paid directly by the Governmental Unit to the NMFA on a parity with the outstanding Parity Obligations in an amount sufficient to pay the principal, Interest Rate, Expenses and other amounts due under the Loan Agreement, as provided in Section 5.2 of the Loan Agreement.

B. Termination on Deposits to Maturity. No payment shall be made into the Debt Service Account if the amount in the Debt Service Account totals a sum at least equal to the Aggregate Program Amount of Loan Agreement Payments to become due as to principal, interest on, Administrative Fees and any other amounts due under the Loan Agreement, in which case moneys in such account in an amount at least equal to such principal, Interest Rate and Expenses requirements shall be used solely to pay such obligations as the same become due, and any moneys in excess thereof in such accounts shall be transferred to the Governmental Unit and used as provided in Section 9.C of this Ordinance.

C. Use of Surplus Revenues. After making all the payments required to be made by this section and any payments required by outstanding Senior and Parity Obligations, any moneys remaining in the Debt Service Account shall be transferred to the Governmental Unit on a timely basis and applied to any other lawful purpose, including, but not limited to, the payment of any Senior and Parity Obligations or bonds or Subordinate Obligations to the Loan Agreement, or purposes authorized by the Governmental Unit, the Constitution and laws of the State, as the Governmental Unit may from time to time determine.

Section 10. Lien on Pledged Revenues. Pursuant to this Ordinance and the Loan Agreement, the Pledged Revenues are hereby authorized to be pledged, and are hereby pledged, and the Governmental Unit grants a lien on the Pledged Revenues and security interest therein, for the payment of the principal, Interest Rate, Expenses, and any other amounts due under the Loan Agreement, subject to the uses thereof permitted by and the priorities set forth in this Ordinance. The Loan Agreement constitutes an irrevocable lien, but not necessarily an exclusive lien, on the Pledged Revenues as set forth herein and therein, and the Governmental Unit shall not create a lien on the Pledged Revenues superior to that of the Loan Agreement without the express prior written approval of the NMFA.

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 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 Agreement for the full, punctual and complete performance of all the terms, covenants and agreements contained in this Ordinance and the Loan Agreement including, but not limited to, the execution and delivery of closing documents in connection with the execution and delivery of the Loan Agreement.

Section 12. Amendment of Ordinance. Prior to the Closing Date, the provisions of this Ordinance may be supplemented or amended by ordinance of the Governing Body with respect to any changes which are not inconsistent with the substantive provisions of this Ordinance. After the Closing Date, this Ordinance may be amended only with the prior written consent of the NMFA, by Authorized Officers of the Governmental Unit without receipt of the Governing Body of any additional consideration only when such amendment does not affect the terms of payment of the loan component of the Loan Agreement.

Section 13. Ordinance Irrepealable. After the Closing Date, this Ordinance shall be and remain irrepealable until all obligations due under the Loan 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 Governmental Unit kept for that purpose, authenticated by the signatures of the Chair and County Clerk, and the title and general summary of the subject matter contained in this Ordinance (set out in Section 17 below) shall be published in a newspaper which is of general circulation in the Governmental Unit, and the 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 Ordinance for Publication]

**INCORPORATED COUNTY OF LOS ALAMOS, NEW MEXICO
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. 759, duly adopted and approved by the County Council of the Incorporated County of Los Alamos on September 8, 2026. A complete copy of the Ordinance is available for public inspection during normal and regular business hours in the office of the County Clerk, 1000 Central Avenue, Suite 240, Los Alamos, New Mexico 87544.

The title of the Ordinance is:

INCORPORATED COUNTY OF LOS ALAMOS ORDINANCE NO. 759

AMENDING AND REPLACING ORDINANCE NO. 741 ADOPTED BY THE INCORPORATED COUNTY OF LOS ALAMOS (THE "GOVERNMENTAL UNIT") ON MAY 20, 2025; AUTHORIZING THE EXECUTION AND DELIVERY OF AN AMENDED AND RESTATED LOAN AND SUBSIDY AGREEMENT ("LOAN AGREEMENT") BY AND BETWEEN THE GOVERNMENTAL UNIT AND THE NEW MEXICO FINANCE AUTHORITY ("NMFA"), IN THE TOTAL AMOUNT OF \$3,252,000 ("LOAN"), EVIDENCING A SPECIAL LIMITED OBLIGATION OF THE GOVERNMENTAL UNIT TO PAY A REVISED MAXIMUM REPAYABLE PRINCIPAL AMOUNT OF NO MORE THAN \$2,627,000, TOGETHER WITH INTEREST, EXPENSES AND ADMINISTRATIVE FEES FOR THE PURPOSE OF FINANCING THE COSTS OF PHASES II AND III OF THE DENVER STEELS WATERLINE REPLACEMENTS INCLUDING REPLACEMENT OF LEAD SERVICE LINES ("PROJECT"), AND SOLELY IN THE MANNER DESCRIBED IN THE LOAN AGREEMENT; PROVIDING FOR THE PLEDGE AND PAYMENT OF THE LOAN SOLELY FROM THE NET REVENUES OF THE JOINT UTILITY SYSTEM OF THE GOVERNMENTAL UNIT; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN 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 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]

Section 18. Execution of Agreements. The Incorporated County of Los Alamos through its Governing Body agrees to authorize and execute all such agreements with the NMFA as are necessary to consummate the Loan contemplated herein and consistent with the terms and conditions of the Loan Agreement and this Ordinance.

PASSED, APPROVED AND ADOPTED this 8th day of September 2026.

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

**Randall T. Ryti,
Council Chair**

ATTEST: (Seal)

**Michael D. Redondo
Los Alamos County Clerk**

Approved as to Form:

J. Alvin Leaphart
**J. Alvin Leaphart
Los Alamos County Attorney**

\$3,252,000 Maximum Principal Amount

Maximum Forgiven Principal Amount \$625,000

Maximum Repayable Principal Amount \$2,627,000

**AMENDED AND RESTATED
DRINKING WATER STATE REVOLVING LOAN FUND
LOAN AND SUBSIDY AGREEMENT**

dated

October 16, 2026

by and between the

NEW MEXICO FINANCE AUTHORITY

and the

INCORPORATED COUNTY OF LOS ALAMOS, NEW MEXICO

**AMENDED AND RESTATED
DRINKING WATER STATE REVOLVING LOAN FUND
LOAN AND SUBSIDY AGREEMENT**

This AMENDED AND RESTATED LOAN AND SUBSIDY AGREEMENT (the “Loan Agreement”), dated October 16, 2026, is entered into by and between the **NEW MEXICO FINANCE AUTHORITY** (the “NMFA”), and the **INCORPORATED COUNTY OF LOS ALAMOS, NEW MEXICO** (the “Governmental Unit”), a county duly organized and existing under the laws of the State of New Mexico (the “State”).

WITNESSETH:

Capitalized terms used in the following recitals of this Loan Agreement and not defined in the first Paragraph above or in these recitals shall have the same meaning as defined in Article I of this Loan Agreement, unless the context requires otherwise.

WHEREAS, the NMFA is authorized, pursuant to the Drinking Water State Revolving Loan Fund Act, NMSA 1978, §§ 6-21A-1 through 6-21A-9, as amended (the “DWSRLF Act”) to implement a program to permit qualified local authorities, such as the Governmental Unit, to enter into agreements with the NMFA to provide financial assistance in the acquisition, design, construction, improvement, expansion, repair and rehabilitation of drinking water supply facilities as authorized by the Safe Drinking Water Act of 1974 (“SDWA”); and

WHEREAS, the DWSRLF Act was adopted pursuant to the SDWA which authorizes the United States Environmental Protection Agency (“EPA”) to set national based standards for drinking water and was originally passed by Congress in 1974 and amended in 1986, 1996, 2018 and 2021 with the passage of the Bipartisan Infrastructure Law signed into law on November 15, 2021 (“BIL”); and

WHEREAS, the BIL, also known as the Infrastructure Investment and Jobs Act was implemented with the purpose, among others, of expanding access to clean drinking water throughout the United States of America; and

WHEREAS, the BIL funds the Lead Service Line Replacement (“LSLR”) program with the purpose of removing lead service lines from water systems under the SDWA which includes identification, planning, design and replacement, of lead service lines, corrosion control optimization, lead testing and education, and interim/emergency protocols; and

WHEREAS, the Governmental Unit enters into this Loan Agreement pursuant to the LSLR program authorized by the BIL; and

WHEREAS, a portion of the funds made available under this Loan Agreement pursuant to the DWSRLF Act and the SDWA, may be forgiven and, if forgiven, will not be required to be repaid; and

WHEREAS, the Governing Body of the Governmental Unit has determined that it is in the best interests of the Governmental Unit and the public it serves that the Governmental Unit enter into this Loan Agreement with the NMFA and accept a loan and subsidy from the NMFA to

finance the costs of the Project, as more fully described on the Term Sheet attached hereto as Exhibit “A”; and

WHEREAS, the Project appears on the Drinking Water Fundable Priority List; and

WHEREAS, the Project has been planned and authorized in conformity with the Intended Use Plan; and

WHEREAS, the NMFA will disburse the proceeds of the Loan for construction after written determination by the NMFA, the New Mexico Environment Department (the “Department”), or other appropriate agency or entity on behalf of the NMFA (pursuant to an agreement between such agency or entity and the NMFA) that the Governmental Unit has complied with EPA’s guidelines applicable to the Project and with the requirements of the laws and regulations of the State governing the construction and operation of drinking water systems. Upon written determination of compliance, the NMFA, the Department or other appropriate agency or entity will approve (1) the engineer and engineering solicitation process for the Project; (2) the engineering contract for the Project; (3) plans and specifications pursuant to 42 U.S.C. Section 300j-12; and (4) bids for the acquisition and completion of the Project; and

WHEREAS, a portion of the funds made available under this Loan Agreement pursuant to the DWSRLF Act and the SDWA are federal funds categorized as CFDA 66.468; and

WHEREAS, pursuant to information provided by the Governmental Unit and environmental review by applicable State and federal agencies, and in accordance with 40 C.F.R. Sections 6.204, 6.300(c)(1), and 6.301(f), and pursuant to the environmental review process of the State, the NMFA will determine in writing prior to disbursement of any proceeds of the Loan for construction if the Project meets the requirements for a Categorical Exclusion as defined in the State Environmental Review Process (SERP) for the Drinking Water State Revolving Loan Fund; and

WHEREAS, pursuant to 42 U.S.C. 300j-12(a)(3), the New Mexico Environment Department Drinking Water Bureau has determined that the Governmental Unit has sufficient technical, managerial and financial capability to operate the Project for its useful life and ensure compliance with the requirements of the SDWA.

NOW, THEREFORE, for and in consideration of the premises and the mutual promises and covenants herein contained, the NMFA and the Governmental Unit agree:

ARTICLE I DEFINITIONS

Capitalized terms defined in this Article I, for all purposes, shall have the meaning specified in this Article I wherever used in this Loan Agreement, including the foregoing recitals, unless the context clearly requires otherwise (such meanings to be equally applicable to both the singular and the plural forms of the terms defined). Capitalized terms defined in the foregoing recitals, if not defined in this Article I, shall have the same meaning as therein stated when used in this Loan Agreement, unless the context clearly requires otherwise.

“Administrative Fee” or “Administrative Fee Component” means the 0.25% annual fee payable to the NMFA as 0.25% of the Aggregate Repayable Disbursements then outstanding as a part of each Loan Agreement Payment for the costs of originating and servicing the Loan.

“Aggregate Disbursements” means, at any time after the Closing Date, the sum of all Disbursements.

“Aggregate Forgiven Disbursements” means the amount of subsidy provided in the form of principal forgiveness, and shall at any time after the Closing Date be equal to the product of the subsidy times the Aggregate Disbursements, up to the Maximum Forgiven Principal Amount.

“Aggregate Program Amount” means, with respect to this Loan Agreement, the sum of the Aggregate Repayable Disbursements and the Aggregate Forgiven Disbursements up to the Maximum Principal Amount.

“Aggregate Repayable Disbursements” means, at any time after the Closing Date, the Aggregate Disbursements (including the Cost of Issuance) less the Aggregate Forgiven Disbursements.

“Approved Requisition” means a requisition in the form of Exhibit “C” to this Loan Agreement, together with the required supporting documentation set out in Exhibit “C” submitted to and approved by the NMFA pursuant to Section 4.2 of this Loan Agreement.

“Authorized Officers” means, with respect to the Governmental Unit, the Chair, Vice Chair, Utilities Manager, Deputy Utilities Manager – Finance and Administration, Deputy Utilities Manager – Engineering Division and County Clerk thereof; and with respect to the NMFA, any one or more of the Chairperson, Vice-Chairperson, Secretary and Chief Executive Officer, and any other officer or employee of the NMFA designated in writing by an Authorized Officer of the NMFA.

“Bonds” means drinking water state revolving loan fund revenue bonds, if any, issued hereafter by the NMFA and specifically related to this Loan Agreement and the Loan Agreement Payments.

“Cost of Issuance” means an amount equal to one percent (1%) of each disbursement for the Project, as permitted by federal law, minus any amount forgiven under this Loan Agreement, simultaneously withdrawn and deposited in the Expense Fund to pay Expenses.

“Closing Date” means the date of execution and delivery of this Loan Agreement as shown on the Term Sheet.

“Debt Service Account” means the debt service account established in the name of the Governmental Unit and administered by the NMFA to pay the Loan Agreement Payments under this Loan Agreement as the same become due.

“Department” means the New Mexico Environment Department.

“Disbursement” means an amount caused to be paid by the NMFA for an Approved Requisition for costs of the Project, including the Cost of Issuance calculated on the basis of the amount of such Approved Requisition.

“Drinking Water Fundable Priority List” means the list of drinking water projects compiled by the Department pursuant to the Memorandum of Understanding and the Intended Use Plan.

“DWSRLF Act” means the general laws of the State, particularly the Drinking Water State Revolving Loan Fund Act, NMSA 1978, §§ 6-21A-1 through 6-21A-9, NMSA 1978, §§ 4-62-1 through 4-62-10, all as amended; and enactments of the Governing Body relating to this Loan Agreement including the Ordinance.

“Drinking Water State Revolving Loan Fund” means the drinking water state revolving loan fund established by the DWSRLF Act.

“Environmental Protection Agency” or “EPA” means the United States Environmental Protection Agency.

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

“Expense Fund” means the expense fund hereby created to be held and administered by the NMFA to pay Expenses.

“Expenses” means the NMFA’s costs of issuance of this Loan Agreement and the Bonds, if any, and periodic and regular fees and expenses incurred by the NMFA in administering this Loan Agreement, including legal fees.

“Final Loan Agreement Payment Schedule” means the schedule of Loan Agreement Payments due on this Loan Agreement following the Final Requisition, as determined on the basis of the Aggregate Repayable Disbursements.

“Final Requisition” means the final requisition of moneys to be submitted by the Governmental Unit, which shall be submitted by the Governmental Unit on or before the date provided for in Section 4.1(b) of this Loan 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 may hereafter establish for the Governmental Unit as its fiscal year.

“Generally Accepted Accounting Principles” means the officially established accounting principles applicable to the Governmental Unit 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 NMFA establishing accounting principles applicable to the Governmental Unit.

“Governing Body” means the duly organized County Council of the Governmental Unit, or any successor governing body of the Governmental Unit.

“Gross Revenues” means all income and revenues directly or indirectly derived by the Governmental Unit 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 Governmental Unit, or any municipal corporation or agency succeeding to the rights of the Governmental Unit, 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 Governmental Unit, authorizing the issuance of bonds or obligations payable from the Pledged Revenues, 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 Governmental Unit 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.

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

“Independent Accountant” means (i) an accountant employed by the State and under the supervision of the State Auditor, or (ii) any certified public accountant or firm of such accountants duly licensed to practice and practicing as such under the laws of the State, appointed and paid by the Governmental Unit who (a) is, in fact, independent and not under the domination of the Governmental Unit, (b) does not have any substantial interest, direct or indirect, with the Governmental Unit, and (c) is not connected with the Governmental Unit as an officer or employee of the Governmental Unit, but who may be regularly retained to make annual or similar audits of the books or records of the Governmental Unit.

“Intended Use Plan” means the current plan prepared by the NMFA and the Department and approved by the Environmental Protection Agency pursuant to 42 U.S.C. Section 300j-12(b) and 40 CFR §35.3555 which establish criteria for extending drinking water improvements financial assistance to qualifying public drinking water utility systems.

“Interest Component” means the portion of each Loan Agreement Payment paid as interest accruing on the Aggregate Repayable Disbursements then outstanding, calculated from the date of each Disbursement.

“Interest Rate” means the rate of interest on this Loan Agreement, which includes the Administrative Fee, as shown on the Term Sheet.

“Interim Period” means the period no greater than twenty-seven (27) months, or a longer period as may be approved by the NMFA as provided in Section 4.1(b) of this Loan Agreement, beginning on the Closing Date, during which the NMFA will disburse moneys to the Governmental Unit to pay costs of the Project, unless extended pursuant to Section 4.1(b) of this Loan Agreement.

“Interim Loan Agreement Payment Schedule” means the anticipated schedule of Loan Agreement Payments due on this Loan Agreement following the Final Requisition, assuming disbursement of the entire Aggregate Program Amount within twenty-seven (27) months of the Closing Date. The Interim Loan Agreement Payment Schedule is attached hereto as Exhibit “B”.

“Loan” means the funds to be loaned to the Governmental Unit by the NMFA pursuant to this Loan Agreement, up to the Maximum Principal Amount.

“Loan Agreement” means this amended and restated loan and subsidy agreement and any amendments or supplements hereto, including the exhibits attached to this amended and restated loan and subsidy agreement.

“Loan Agreement Payment” means, collectively, the Maximum Repayable Principal Amount, the Interest Component, Expenses, and the Administrative Fee Component to be paid by the Governmental Unit as payment on the Aggregate Repayable Disbursements under this Loan Agreement, as shown on Exhibit “B” hereto.

“Loan Agreement Payment Date” means each date a Loan Agreement payment is due on this Loan Agreement as shown on the Interim Loan Agreement Payment Schedule, attached hereto as Exhibit “B” or in the Final Loan Agreement Payment Schedule.

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

“Maximum Annual Debt Service” means the Maximum Repayable Principal Amount and Interest due on all outstanding Senior and Parity Obligations of the Governmental Unit

“Maximum Forgiven Principal Amount” means the maximum amount of loan subsidy available in the form of principal forgiveness to be applied proportionally at the time of each Disbursement to the Governmental Unit, up to twenty percent (20%) of the Maximum Principal Amount. The Maximum Forgiven Principal Amount is \$625,000.

“Maximum Principal Amount” means \$3,252,000.

“Maximum Repayable Principal Amount” means the maximum amount of Aggregate Repayable Disbursements made to the Governmental Unit pursuant to this Loan Agreement. The Maximum Repayable Principal Amount is \$2,627,000.

“Memorandum of Understanding” means the current memorandum of understanding by and between the NMFA and the Department pursuant to the DWSRLF Act describing and

allocating duties and responsibilities in connection with the Drinking Water State Revolving Loan Fund program.

“Net 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 System.

“NMFA Act” means NMSA 1978, §§ 6-21-1 through 6-21-31, as amended.

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

“Operating Agreement” means the operating agreement entered into between the NMFA and the Environmental Protection Agency, Region 6, for the Drinking Water State Revolving Loan Fund program.

“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 Governmental Unit 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 Governmental Unit's general fund, liabilities incurred by the Governmental Unit 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.

"Ordinance" means Ordinance No. 759 adopted by the Governing Body of the Governmental Unit on September 8, 2026, amending and replacing the Original Ordinance, approving this Loan Agreement and pledging the Pledged Revenues to the payment of the Loan Agreement Payments as shown on the Term Sheet, as supplemented from time to time.

"Original Ordinance" means Ordinance No. 741 adopted by the Governing Body of the Governmental Unit on May 20, 2025.

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

"Permitted Investments" means securities which are at the time legal investments of the Governmental Unit for the money to be invested, as applicable, including but not limited to the following if permitted by law: (i) securities that are issued by the United States government or by its agencies or instrumentalities and that are either direct obligations of the United States, the federal home loan mortgage association, the federal national mortgage association, the federal farm credit bank, federal home loan banks or the student loan marketing association or that are backed by the full faith and credit of the United States government; (ii) negotiable securities of the State; (iii) money market funds which invest solely in obligations described in clause (i) above which are rated in the highest rating category by Moody's Investors Service, Inc. or S & P Global Ratings; and (iv) the State Treasurer's short-term investment fund created pursuant to NMSA 1978, § 6-10-10.1, as amended, and operated, maintained and invested by the office of the State Treasurer.

"Pledged Revenues" means the Net Revenues of the Governmental Unit pledged to the payment of the Loan Agreement Payments by the Ordinance and this Loan Agreement and described in the Term Sheet.

"Principal Component" means the portion of each Loan Agreement Payment paid as principal on this Loan Agreement, based upon the Aggregate Repayable Disbursements, as shown on Exhibit "B" attached to this Loan Agreement.

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

"Safe Drinking Water Act" or "SDWA" means 42 U.S.C. §§ 300f et seq.

"Senior Obligations" means any bonds or other obligations of the Governmental Unit now outstanding or hereafter issued or incurred, payable from or secured by a pledge of the Pledged

Revenues and issued with a lien on the Pledged Revenues superior to the lien created by this Loan Agreement, including any such obligations shown on the Term Sheet.

“Service Area” means the area served by the System, whether situated within or without the limits of the Governmental Unit.

“State Environmental Review Process” or “SERP” means the environmental review process adopted by the NMFA, as required by and approved by the Environmental Protection Agency, pursuant to the Operating Agreement.

“Subordinate Obligations” means any bonds or other obligations of the Governmental Unit now outstanding or hereafter issued or incurred with a lien on the Pledged Revenues subordinate to the lien created by this Loan Agreement and subordinate to any other outstanding Parity Obligations having a lien on the Pledged Revenues, including any such obligations shown on the Term Sheet.

“System” means the joint utility system designated as the Governmental Unit’s electric, gas, water and wastewater utility system, owned and operated by the Governmental Unit, 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 Governmental Unit through purchase, condemnation, construction or otherwise, including all expansions, extensions, enlargements and improvements of or to the joint utility system, and used in connection therewith or relating thereto, and any other related activity or enterprise of the Governmental Unit designated by the Governing Body as part of the joint utility system, whether situated within or without the limits of the Governmental Unit.

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

“Unrequisitioned Principal Amount” means the amount, if any, by which the Maximum Principal Amount exceeds the Aggregate Disbursements at the time the Governmental Unit submits the certificate of completion required pursuant to Section 6.3 of this Loan Agreement.

“Utility Revenue Bonds” means any bonds and other similar indebtedness payable solely or primarily from the Pledged Revenues, including this Loan Agreement, and any Senior Obligations, Parity Obligations and Subordinate Obligations.

ARTICLE II REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 2.1 Representations, Covenants and Warranties of the Governmental Unit. The Governmental Unit represents, covenants and warrants as follows:

(a) Binding Nature of Covenants; Enforceability. All representations, covenants, stipulations, obligations and agreements of the Governmental Unit contained in this Loan Agreement shall be deemed to be the representations, covenants, stipulations, obligations and agreements of the Governmental Unit to the full extent authorized or permitted by law, and such representations, covenants, stipulations, obligations and agreements shall be binding upon the Governmental Unit 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 Loan Agreement, all rights, powers and privileges conferred and duties and liabilities imposed upon the Governmental Unit by the provisions of this Loan Agreement and the Ordinance shall be exercised or performed by the Governmental Unit or by such members, officers, or officials of the Governmental Unit as may be required by law to exercise such powers and to perform such duties.

(b) Authorization of the Loan Agreement and Readiness to Proceed. The Governmental Unit is a county and is duly organized and existing under the statutes and laws of the State, including specifically Article X, Section 5, of the New Mexico Constitution. The Governmental Unit is a local authority as defined in the DWSRLF Act. The Governmental Unit is authorized to enter into the transactions contemplated by this Loan Agreement and to carry out its obligations hereunder. The Governmental Unit has duly authorized and approved the execution and delivery of this Loan Agreement and the other documents related to the transaction. The Governmental Unit has met all readiness to proceed requirements of the NMFA and has met and will continue to meet all requirements of law applicable to this Loan Agreement.

(c) Use of Loan Agreement Proceeds. The Governmental Unit shall proceed without delay in applying the Aggregate Program Amount, pursuant to Section 6.1 of this Loan Agreement to the acquisition and completion of the Project and to no other purpose, as follows:

(i) The Governmental Unit shall, within two (2) years after the Closing Date, have completed the acquisition of the Project, and shall within twenty-seven (27) months after the Closing Date have requisitioned the Aggregate Program Amount, or such portion thereof as shall be necessary to complete the Project, unless an extension is agreed to pursuant to Section 4.1(b) of this Loan Agreement.

(d) Payment of Loan Agreement Payments. The Governmental Unit meets and will continue to meet the requirements established by the NMFA to assure sufficient Pledged Revenues to operate and maintain the System for its useful life and repay the Loan. The Governmental Unit shall promptly pay Loan Agreement Payments, as specified in the Interim Loan Agreement Payment Schedule or the Final Loan Agreement Payment Schedule, as applicable, according to the true intent and meaning of this Loan Agreement.

(e) Conduction and Completion of Project; Compliance with Laws. The Project will be acquired and completed so as to comply with all applicable ordinances, resolutions and regulations, if any, and any and all applicable laws relating to the conduction and completion of the Project and to the use of the Pledged Revenues. The Governmental Unit shall exercise its power of eminent domain, if needed to comply with this paragraph

(f) Necessity of Project. The conduction and completion of the Project under the terms and conditions provided for in this Loan Agreement is necessary, convenient and in furtherance of the governmental purposes of the Governmental Unit and is in the best interests of the Governmental Unit and the public it serves.

(g) Legal, Valid and Binding Obligation. The Governmental Unit has taken all required action necessary to authorize the execution and delivery of this Loan Agreement. This Loan Agreement constitutes a legal, valid and binding special obligation of the Governmental Unit enforceable in accordance with its terms.

(h) Loan Agreement Term. The Loan Agreement Term does not exceed the anticipated useful life of the Project.

(i) Use of Project. During the Loan Agreement Term, the Project will at all times be used for the purpose of benefiting the Governmental Unit and the public it serves.

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

(k) Irrevocable Enactments. While this Loan Agreement remains outstanding and unpaid, any ordinance, resolution or other enactment of the Governing Body applying the Pledged Revenues for the payment of this Loan Agreement shall be irrevocable until this Loan Agreement has been paid in full as to both principal and interest, and shall not be subject to amendment or modification in any manner which would in any way jeopardize the timely payment of Loan Agreement Payments.

(l) Outstanding and Additional Debt. Except for any Senior Obligations, Subordinate Obligations, and Parity Obligations described on the Term Sheet, there are currently no outstanding bonds, notes or other obligations of the Governmental Unit which are payable from and secured by a lien on the Pledged Revenues superior to or on a parity with the lien of this Loan Agreement. No additional indebtedness, bonds or notes of the Governmental Unit, payable on a parity with or on a priority ahead of the indebtedness herein authorized out of Pledged Revenues, shall be created or incurred while this Loan Agreement remains outstanding without the prior written approval of the NMFA.

(m) No Litigation. To the knowledge of the Governmental Unit after due investigation, no litigation or proceeding is pending or threatened against the Governmental Unit or any other person affecting the right of the Governmental Unit to execute or deliver this Loan Agreement and the other documents related to this transaction or to comply with its obligations under this Loan Agreement and documents related to the transaction. Neither the execution and delivery of this Loan Agreement and the other documents related to the transaction by the Governmental Unit nor compliance by the Governmental Unit with the obligations under this Loan 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.

(n) No Event of Default. No event has occurred and no condition exists which, upon the execution and delivery of this Loan Agreement and the other documents related to the transaction, would constitute an Event of Default on the part of the Governmental Unit under this Loan Agreement and the other documents related to the transaction.

(o) Existing Pledges; Pledged Revenues Not Budgeted. Except as described on the Term Sheet the Pledged Revenues have not been pledged or hypothecated in any manner for any purpose at the time of execution and delivery of this Loan Agreement. The portion of the Pledged Revenues necessary to pay the Loan Agreement Payments, as and when due, is not needed or budgeted to pay current or anticipated operational or other expenses of the Governmental Unit.

(p) Expected Coverage Ratio. The Pledged Revenues from the current Fiscal Year are projected to equal or exceed one hundred twenty percent (120%) and, on an ongoing basis during each year of the Loan Agreement Term are reasonably expected to equal or exceed, one hundred twenty percent (120%) of the Maximum Annual Debt Service.

(q) Governmental Unit's Existence. The Governmental Unit will maintain its legal identity and existence so long as this Loan Agreement is unpaid, unless another political subdivision, State agency or other entity by operation of law succeeds to the liabilities, rights and duties of the Governmental Unit under this Loan Agreement without adversely affecting to any substantial degree the privileges and rights of the NMFA.

(r) Continuing Disclosure. The Governmental Unit covenants that it shall provide continuing disclosure to the NMFA, as the NMFA may require, that shall include, but not be limited to: Project documents, annual audits, operational data required to update information in any disclosure documents used in connection with assignment or securitizing this Loan Agreement or the Loan Agreement Payments by issuance of Bonds by the NMFA, and notification of any event deemed material by the NMFA. For the purposes of this Loan Agreement, a material event shall include, without limitation, any violation of federal law, regulation, or policy which governs or applies to participants in the Drinking Water State Revolving Loan Fund program which is alleged or found by a state or federal agency of appropriate jurisdiction.

(s) Single Audit Act Requirement. The Governmental Unit acknowledges that the funding provided pursuant to this Loan Agreement is derived in large part from federal grants to the Drinking Water State Revolving Loan Fund program pursuant to the Operating Agreement. During the Loan Agreement Term, the Governmental Unit shall annually, so long as the Governmental Unit expends more or equal to the threshold amount set forth in 2 C.F.R. Section 200.501 during any one Fiscal Year, cause an audit of the books and accounts of its operations in their entirety, in accordance with § 200.514, except when it elects to have a program-specific audit conducted in accordance with 2 C.F.R. 200.501(c) to be completed by an Independent Accountant in accordance with the Single Audit Act Amendments of 1996 (31 U.S.C. Section 7501 et seq.), and applicable regulations thereunder. The Governmental Unit shall notify the NMFA and the Drinking Water State Revolving Loan Fund program when it conducts an audit in accordance with 2 C.F.R. Section 200.501. The Governmental Unit shall provide a copy to the NMFA and the Drinking Water State Revolving Loan Fund program of such audit within 30 days of completion. The Governmental Unit will inform the Drinking Water State Revolving Loan Fund program and the NMFA of any findings and recommendations pertaining to the Drinking Water State Revolving

Loan Fund contained in the audit. The Governmental Unit will also submit the audit to the Federal Audit Clearinghouse within the earlier of 30 calendar days after receipt of the auditor's report(s) or nine months of the end of the audit period pursuant to 2 CFR § 200.512. The Governmental Unit will inform the Drinking Water State Revolving Loan Fund program and NMFA that the audit has been submitted to the Federal Audit Clearinghouse and provide a copy to the Drinking Water State Revolving Loan Fund program and NMFA upon request. The audit will also be available for inspection by the NMFA Environmental Protection Agency.

(t) Construction Requirements. The Governmental Unit shall require any contractor hired by it in connection with the construction of the Project to post a performance and payment bond as provided by NMSA 1978, § 13-4-18, as amended.

(u) Compliance with BIL. The Governmental Unit shall comply with all requirements of the LSLR program contained in the BIL and state and federal law and regulation.

Section 2.2 Protective Covenants Regarding Operation of the System. The Governmental Unit further represents, covenants and warrants as follows:

(a) Rate Covenant. The Governmental Unit 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 twenty percent (120%) of the Maximum Annual Debt Service.

(b) Efficient Operation. The Governmental Unit will maintain the System in efficient operating condition and make such improvements, extensions, enlargements, repairs and betterments to the System as may be necessary or advisable for its economical and efficient operation at all times and sufficient to supply reasonable public and private demands for System services within the Service Area of the System.

(c) Records. So long as this Loan Agreement remains outstanding, proper books of record and account will be kept by the Governmental Unit 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. However, pursuant to NMSA 1978, § 6-14-10(E), as amended, records with regard to the ownership or pledge of Utility Revenue Bonds are not subject to inspection or copying.

(d) Right to Inspect. The NMFA, or its duly authorized agents, shall have the right to inspect at all reasonable times the Project and all records, accounts and data relating to the Project, the Pledged Revenues, and the System.

(e) Audits. Within two hundred seventy (270) days following the close of each Fiscal Year, the Governmental Unit will cause an audit of the books and accounts of the System and its separate systems to be made by an Independent Accountant and the audit to be made available for inspection by the NMFA. Each audit of the System shall comply with Generally Accepted Accounting Principles. The audit required by this section may, at the Governmental

Unit's discretion, be performed as a part of or in conjunction with the audit required under the Single Audit Act as set forth in Section 2.1(s) of this Loan Agreement.

(f) Billing Procedure. Bills for electric, gas, water and sanitary sewer 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, resolution, regulation or policy of the Governmental Unit. To the extent permitted by law, if a bill is not paid within the period of time required by such ordinance, resolution, regulation or policy, joint utility services shall be discontinued as required by Governmental Unit resolution, regulation, policy or ordinance, 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 water and sanitary sewer utility charges.

(g) Charges and Liens Upon System. The Governmental Unit will pay when due from Gross Revenues or other legally available funds all taxes and assessments or other municipal or governmental charges, lawfully levied or assessed upon the System and will observe and comply with all valid requirements of any municipal or governmental authority relating to the System. The Governmental Unit will not create or permit any lien or charge upon the System or the Gross Revenues or it will make adequate provisions to satisfy and discharge within sixty (60) days after the same accrue, all lawful claims and demands for labor, materials, supplies or other objects, which, if unpaid, might by law become a lien upon the System or the Gross Revenues. However, the Governmental Unit shall not be required to pay or cause to be discharged, or make provision for any tax assessment, lien or charge before the time when payment becomes due or so long as the validity thereof is contested in good faith by appropriate legal proceedings and there is no adverse effect on NMFA.

(h) Insurance. Subject, in each case, to the condition that insurance is obtainable at reasonable rates and upon reasonable terms and conditions, in its operation of the System, the Governmental Unit will procure and maintain or cause to be procured and maintained commercial insurance or provide Qualified Self Insurance with respect to the facilities constituting the System and public liability insurance in the form of commercial insurance or Qualified Self Insurance and, in each case, in such amounts and against such risks as are, in the judgment of the Governing Body, prudent and reasonable taking into account, but not being controlled by, the amounts and types of insurance or self-insured programs provided by entities which operate systems such as the System. "Qualified Self Insurance" means insurance maintained through a program of self insurance or insurance maintained with a fund, company or association in which the Governmental Unit may have a material interest and of which the Governmental Unit may have control, either singly or with others. Each plan of Qualified Self Insurance shall be established in accordance with law, shall provide that reserves be established or insurance acquired in amounts adequate to provide coverage which the Governmental Unit determines to be reasonable to protect against risks assumed under the Qualified Self Insurance plan, including any potential retained liability in the event of the termination of such plan of Qualified Self Insurance. In the event of property loss or damage to the System, insurance proceeds shall be used first for the purpose of restoring or replacing the property lost or damaged and thereafter, and any

remainder may be used to redeem Utility Revenue Bonds or be treated as Gross Revenues and used in any legally permissible manner.

(i) Competing Utility System. Unless contrary to any provision of, or required by, applicable law, as long as this Loan Agreement is outstanding, the Governmental Unit prior to granting any franchise or license to a competing utility system, or permitting any person, association, firm or corporation to sell similar utility services or facilities to any consumer, public or private, within the Service Area of the System, shall obtain a written report from an independent utility rate consultant stating that in the opinion of the consultant the use charges in effect immediately prior to the approval of the franchise or license by the Governmental Unit are sufficient to meet the requirement of section 2.1(p) (expected coverage ratio) for the first full calendar year after the approval of the franchise or license, based on the new Service Area of the System.

(j) Alienating System. While this Loan Agreement is outstanding, the Governmental Unit shall not transfer, sell or otherwise dispose of the System, except that the Governmental Unit may dispose of inadequate, obsolete or worn out property. For purposes of this Section, any transfer of an asset over which the Governmental Unit retains or regains substantial control shall, for so long as the Governmental Unit has such control, not be deemed a disposition of the System.

(k) Management of the System. If an Event of Default shall occur or if the Pledged Revenues in any Fiscal Year fail to equal principal and interest due on the Senior Obligations and the Parity Obligations, the Governmental Unit shall retain an independent consultant qualified in the management of water and wastewater utility systems to assist in the management of the System so long as such default continues.

(l) Competent Management. The Governmental Unit shall employ experienced and competent personnel to manage the System.

(m) Performing Duties. The Governmental Unit will faithfully and punctually perform all duties with respect to the System required by the Constitution and laws of the State and the regulations, policies, resolutions or ordinances of the Governmental Unit relating to the System and this Loan Agreement, including, but not limited to, making and collecting reasonable and sufficient rates and charges for services rendered or furnished by the System as required by this Loan Agreement and the proper segregation and application of the Gross Revenues.

(n) Other Liens. Except for any Senior, Parity and Subordinate Obligations listed in the Term Sheet, there are no liens or encumbrances of any nature whatsoever, on or against the System or the Gross Revenues or Net Revenues on parity with, subordinate or senior to the lien of this Loan Agreement.

Section 2.3 Representations, Covenants and Warranties of the NMFA. The NMFA represents, covenants and warrants for the benefit of the Governmental Unit:

(a) Legal Status and Authorization of Loan Agreement. The NMFA is a public body politic and corporate constituting a governmental instrumentality, separate and apart from

the State, duly organized and created under and pursuant to the laws of the State, particularly the NMFA Act. The NMFA has all necessary power and authority to enter into and perform and observe the covenants and agreements on its part contained in this Loan Agreement and has duly authorized the execution and delivery of this Loan Agreement.

(b) No Breach or Default Caused by Loan Agreement. Neither the execution and delivery of this Loan Agreement, nor the fulfillment of or compliance with the terms and conditions of this Loan Agreement, nor the consummation of the transactions contemplated in this Loan Agreement, conflicts with or results in a breach of the terms, conditions and provisions of any restriction or any agreement or instrument to which the NMFA is a party or by which the NMFA is bound or constitutes a default under any of the foregoing and will not conflict with or constitute a violation of any constitutional or statutory provision or order, rule, regulation, decree or ordinance of any court, government or governmental authority having jurisdiction over the NMFA, or its property and which conflict or violation will have a material adverse effect on the NMFA or the financing of the Project.

(c) No Litigation. To the knowledge of the NMFA, there is no litigation or proceeding pending or threatened against the NMFA or any other person affecting the right of the NMFA to execute or deliver this Loan Agreement or to comply with its obligations under this Loan Agreement. To the knowledge of the NMFA, neither the execution and delivery of this Loan Agreement by the NMFA, nor compliance by the NMFA with its obligations under this Loan Agreement, requires the approval of any regulatory body, or any other entity, which approval has not been obtained.

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

ARTICLE III LOAN AGREEMENT TERM

The Loan Agreement Term shall commence on the Closing Date and shall not terminate until the Governmental Unit's obligations under this Loan Agreement have been paid in full or provision for payment of this Loan Agreement has been made pursuant to Article VIII hereof.

ARTICLE IV LOAN; APPLICATION OF MONEYS

Section 4.1 Application of Loan Agreement Proceeds.

After the Closing Date and upon written determination of compliance by the Governmental Unit with Section 4.2 of this Loan Agreement, the amount shown on the Term Sheet as the Aggregate Program Amount shall be made available for disbursement by the NMFA to the Governmental Unit at the request of the Governmental Unit and as needed by the Governmental Unit to implement the Project.

The Final Requisition shall be submitted by the Governmental Unit within twenty seven (27) months following the Closing Date, except only as otherwise approved in writing by an Authorized Officer of the NMFA, based on the Governmental Unit's demonstration, to the

reasonable satisfaction of the Authorized Officer of the NMFA, that unanticipated circumstances beyond the control of the Governmental Unit resulted in delaying the acquisition and completion of the Project, and submission of the Governmental Unit's Final Requisition.

Section 4.2 Disbursements; Approval of Payment Requests. Prior to the disbursement of any proceeds of the Loan for construction, the Governmental Unit shall comply with EPA's guidelines applicable to the Project and with the requirements of the laws and regulations of the State governing the construction and operation of drinking water systems, and after written determination of compliance, the NMFA, the Department, or other appropriate agency or entity on behalf of the NMFA, pursuant to an agreement between such agency or entity and the NMFA) will approve (1) the engineer and engineering solicitation process for the Project; (2) the engineering contract for the Project; (3) the plans and specifications pursuant to 42 U.S.C. Section 300j-12 and (4) the bids for the conduct and completion of the Project. The Governmental Unit shall transmit payment requisitions in the form attached to this Loan Agreement as Exhibit "C" and the supporting documentation required pursuant to Exhibit "C" to the NMFA. The NMFA or its designee shall review each requisition for compliance with (i) the Project's scope and (ii) all applicable state and federal laws, rules and regulations, and shall approve or disapprove the requisition accordingly. The NMFA shall cause an Approved Requisition to be paid from the Drinking Water State Revolving Loan Fund.

Section 4.3 Termination by NMFA. NMFA may terminate this Loan Agreement in its sole discretion if it determines and notifies the Governmental Unit in writing that the Governmental Unit has not met within a reasonable period of time the requirements of Section 4.2 of this Loan Agreement.

Section 4.4 Expense Fund Deposit. The NMFA shall determine the amount of the Cost of Issuance at the time of each payment to the Governmental Unit pursuant to Section 6.2 of this Loan Agreement and deposit such amount to the Expense Fund.

ARTICLE V

LOAN TO THE GOVERNMENTAL UNIT; PAYMENTS BY THE GOVERNMENTAL UNIT

Section 5.1 Loan to the Governmental Unit; Payment Obligations Limited to Pledged Revenues; Pledge of Pledged Revenues. The NMFA hereby lends to the Governmental Unit and the Governmental Unit hereby borrows from the NMFA an amount not to exceed the Maximum Principal Amount. The Governmental Unit promises to pay, but solely from the sources pledged herein, the Loan Agreement Payments as herein provided. Subject to any outstanding Parity Obligations and Senior Obligations, the Governmental Unit does hereby grant a lien on and a security interest in and does hereby convey, assign and pledge unto the NMFA and unto its successors in trust forever all right, title and interest of the Governmental Unit in and to (i) the Pledged Revenues to the extent required to pay the Loan Agreement Payments on a parity with any Parity Obligations and subordinate to any Senior Obligations, (ii) the Debt Service Account, and (iii) all other rights hereinafter granted, for the securing of the Governmental Unit's obligations under this Loan Agreement, including payment of the Loan Agreement Payments, provided, however, that if the Governmental Unit, its successors or assigns, shall pay, or cause to be paid, all Loan Agreement Payments at the time and in the manner contemplated by this Loan Agreement,

or shall provide as permitted by Article VIII of this Loan Agreement for the payment thereof, and shall pay all other amounts due or to become due under this Loan Agreement in accordance with its terms and provisions then, upon such final payment, this Loan Agreement and the rights created thereby shall terminate; otherwise, this Loan Agreement shall remain in full force and effect, unless terminated by NMFA pursuant to Section 4.3 of this Loan Agreement. The Loan Agreement Payments shall, in the aggregate, be sufficient to pay the Aggregate Repayable Disbursements, as set forth in the Interim Loan Agreement Payment Schedule or the Final Loan Agreement Payment Schedule, as applicable.

Within five (5) days after each payment of an Approved Requisition during the Interim Period, the NMFA shall recalculate on the basis of the Aggregate Repayable Disbursements to that date the Interest Component and Administrative Fee Component next coming due as set out in Section 5.2(a)(i) of this Loan Agreement and shall provide written notice to the Governmental Unit of the recalculated Interest Component and Administrative Fee Component. Within thirty (30) days after the final Disbursement, the NMFA shall provide a Final Loan Agreement Payment Schedule. The schedule of Loan Agreement Payments, assuming the disbursement of the entire Aggregate Program Amount within twenty-seven (27) months after the Closing Date, identified as the Interim Loan Agreement Payment Schedule, is attached to this Loan Agreement as Exhibit "B". The NMFA shall provide a Final Loan Agreement Payment Schedule following the final Disbursement which shall supersede the schedule attached as Exhibit "B".

The pledge of the Pledged Revenues and the lien thereon shall be effective upon the Closing Date. The Governmental Unit and the NMFA acknowledge and agree that the sources of the Loan Agreement Payments of the Governmental Unit hereunder are limited to the Pledged Revenues, and that the Loan Agreement shall constitute a special, limited obligation of the Governmental Unit. No provision of this Loan Agreement shall be construed or interpreted as creating a general obligation or other indebtedness of the Governmental Unit or the State within the meaning of any constitutional or statutory debt limitation. No provision of this Loan Agreement shall be construed to pledge or to create a lien on any class or source of Governmental Unit moneys other than the Pledged Revenues, nor shall any provision of this Loan Agreement restrict the future issuance of any bonds or obligations payable from any class or source of Governmental Unit moneys other than the Pledged Revenues. In addition, to the extent not required for the payment of obligations of the Governmental Unit hereunder, the Pledged Revenues may be utilized by the Governmental Unit for any other purposes permitted by law and the laws of the State.

Section 5.2 Payment Obligations of Governmental Unit. The Debt Service Account shall be established and held by the NMFA or its designee on behalf of the Governmental Unit. All Loan Agreement Payments received by the NMFA or its designee pursuant to this Loan Agreement shall be accounted for and maintained by the NMFA or its designee in the Debt Service Account, which account shall be kept separate and apart from all other accounts of the NMFA. The amounts on deposit in the Debt Service Account shall be expended and used by the NMFA only in the manner and order of priority specified herein.

(a) As a charge and lien, but not an exclusive charge and lien, on the Pledged Revenues (on a parity with the lien on the Pledged Revenues created by any outstanding Parity Obligations and subordinate to any outstanding Senior Obligations), the Governmental Unit shall

remit to the NMFA and the NMFA shall collect and deposit into the Debt Service Account from the Governmental Unit the Pledged Revenues, in the manner specified herein.

(i) Payment of Interest Component and Administrative Fee Component during Interim Period.

(A) During the Interim Period, the Interest Component and Administrative Fees shall accrue on the amount of Aggregate Repayable Disbursements, from the date of each Disbursement.

(B) During the Interim Period the Governmental Unit shall monthly, commencing on the first day of the month next following the first payment by the NMFA of an Approved Requisition, pay to the NMFA for deposit into the Debt Service Account such amount as is necessary, in monthly installments, to pay the Interest Component and Administrative Fee Component on the Aggregate Repayable Disbursements as of each Loan Agreement Payment Date.

(ii) Loan Agreement Payments Following the Interim Period. After the Interim Period, the Governmental Unit shall pay to the NMFA for deposit into the Debt Service Account the following amounts:

(A) Interest Component and Administrative Fee Component. Monthly, commencing on the first day of the month next following the final Disbursement, the Governmental Unit shall pay to the NMFA for deposit into the Debt Service Account an amount in equal monthly installments which is necessary to pay the first maturing Interest Component and Administrative Fee Component coming due on this Loan Agreement and monthly thereafter, commencing on each Loan Agreement Payment Date, one-sixth (1/6) of the amount necessary to pay the next maturing Interest Component and Administrative Fee Component on this Loan Agreement as described in the Final Loan Agreement Payment Schedule.

(B) Principal Payments. Monthly, commencing on the first day of the month next following the final Disbursement, the Governmental Unit shall pay to the NMFA for deposit into the Debt Service Account an amount in equal monthly installments which is necessary to pay the first maturing Principal Component; and thereafter on the first day of each month thereafter, one-twelfth (1/12) of the amount which is necessary to pay the next maturing Principal Component on this Loan Agreement during the Loan Agreement Term, as described in the Final Loan Agreement Payment Schedule.

(iii) Method of Payment. The Governmental Unit shall transfer each month to the NMFA, from Pledged Revenues, the amounts set forth in Subsections (i)(B), (ii)(A) and (ii)(B) of this Section 5.2(a) during the time that this Loan Agreement is outstanding, provided, that in the event of any default in making the Loan Agreement Payments by the Governmental Unit, the NMFA shall be entitled to seek payment of the amounts due through any of the remedies provided in Article X of this Loan Agreement.

(b) In the event that the balance of payments held in the Debt Service Account should exceed the amount needed to cover Loan Agreement Payments then due, the NMFA shall

use the balance of the Pledged Revenues received, at the request of the Governmental Unit (i) to credit against upcoming Loan Agreement Payments, or (ii) to distribute to the Governmental Unit for any other purpose permitted by law.

Section 5.3 Manner of Payment. All payments of the Governmental Unit hereunder shall be paid in lawful money of the United States of America to the NMFA or its designee at the address designated in Section 11.1 of this Loan Agreement. The obligation of the Governmental Unit 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, and payment hereunder shall not be abated through accident or unforeseen circumstances. Notwithstanding any dispute between the Governmental Unit, the NMFA or its designee, any vendor or any other person, the Governmental Unit 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 Governmental Unit assert any right of set-off or counterclaim against its obligation to make such deposits required hereunder.

Section 5.4. Additional Parity and Senior Obligations Payable from Pledged Revenues.

(a) Parity Obligations. No provision of this Loan Agreement shall be construed in such a manner as to prevent the issuance by the Governmental Unit of additional Parity Obligations payable from Pledged Revenues, nor to prevent the issuance of bonds or other obligations refunding all or a part of this Loan Agreement; provided, however, that before any such additional Parity Obligations are actually issued (excluding refunding bonds or refunding obligations which refund Parity Obligations but including parity refunding bonds and obligations which refund Subordinated Obligations as provided in Section 5.5 hereof), the Governmental Unit shall obtain the written consent of the NMFA and it must be determined that:

(i) The Governmental Unit is then current in all of the accumulations required to be made into the Debt Service Account as provided in this Loan Agreement.

(ii) No default shall exist in connection with any of the covenants or requirements of the Ordinance or this Loan Agreement.

(iii) The Pledged Revenues received by or credited to the Governmental Unit for the Fiscal Year or for any twelve (12) consecutive months out of the twenty-four (24) months preceding the date of issuance of such additional Parity Obligations (the "Historic Test Period") shall have been sufficient to pay an amount representing one hundred twenty percent (120%) of the Maximum Annual Debt Service coming due in any subsequent Fiscal Year on the then outstanding Parity Obligations and the Parity Obligations proposed to be issued (excluding the accumulation of any reserves therefor).

(iv) A written certification or opinion by the Governmental Unit's treasurer or chief financial officer or by an Independent Accountant that the Pledged Revenues for the Historic Test Period are sufficient to pay said amounts, shall be conclusively presumed to be accurate in determining the right of the Governmental Unit to authorize, issue, sell and deliver the Parity Obligations proposed to be issued.

(b) No provision of this Loan Agreement shall be construed in such a manner as to prevent the issuance by the Governmental Unit of additional bonds or other obligations payable from the Pledged Revenues constituting a lien upon such Pledged Revenues subordinate and junior to the lien of this Loan Agreement nor to prevent the issuance of bonds or other obligations refunding all or part of this Loan Agreement as permitted by Section 5.5 hereof.

(c) Senior Obligations. The Governmental Unit shall not issue Senior Obligations payable from the Pledged Revenues, without the express prior written approval of the NMFA, unless such Senior Obligations are purchased by the NMFA.

Section 5.5 Refunding Obligations Payable from Pledged Revenues. The provisions of Section 5.4 hereof are subject to the following exceptions:

(a) If at any time after the Closing Date, while this Loan Agreement, or any part thereof, is outstanding, the Governmental Unit shall find it desirable to refund any outstanding bonds or other outstanding obligations payable from the Pledged Revenues, this Loan Agreement, such bonds or other obligations, or any part thereof, may be refunded (but the holders of this Loan Agreement or bonds to be refunded may not be compelled to surrender this Loan Agreement or their bonds, unless this Loan Agreement, the bonds or other obligations, at the time of their required surrender for payment, shall then mature, or shall then be callable for prior redemption at the Governmental Unit's option), regardless of whether the priority of the lien for the payment of the refunding obligations on the Pledged Revenues is changed, except as provided in subparagraph (f) of Section 5.4 hereof and in subparagraphs (b) and (c) of this Section 5.5.

(b) No refunding bonds or other refunding obligations payable from the Pledged Revenues shall be issued on a parity with this Loan Agreement unless:

(i) The outstanding obligations so refunded have a lien on the Pledged Revenues on a parity with the lien thereon of this Loan Agreement and the refunding bonds or other refunding obligations do not increase any aggregate annual principal and interest obligations evidenced by such refunded obligations; or

(ii) The refunding bonds or other refunding obligations are issued in compliance with subparagraphs (a) through (f) of Section 5.4 of this Loan Agreement.

(c) The refunding bonds or other obligations so issued shall enjoy complete equality of lien on the Pledged Revenues with the portion of this Loan Agreement or any bonds or other obligations of the same issue which is not refunded, if any; and the holder or holders of such refunding bonds or such other refunding obligations shall be subrogated to all of the rights and privileges enjoyed by the holder or holders of this Loan Agreement or the bonds or other obligations of this same issue refunded thereby. If only a part of this Loan Agreement or the outstanding bonds and any other outstanding obligations of any issue or issues payable from the Pledged Revenues is refunded, then such obligations may not be refunded without the consent of the holder or holders of the unrefunded portion of such obligations, unless:

(i) The refunding bonds or other refunding obligations do not increase any aggregate annual principal and interest obligations evidenced by such last maturity date of such unrefunded obligations; or

(ii) The refunding bonds or other refunding obligations are issued in compliance with subparagraphs (a) through (f) of Section 5.4 hereof; or

(iii) The lien on the Pledged Revenues for the payment of the refunding obligations is subordinate to each such lien for the payment of any obligations not refunded.

(d) Any refunding bonds or other refunding obligations payable from the Pledged Revenues shall be issued with such details as the Governmental Unit may provide by ordinance or resolution, but without any impairment of any contractual obligations imposed upon the Governmental Unit by any proceedings authorizing the issuance of any unrefunded portion of such outstanding obligations of any one or more issues (including, but not necessarily limited to, this Loan Agreement).

Section 5.6 Investment of Governmental Unit Funds. Money on deposit in the Debt Service Account created hereunder may be invested by the NMFA or its designee in Permitted Investments at the written direction of the Governmental Unit or, in the absence of such written direction of the Governmental Unit, at the discretion of the NMFA. Any earnings on Permitted Investments shall be held and administered in the Debt Service Account and utilized in the same manner as the other moneys on deposit therein for the benefit of the Governmental Unit.

Section 5.7 Governmental Unit May Budget for Payments. The Governmental Unit 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 defray any insufficiency of Pledged Revenues to pay Loan Agreement Payments; provided, however, the Governmental Unit has not covenanted and cannot covenant to make such funds available and has not pledged any of such funds for such purpose.

ARTICLE VI THE PROJECT

Section 6.1 Agreement to Conduct and Complete the Project. The Governmental Unit hereby agrees that in order to effectuate the purposes of this Loan Agreement and to effectuate the conduction and completion of the Project, it shall make, execute, acknowledge and transmit any contracts, orders, receipts, writings and instructions with any other persons, firms or corporations and, in general do all things which may be requisite or proper to conduct and complete the Project.

The Governmental Unit agrees to conduct and complete the Project through the application of moneys to be disbursed by the NMFA pursuant to Section 6.2 of this Loan Agreement.

Section 6.2 Disbursements. So long as no Event of Default shall occur and the requirements of Section 4.2 are satisfied, the NMFA or its designee shall disburse moneys to pay a requisition upon receipt and approval by the NMFA or its designee of a requisition substantially in the form of Exhibit "C" attached hereto signed by an Authorized Officer of the Governmental Unit, with required supporting documentation.

Section 6.3 Completion of the Project. Upon completion of the Project, which shall occur no later than two (2) years after the Closing Date, unless a later date is approved as provided in Section 4.1(b) of this Loan Agreement, an Authorized Officer of the Governmental Unit shall deliver a certificate to the NMFA, substantially in the form of Exhibit "D" attached hereto, stating that, to his or her knowledge, the Project has been completed and the Project has been accepted by the Governmental Unit, and all costs have been paid, except for any reimbursements requested pursuant to requisitions submitted prior to the end of the Interim Period. Notwithstanding the foregoing, such certificate shall state that it is given without prejudice to any rights against third parties which exist at the date of such certificate or which may subsequently come into being.

Section 6.4 Unrequisitioned Amounts. In the event that, (1) at the time of the delivery of the certificate of completion required by Section 6.3 hereof, there remains an Unrequisitioned Principal Amount, or (2) the NMFA shall not have received a Final Requisition, by the date that is twenty seven (27) months from the Closing Date, unless an extension is approved pursuant to Section 4.1(b) of this Loan Agreement, then the Governmental Unit shall have no right or title to the Unrequisitioned Principal Amount, nor any right to pledge, encumber or draw upon such Unrequisitioned Principal Amount, and the NMFA will not approve, honor, or enforce any requisition upon such Unrequisitioned Principal Amount pursuant to this Loan Agreement.

ARTICLE VII COMPLIANCE WITH LAWS AND RULES; OTHER COVENANTS

Section 7.1 Further Assurances and Corrective Instruments. The NMFA and the Governmental Unit agree that they 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. Authorized Officers are authorized to execute, acknowledge and deliver any such supplements and further instruments.

Section 7.2 NMFA and Governmental Unit Representatives. Whenever under the provisions hereof the approval of the NMFA or the Governmental Unit is required, or the Governmental Unit or the NMFA is required to take some action at the request of the other, such approval or such request shall be given for the NMFA or for the Governmental Unit by an Authorized Officer of the NMFA or the Governmental Unit, as the case may be, and any party hereto shall be authorized to rely and act on any such approval or request.

Section 7.3 Compliance with Court Orders. During the Loan Agreement Term, the Governmental Unit and the NMFA shall observe and comply promptly with all current and future orders of all courts having jurisdiction over the parties hereto, the Project or the Pledged Revenues.

Section 7.4 Compliance with Applicable State and Federal Laws. During the Loan Agreement Term, the Governmental Unit shall comply with all applicable State and federal laws, including, without limitation, the following:

(a) For all contracts, the Governmental Unit shall comply with the New Mexico Procurement Code, NMSA 1978, §§ 13-1-28 through 13-1-199, as amended, or its local procurement ordinances and regulations, as applicable.

(b) For all construction contracts awarded in excess of \$10,000, the Governmental Unit shall comply with Executive Order 11246 of September 24, 1965, entitled "Equal Employment Opportunity," as amended by Executive Order 11375 of October 12, 1967, and as supplemented in Department of Labor regulations (41 C.F.R. chapters 40 and 60). In addition, for all contracts, the Governmental Unit shall comply with all State laws and regulations and all executive orders of the Governor of the State pertaining to equal employment opportunity.

(c) For all contracts awarded for construction or repair, the Governmental Unit shall comply with the Copeland "Anti-Kickback" Act (18 U.S.C. § 874) as supplemented in Department of Labor regulations (29 C.F.R. part 3).

(d) For all construction subcontracts, and subgrants of amounts in excess of \$100,000, the Governmental Unit shall comply with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. § 7606), Section 508 of the Clean Water Act (33 U.S.C. § 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 C.F.R. Part 15). In addition, for all contracts, the Contractor shall comply with all applicable State laws and regulations and with all executive orders of the Governor of the State pertaining to protection of the environment.

(e) For all contracts the Governmental Unit shall comply with the mandatory standards and policies relating to energy efficiency which are contained in the State energy conservation plan issued in compliance with section 362 of the Energy Policy and Conservation Act (42 U.S.C. § 6322).

(f) For all contracts, including subcontracts in excess of \$2,000 the Governmental Unit shall comply with applicable standards of the Davis-Bacon Wage Act (40 U.S.C. § 3141 et seq.), as amended and supplemented, relating to wages paid to laborers and mechanics employed by contractors and sub-contractors on a Project funded directly by or assisted in whole or in part by and through the Governmental Unit, and the requirements of section 1450(e) of the Safe Drinking Water Act (42 U.S.C.300j-9(e)), and shall include the contract clauses set out in the Environmental Protection Agency publication entitled "Wage Rate Requirements Under the Clean Water Act, Section 513 and the Safe Drinking Water Act Section 1450(e)".

(g) For all contracts, the Governmental Unit shall comply with the requirements of the Environmental Protection Agency's Program addressing Disadvantaged, Minority and Women's Business Enterprises, including Title 40, Chapter I, Subchapter B, Part 33 of the Code of Federal Regulations, Executive Order 12898 and 40 C.F.R. Part 33.

(h) For all contracts, the Governmental Unit shall comply with the requirements of Executive Order 13502 on Use of Project Agreements for Federal Construction Projects.

(i) For all contracts, the Governmental Unit shall comply with the requirements of the Federal Funding Accountability and Transparency Act (FFATA).

(j) For all contracts, the Governmental Unit shall comply with the requirements of Executive Order 13627 on Strengthening Protections Against Trafficking in Persons in Federal Contracts.

(k) For all contracts, the Governmental Unit shall comply with all federal requirements applicable to the Loan (including those imposed by P.L. 113-76, 2014 Consolidated Appropriations Act, Section 436 and related SRF Policy Guidelines) which the Governmental Unit understands includes, among other, requirements that all of the iron and steel products used in the Project are to be produced in the United States (“American Iron and Steel Requirement”) unless (i) the Governmental Unit has requested and obtained a waiver from the NMFA pertaining to the Project or (ii) the NMFA has otherwise advised the Governmental Unit in writing that the American Iron and Steel Requirement is not applicable to the Project.

(l) For all contracts, the Governmental Unit shall comply with the requirements of the Build America, Buy America Act (BABA) included in the BIL, in Sections 70901 through 70927, 2 BABA 70912 and 70914, 38 FR 23888 and 2 CFR part 184, in all subawards, contracts, and purchase orders for the work performed, or products supplied under this Loan Agreement. Under the BABA, the Governmental Unit is obligated to use United States produced iron, steel, manufactured products and construction materials for the Project with the funds available under this Loan Agreement unless the Governmental Unit believes a waiver is justified and NMFA finds that a waiver shall apply consistent with such Federal law.

(m) For all contracts, the Governmental Unit shall comply with all record keeping and reporting requirements under the Clean Water Act/Safe Drinking Water Act, including any reports required by a Federal agency or the NMFA such as performance indicators of program deliverables, information on costs and project progress. The Governmental Unit understands that (i) each contract and subcontract related to the Project is subject to audit by appropriate federal and state entities and (ii) failure to comply with the Clean Water Act/Safe Drinking Water Act and this Loan Agreement may be a default under this Loan Agreement.

(n) For all contracts, the Governmental Unit shall comply with the administration of the Clean Air Act and the Federal Water Pollution Control Act, including Section 306 of the Clean Air Act, 42 U.S.C. 7606 et seq, Section 508 of the Clean Water Act, 33 U.S.C. 1368, et seq. and Executive Order 11738

(o) For all contracts, the Governmental Unit shall comply with Executive Order 12549 – Debarment and Suspension and all rules, regulations and guidelines issued pursuant to Executive Order 12549, including compliance with the requirement that each prospective participant in transactions related to the Loan execute a written certification that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in transactions related to the Loan.

(p) The Governmental Unit shall comply with the requirement of the June 3, 2015 Guidelines for Enhancing Public Awareness of SRF Assistance Agreements issued by the Environmental Protection Agency relating to signage, posters, advertisements, website or press releases indicating that financial assistance was received from the Environmental Protection Agency for the Project.

(q) The Governmental Unit acknowledges that it is subject to the terms of the Environmental Protection Agency Memorandum titled “Prohibition on Certain Telecommunication and Video Surveillance Services or Equipment in the SRF Programs” dated December 11, 2020. The Governmental Unit shall comply with 2 CFR 200.216 and Section 889 of Public Law 115-232 and shall not use loan or subsidy funds to obtain or enter into a contract to obtain covered telecommunications equipment produced or provided by companies listed in the system for Award Management exclusion list at SAM.gov. The exclusion list includes, but is not limited to, Huawei Technologies Company or ZTE Corporation, or any subsidiary or affiliate of such entities.

(r) The Governmental Unit agrees to comply with all applicable New Mexico State cybersecurity laws and requirements and ensure that any connections between the Governmental Unit’s network or information system and Environmental Protection Agency networks used by the recipient to transfer data under this Loan Agreement, if any, are secure. If a connection does not go through the Environmental Information Exchange Network or Environmental Protection Agency’s Central Data Exchange, the Governmental Unit agrees to contact the Environmental Protection Agency Project Officer (PO) and work with the designated Environmental Protection Agency Regional/Headquarters Information Security Officer to ensure that the connections meet Environmental Protection Agency security requirements, including entering into Interconnection Service Agreements as appropriate. This condition does not apply to manual entry of data by the Governmental Unit into systems operated and used by Environmental Protection Agency’s regulatory programs for the submission of reporting and/or compliance data. The Governmental Unit is subject to monitoring as deemed necessary by the NMFA or the State of New Mexico under 2 CFR 200.331. In regard to this section a “connection” is defined as a dedicated persistent interface between an Agency IT system and an external IT system for the purpose of transferring information. Transitory, user-controlled connections such as website browsing are excluded from this definition.

(s) If the Governmental Unit gathers geospatial data, as defined in 43 U.S.C. §2801(2018), during the life of the Project, the data must be consistent with the Federal Geographic Data Committee endorsed standards.

(t) In accordance with the EPA “Signage Requirement” and BIL requirements, the Governmental Unit will place a sign and will maintain such sign in good condition throughout the construction period, at a visible location in the construction site identifying that this Project has been funded by President Biden’s Bipartisan Infrastructure Law in accordance with the EPA Office of Public Affairs requirements, unless placing such sign results in unreasonable cost, expense or burden to the Governmental Unit.

(u) The Governmental Unit, as well as any contractors and subcontractors working with the Governmental Unit in this Project, shall comply with federal anti-discrimination law requirements, pursuant to 40 C.F.R. 35.3575(a)(c), including Title VI of the Civil Rights Act of 1964, 42 U.S.C. § 2000d, et seq., EPA’s regulations 40 CFR §7.30 and 40 CFR §7.35, Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. § 794, et seq., and the Age Discrimination Act of 1975, 42 U.S.C. §6102 which laws prohibit discrimination in the provision of services or benefits on the basis of race, color, national origin, sex, disability or age in programs or activities receiving federal assistance.

The NMFA or its designee shall have the right to review all contracts, work orders and other documentation related to the Project that it deems necessary to assure compliance with applicable laws, rules and regulations, and may conduct such review as it deems appropriate prior to disbursing funds for payment of an Approved Requisition.

Section 7.5 Lien Status. The Loan Agreement Payments constitute an irrevocable lien (but not necessarily an exclusive lien) upon the Pledged Revenues. The Governmental Unit covenants that the Loan Agreement Payments and any Parity Obligations herein authorized to be issued and from time to time outstanding shall be equitably and ratably secured by a lien on the Pledged Revenues and shall not be entitled to any priority one over the other in the application of the Pledged Revenues regardless of the time or times of the issuance of such obligations, it being the intention of the Governmental Unit that there shall be no priority between the Loan Agreement Payments and any such Parity Obligations regardless of the fact that they may be actually issued and delivered at different times.

Section 7.6 Expeditious Completion. The Governmental Unit shall complete the Project with all practical dispatch.

ARTICLE VIII PREPAYMENT OF LOAN AGREEMENT PAYMENTS

The Governmental Unit is hereby granted the option to prepay the Principal Component of this Loan Agreement in whole or in part on any day without penalty or prepayment premium, beginning one (1) year after the Closing Date. The Governmental Unit may designate the due date or due dates of the Principal Component or portions thereof being prepaid in the event of a partial prepayment. Any such prepayment shall include accrued interest to the redemption date of the corresponding Bonds to be redeemed, if any, and notice of intent to make such prepayment shall be provided to the NMFA or its designee by the Governmental Unit no less than forty-five (45) days prior to the prepayment date. The NMFA or its designee shall recalculate the Loan Agreement Payments due under this Loan Agreement in the event of a partial prepayment in a manner which is consistent with the manner in which the Bonds, if any, are prepaid.

ARTICLE IX INDEMNIFICATION

From and to the extent of the Pledged Revenues and to the extent permitted by law, the Governmental Unit shall and hereby agrees to indemnify and save the NMFA and its designee, if any, 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 Loan Agreement Term, from: (i) any act of negligence of the Governmental Unit or breach of any covenant or warranty by the Governmental Unit 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 Agreement proceeds and interest on the investment of the Loan Agreement proceeds. The Governmental Unit shall indemnify and save the NMFA and its designee, if any, harmless, from and to the extent of the available Pledged Revenues and to the extent permitted by law, 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 NMFA or its designee, shall defend the NMFA or its designee, if any, 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 Loan Agreement:

(a) Failure by the Governmental Unit to pay any amount required to be paid under this Loan Agreement on the date on which it is due and payable; or

(b) Failure by the Governmental Unit to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Loan Agreement, other than as referred to in paragraph (a), for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to the Governmental Unit by the NMFA or its designee, if any, unless the NMFA or its designee, as applicable, 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 NMFA or its designee but cannot be cured within the applicable thirty (30) day period, the NMFA or its designee will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the Governmental Unit within the applicable period and diligently pursued until the failure is corrected; and provided, further, that if by reason of force majeure the Governmental Unit is unable to carry out the agreements on its part herein contained, the Governmental Unit shall not be deemed in default under this paragraph (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 Governmental Unit contained in this Loan Agreement or in any instrument furnished in compliance with or in reference to this Loan Agreement is false or misleading in any material respect; or

(d) A petition is filed against the Governmental Unit 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 NMFA shall have the right to intervene in the proceedings to protect the NMFA's interests; or

(e) The Governmental Unit 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 Governmental Unit 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 Governmental Unit 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 NMFA shall have the right to intervene in the proceedings to protect its interests.

Section 10.2 Remedies on Default. Whenever any Event of Default has occurred and is continuing and subject to Section 10.3 hereof, the NMFA 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 agreement of the Governmental Unit in this Loan Agreement:

(a) By mandamus or other action or proceeding or suit at law or in equity to enforce the rights of the NMFA under this Loan Agreement against the Governmental Unit, and compel the Governmental Unit to perform or carry out its duties under the law and the agreements and covenants required to be performed by it contained herein; or

(b) By suit in equity enjoin any acts or things which are unlawful or violate the rights of the NMFA; or

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

(d) Cause the Governmental Unit to account as if it were the trustee of an express trust for all of the Pledged Revenues and Aggregate Disbursements (except the Cost of Issuance); or,

(e) 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 Loan Agreement or enforce any other of its rights thereunder.

Section 10.3 Limitations on Remedies. A judgment requiring a payment of money entered against the Governmental Unit may reach only the available Pledged Revenues.

Section 10.4 No Remedy Exclusive. Subject to Section 10.3 of this Loan Agreement, no remedy herein conferred upon or reserved to the NMFA is intended to be exclusive, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder as 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 NMFA 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 NMFA may in its discretion waive any Event of Default hereunder and the consequences of an Event of Default by written waiver; provided, however, that there shall not be waived (i) any Event of Default in the payment of principal of this Loan Agreement at the date when due as specified in this Loan Agreement, or (ii) any default in the payment when due of the interest on this Loan Agreement, unless prior to such waiver or rescission, all arrears of interest, with interest at the rate borne by this Loan Agreement on all arrears of payment of principal and all expenses of the NMFA, in connection with such

Event of Default shall have been paid or provided for. Such waiver shall be effective only if made by written statement of waiver issued by the NMFA. In case of any such waiver or rescission, or in case any proceeding taken by the NMFA on account of any such Event of Default shall have been discontinued or abandoned or determined adversely, then and in every such case, the NMFA 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 Related to Defaults. In the event that the Governmental Unit should default under any of the provisions hereof and the NMFA employs attorneys or incurs 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 Governmental Unit contained in this Loan Agreement, the Governmental Unit agrees that it shall on demand therefor pay to the NMFA the fees of such attorneys and such other expenses so incurred, to the extent that such attorneys' fees and expenses may be determined to be reasonable by a court of competent jurisdiction; provided, however, that the obligation of the Governmental Unit 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 Governmental Unit, then to:

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

If to the NMFA, then to:

NMFA
Attention: Chief Executive Officer
810 W. San Mateo Road
Santa Fe, New Mexico 87505

And if to NMFA's designated servicing agent for this Loan Agreement, if any, at the address to be provided by the servicing agent. The Governmental Unit and the NMFA 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 Loan Agreement shall inure to the benefit of and shall be binding upon the NMFA, the Governmental Unit and their respective successors and assigns, if any.

Section 11.3 Amendments. This Loan Agreement may be amended only with the written consent of the NMFA and the Governmental Unit, except as provided in Section 4.1(b) of this Loan Agreement. The consent of the NMFA for amendments not affecting the terms of payment of the loan component of this Loan Agreement may be given by an Authorized Officer of the NMFA. The execution of any such consent by an Authorized Officer of the NMFA shall constitute his or her determination that such amendment does not affect the terms of payment of the loan component of this Loan Agreement, unless such change results in a decrease in the payment amount of the loan component.

Section 11.4 No Liability of Individual Officers, Directors or Trustees. No recourse under or upon any obligation, covenant or agreement contained in this Loan Agreement shall be had against any member, employee, director or officer, as such, past, present or future, of the NMFA, either directly or through the NMFA or against any officer, employee, director or member of the Governing Body, 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 Governing Body or of the NMFA is hereby expressly waived and released by the Governmental Unit and by the NMFA as a condition of and in consideration for the execution of this Loan Agreement.

Section 11.5 Severability. In the event that any provision of this Loan Agreement, other than the requirement of the Governmental Unit to pay 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 11.6 Execution in Counterparts. This Loan 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 11.7 Assignment by the NMFA. This Loan Agreement (except as to the Administrative Fee and Cost of Issuance) may be assigned and transferred by the NMFA to a trustee, which right to assign and transfer is hereby acknowledged and approved by the Governmental Unit.

Section 11.8 Compliance with Governing Law. It is hereby declared by the Governing Body that it is the intention of the Governmental Unit by the execution of this Loan Agreement to comply in all respects with the provisions of the New Mexico Constitution and statutes as the same govern the pledge of the Pledged Revenues to payment of all amounts payable under this Loan Agreement.

Section 11.9 Applicable Law. This Loan Agreement shall be governed by and construed in accordance with the laws of the State.

Section 11.10 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 Loan Agreement.

[Signature pages follow.]

[Remainder of page intentionally left blank.]

REVISED-DRAFT

IN WITNESS WHEREOF, the NMFA, on behalf of itself has executed this Amended and Restated Loan and Subsidy Agreement, which was approved by the NMFA's Board of Directors on May 28, 2026, in its corporate name by its duly authorized officers; and the Governmental Unit has caused this Loan Agreement to be executed in its corporate name and the seal of the Governmental Unit affixed hereto and attested by duly authorized officers. All of the above are effective as of the date first above written.

NEW MEXICO FINANCE AUTHORITY

By _____
Marquita D. Russel, 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 _____
Eduardo A. Duffy

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

By _____
Mark Chaiken, General Counsel

INCORPORATED COUNTY OF LOS ALAMOS,
NEW MEXICO

By _____
Randall Ryti, Chair

[SEAL]

ATTEST:

By _____
Michael D. Redondo, County Clerk

7763377

REVISED-DRAFT

EXHIBIT “A”

TERM SHEET

**LOAN NO. DW-6651/DWL-6651
TO THE INCORPORATED COUNTY OF LOS ALAMOS, NEW MEXICO**

Governmental Unit:	Incorporated County of Los Alamos, New Mexico
Project Description:	Finance the costs of Phase II and III of the Denver Steels waterline replacements including lead service lines replacement and shall include such other related work and revisions necessary to complete the Project
Pledged Revenues:	Net Revenues of the System
Currently Outstanding Senior Obligations (Senior Lien Tier):	Governmental Unit’s Utility System Revenue Bonds, Series 2010A-D (PPRF-2461) maturing in 2030
Currently Outstanding Parity Obligations (Subordinate Lien Tier):	PPRF-3150 maturing in 2034 DW-5456 maturing in 2048 DW-5637 maturing in 2049 DW-5638 maturing in 2049 DW-6368 maturing in 2046
Currently Outstanding Subordinate Obligations (Super Subordinate Tier):	OUTSTANDING JUNIOR LIENS OF THE JOINT UTILITY WPF-0318 maturing in 2035 WPF-0340 maturing in 2035 CWSRF 110 maturing in 2045 WPF-5673 maturing in 2043 WPF-5966 maturing in 2045 CWSRF 135 maturing in 2045 RIP 00059 maturing in 2045 WPF-6583 maturing in 2047 WPF-6584 maturing in 2047 OUTSTANDING JUNIOR LIEN OF THE WATER & WASTEWATER UTILITY WPF-3557 maturing in 20338 WPF-5426 maturing in 2043 OUTSTANDING JUNIOR LIENS OF THE WATER UTILITY

WPF-0220 maturing in 2031
WPF-0221 maturing in 2032
WPF-4826 maturing in 2041
WPF-5081 maturing in 2042
OUTSTANDING JUNIOR LIEN OF THE
WASTEWATER UTILITY
CWSRF 083 maturing in 2043
CWSRF 1438143R maturing in 2035

Authorizing Legislation: Governmental Unit Ordinance No. 759 adopted
September 8, 2026

Closing Date: October 16, 2026

Interest Rate: 0.26% (which includes the Administrative Fee)

Total Funding
(Maximum Principal Amount): **\$3,252,000**

Program Fund: \$
Cost of Issuance: \$

Total Repayable (Maximum Repayable
Principal Amount): **\$2,627,000**

Repayable Project Fund: \$
Repayable Cost of Issuance: \$

Total Forgiven (Maximum Forgiven
Principal Amount): **\$625,000**

Project Subsidy Fund: \$625,000
Subsidy Cost of Issuance: \$0.00

Total Funding
(Maximum Principal Amount): \$3,252,000

Subsidy Percent: Not more than twenty percent (20%)

Disadvantaged Status: Base

First Interest Payment Date: June 1, 20__

First Principal and Interest Payment
Date: June 1, 20__

First Debt Service Interest Payment Date: June 1, 20__

Final Payment Date: June 1, 20__

A-2

REVISED-DRAFT

EXHIBIT “B”

LOAN AGREEMENT PAYMENT SCHEDULE

[SEE ATTACHED]

REVISED-DRAFT

EXHIBIT "C"

FORM OF REQUISITION

RE: \$3,252,000 Amended and Restated Loan and Subsidy Agreement by and between the NMFA and the Incorporated County of Los Alamos (the "Loan Agreement")

TO: DW@nmfa.net
New Mexico Finance Authority
810 W. San Mateo Road
Santa Fe, New Mexico 87505
Attn: Drinking Water

LOAN NO. DW-6651/DWL-6651

CLOSING DATE: October 16, 2026

You are hereby authorized to disburse to the Incorporated County of Los Alamos or its payee with regard to the above-referenced Loan Agreement the following:

REQUISITION NUMBER:		☐ Interim Request ☐ Final Request
AMOUNT OF PAYMENT:	\$	

For Period (work encumbered) _____ to _____

PURPOSE OF PAYMENT:

☐ This is a request of REIMBURSEMENT of incurred and paid project expenses. (Attach proof of payment, e.g. check stubs, and corresponding invoices)

☐ This is a request of DIRECT PAYMENT to vendor or service provider of incurred project expenses. (Attach invoices)

PAYEE INFORMATION

NAME:	
CONTACT NAME:	
ADDRESS:	
PHONE NUMBER:	
FAX NUMBER:	
E-MAIL ADDRESS:	

C-1

WIRING INFORMATION

BANK NAME:	
ACCOUNT NUMBER:	
ROUTING NUMBER:	

☐ Check here if bank account information is new or has changed.

☐ Check here if bank account information is still current.

Please indicate if this Business is considered a

☐ SBE (Small Business Entrepreneur)	☐ MBE (Minority Business Entrepreneur)	☐ WBE (Women owned business Entrepreneur)	☐ N/A

(Attach SBE/MBE/WBE Certification)

Each obligation, item of cost or expense mentioned herein is for costs of the Project, is due and payable, has not been the subject of any previous requisition and is a proper charge for requisition and payment.

Each obligation, item of cost or expense mentioned herein is not for costs related to the purchase of land or easement.

All representations contained in the Loan Agreement and the related closing documents remain true and correct and the Incorporated County of Los Alamos is not in breach of any of the covenants contained therein.

If this is the final requisition, payment of costs of the Project is complete or, if not complete, the Incorporated County of Los Alamos understands its obligation to conduct and installation of the Project and shall complete and conduct and installation of the Project from other legally available funds.

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

DATED: _____

By: _____
Authorized Officer

(Print name and title)

EXHIBIT "D"

FORM OF CERTIFICATE OF COMPLETION

RE: \$3,252,000 Amended and Restated Loan and Subsidy Agreement by and between the NMFA and the Incorporated County of Los Alamos (the "Loan Agreement")

Loan No. DW-6651/DWL-6651

Closing Date: October 16, 2026

TO: NEW MEXICO FINANCE AUTHORITY

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

Incorporated County of Los Alamos, hereby certify as follows:

1. The project described in the Loan Agreement (the "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 was \$ _____.
4. The portion of the Maximum Principal Amount unexpended for the Project is \$ _____.
5. The Project was completed and is and shall be used consistent with and subject to the covenants set forth in the Loan 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: _____

Budget Revision 2027-13

BPU Meeting Date: August 19, 2026

Council Meeting Date: September 8, 2026

Council Agenda Item #:

Fund	Department	Org	Object	Revenue (decrease)	Expenditures (decrease)	Transfers In	Transfers Out	Fund Balance (decrease)
Joint Utilities Fund	Water Distribution	54185499	8369		\$ 525,000			\$ (525,000)
Joint Utilities Fund	Water Distribution	54185495	7118	\$ 525,000				\$ 525,000
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
Purpose of Revision: The purpose of this budget revision is to cover the additional funding needed for the Denver Steels Phase II Water Service Line Replacement Project. The New Mexico Finance Authority's Board of Directors approved the request from Los Alamos County to increase the DW-6651 loan by \$525,000 at its May 28, 2026 meeting.								
Fiscal Impact: The net fiscal impact to the Joint Utilities Fund is an increase in expenditures of \$525,000 and an increase in revenue of \$525,000, resulting in a zero net impact to fund balance.				\$ 525,000	\$ 525,000	\$ -	\$ -	\$ -

Joann Gentry

Preparer

8/11/2026

Date

Philo Shelton

Department Director Signature



Budget Manager/Analyst Signature

County Manager Approval if Required

Council Chair Approval if Required

Los Alamos County

Credit Analysis

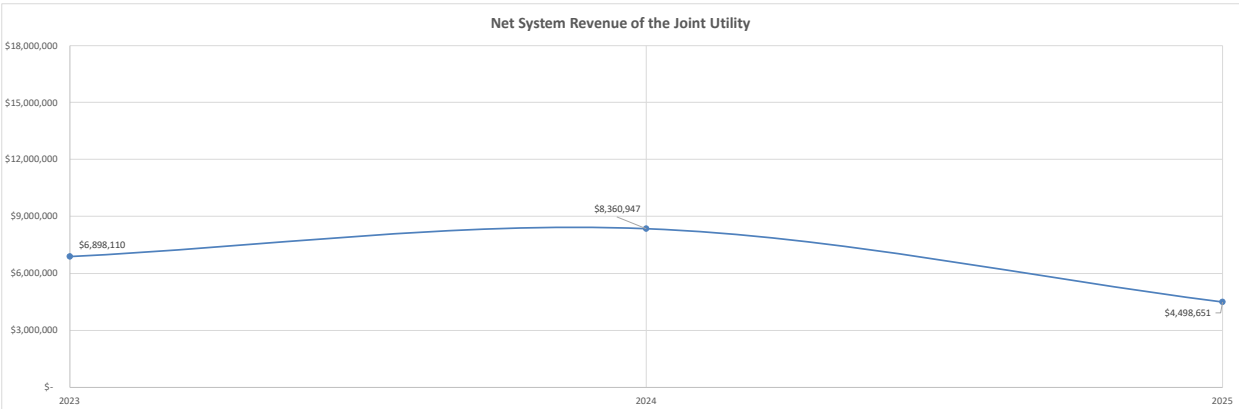
Credit Commentary

- Los Alamos County Joint Utility (JU) Fund includes electric, gas, water and wastewater sub-funds.
- The County tracks the sub-funds individually and assigns pro-rata debt service to each sub-fund. Due to the broad application of pledges under the County's JU Fund for loans through NMFA, the NMFA Board approved the practice of underwriting all Joint Utility loans using the full Joint Utility Fund despite a different methodology used internally at the County.
- 6,778 residential connections
- 311 commercial connections

Pledge Analysis: Net Systems Revenue

	3-yr Average 2025 - 2023	Electric	Gas	Water	Wastewater	2025 Total	Electric	Gas	Water	Wastewater	2024 Total	Electric	Gas	Water	Wastewater	2023 Total	Yr-Yr Change 25 vs 24	24 vs. 23
Revenues																		
Utility sales and service	\$ 77,501,914	\$ 55,096,921	\$ 6,303,084	\$ 8,635,891	\$ 6,656,695	\$ 76,692,591	\$ 50,598,367	\$ 7,751,611	\$ 9,621,389	\$ 6,421,297	\$ 74,392,664	\$ 56,999,472	\$ 10,603,730	\$ 7,632,404	\$ 6,184,880	\$ 81,420,486	3.1%	-8.6%
Rentals	\$ 12,614	\$ -	\$ -	\$ 23,900	\$ -	\$ 23,900	\$ -	\$ -	\$ 23,900	\$ -	\$ 23,900	\$ 13,942	\$ -	\$ -	\$ -	\$ 13,942	0.0%	71.4%
Miscellaneous Revenue	\$ 372,321	\$ 51,263	\$ -	\$ 80,375	\$ -	\$ 131,638	\$ 401,013	\$ 173,596	\$ 191,489	\$ 19,616	\$ 785,714	\$ 97,644	\$ 34,724	\$ 66,382	\$ 860	\$ 199,610	-83.2%	293.6%
Total Operating Revenue	\$ 78,418,158	\$ 55,148,184	\$ 6,303,084	\$ 8,740,166	\$ 6,656,695	\$ 76,848,129	\$ 50,999,380	\$ 7,925,207	\$ 9,836,778	\$ 6,440,913	\$ 75,202,278	\$ 57,111,058	\$ 10,638,454	\$ 7,698,786	\$ 6,185,740	\$ 81,634,038	2.2%	-7.9%
Expenses																		
Employee salaries and benefits	\$ 14,142,020	\$ 10,228,084	\$ 1,325,496	\$ 2,827,724	\$ 2,109,268	\$ 16,490,572	\$ 9,009,034	\$ 991,787	\$ 2,540,885	\$ 1,779,731	\$ 14,321,437	\$ 7,613,143	\$ 818,363	\$ 1,644,551	\$ 1,537,994	\$ 11,614,051	15.1%	23.3%
Contractual services	\$ 56,300,816	\$ 42,545,093	\$ 4,536,148	\$ 3,776,132	\$ 2,525,869	\$ 53,383,242	\$ 40,485,749	\$ 4,218,656	\$ 3,855,669	\$ 2,438,790	\$ 50,998,864	\$ 46,782,442	\$ 11,430,717	\$ 4,001,088	\$ 2,306,094	\$ 64,520,341	4.7%	-21.0%
Materials and supplies	\$ 1,642,157	\$ 1,056,306	\$ 442,194	\$ 618,879	\$ 326,440	\$ 2,443,819	\$ 371,884	\$ 197,036	\$ 554,957	\$ 336,329	\$ 1,460,206	\$ 433,907	\$ 112,148	\$ 225,269	\$ 251,121	\$ 1,022,445	67.4%	42.8%
Depreciation and amortization	\$ 5,683,572	\$ 1,667,686	\$ 512,278	\$ 2,565,584	\$ 988,878	\$ 5,734,426	\$ 1,852,424	\$ 482,160	\$ 2,299,616	\$ 887,591	\$ 5,521,791	\$ 2,448,402	\$ 398,337	\$ 2,093,752	\$ 854,007	\$ 5,794,498	3.9%	-4.7%
Special closure costs	\$ 999,732	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,083,084	\$ -	\$ -	\$ -	\$ 1,083,084	\$ 1,916,112	\$ -	\$ -	\$ -	\$ 1,916,112	-100.0%	-43.5%
Other	\$ 85,132	\$ 3,919	\$ 18,320	\$ 3,706	\$ 5,900	\$ 31,845	\$ 24,225	\$ -	\$ 28,003	\$ 8,596	\$ 60,824	\$ 23,488	\$ -	\$ 12,388	\$ 126,850	\$ 162,726	-47.6%	-62.6%
Gross Operating Expenditures	\$ 78,853,428	\$ 55,501,088	\$ 6,834,436	\$ 9,792,025	\$ 5,956,355	\$ 78,083,904	\$ 52,826,400	\$ 5,889,639	\$ 9,279,130	\$ 5,451,037	\$ 73,446,206	\$ 59,217,494	\$ 12,759,565	\$ 7,977,048	\$ 5,076,066	\$ 85,030,173	6.3%	-13.6%
Less: Sunset recovery	\$ (861,212)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,583,635)	\$ -	\$ -	\$ (2,583,635)	NM	NM
Less: Special closure costs	\$ (999,732)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,083,084)	\$ -	\$ -	\$ -	\$ (1,083,084)	\$ (1,916,112)	\$ -	\$ -	\$ -	\$ (1,916,112)	-100.0%	-43.5%
Less Depreciation and Amortization	\$ (5,683,572)	\$ (1,667,686)	\$ (512,278)	\$ (2,565,584)	\$ (988,878)	\$ (5,734,426)	\$ (1,852,424)	\$ (482,160)	\$ (2,299,616)	\$ (887,591)	\$ (5,521,791)	\$ (2,448,402)	\$ (398,337)	\$ (2,093,752)	\$ (854,007)	\$ (5,794,498)	3.9%	-4.7%
Net Operating Expenditures	\$ 71,308,912	\$ 53,833,402	\$ 6,322,158	\$ 7,226,441	\$ 4,967,477	\$ 72,349,478	\$ 49,890,892	\$ 5,407,479	\$ 6,979,514	\$ 4,563,446	\$ 66,841,331	\$ 54,852,980	\$ 9,777,593	\$ 5,883,296	\$ 4,222,059	\$ 74,735,928	8.2%	-10.6%
Net Revenue Available for Debt Service	\$ 6,585,903	\$ 1,314,782	\$ (19,074)	\$ 1,513,725	\$ 1,689,218	\$ 4,498,651	\$ 1,108,488	\$ 2,517,728	\$ 2,857,264	\$ 1,877,467	\$ 8,360,947	\$ 2,258,078	\$ 860,861	\$ 1,815,490	\$ 1,963,681	\$ 6,898,110	-46.2%	21.2%

NM = Not Meaningful



Outstanding Debt & Coverage Analysis

	Senior Lien	Subordinate Lien							Senior & Subordinate Lien	Super Subordinate (Parity) Lien	Total Outstanding Debt Service	Pledged Revenues	Current DSCR All Debt	Debt Service Coverage - Outstanding + Pending Loans		
Debt	PPRF-2461	PPRF-3150	DW-5456	DW-5637	DW-5638	DW-6368	(*) DWL-6651 Additional Funds	Multiple	Multiple	Senior lien				Subordinate Lien	Super Subordinate (Parity) Lien	
Par Issue Date Source	\$13,085,000 8/12/2010 NMFA	\$21,690,000 8/13/2014 NMFA	\$3,709,892 10/8/2021 NMFA	\$865,570 7/8/2022 NMFA	\$2,727,000 7/1/2022 NMFA	\$2,020,000 7/12/2024 NMFA	\$2,627,000 (\$2,102,000+\$525,000) 6/27/2025-8/28/2026 NMFA	\$46,724,462 Multiple NMFA	\$50,007,618 Multiple NMED/NMFA	\$13,085,000 Multiple NMFA				\$33,639,462 Multiple NMFA	\$50,007,618 Multiple NMED/NMFA	
2026	\$ 1,210,048	\$ 640,710	\$ 168,455	\$ 33,357	\$ 123,824	\$ 5,252	\$ 4,615	\$ 2,186,262	\$ 2,407,623	\$ 4,593,884	\$ 4,498,651	0.98	3.72	2.06	0.98	
2027	\$ 1,189,720	\$ 636,295	\$ 168,454	\$ 33,356	\$ 123,824	\$ 103,780	\$ 6,387	\$ 2,261,817	\$ 2,530,866	\$ 4,792,683	\$ 4,498,651	0.94	3.78	1.99	0.94	
2028	\$ 1,177,264	\$ 639,195	\$ 168,454	\$ 33,357	\$ 123,824	\$ 103,780	\$ 6,830	\$ 2,252,704	\$ 2,650,769	\$ 4,903,474	\$ 4,498,651	0.92	3.82	2.00	0.92	
2029	\$ 1,152,072	\$ 636,375	\$ 168,454	\$ 33,357	\$ 123,825	\$ 103,780	\$ 109,358	\$ 2,327,221	\$ 2,658,119	\$ 4,985,340	\$ 4,498,651	0.90	3.90	1.93	0.90	
2030	\$ 1,129,752	\$ 638,015	\$ 168,454	\$ 33,356	\$ 123,824	\$ 103,778	\$ 109,358	\$ 2,306,538	\$ 2,658,115	\$ 4,964,653	\$ 4,498,651	0.91	3.98	1.95	0.91	
2031		\$ 633,935	\$ 168,455	\$ 33,357	\$ 123,824	\$ 103,780	\$ 109,357	\$ 1,172,708	\$ 2,658,113	\$ 3,830,821	\$ 4,498,651	1.17		3.84	1.17	
2032		\$ 632,953	\$ 168,454	\$ 33,357	\$ 123,824	\$ 103,779	\$ 109,357	\$ 1,171,724	\$ 2,626,434	\$ 3,798,158	\$ 4,498,651	1.18		3.84	1.18	
2033		\$ 636,200	\$ 168,454	\$ 33,357	\$ 123,824	\$ 103,780	\$ 109,358	\$ 1,174,973	\$ 2,619,248	\$ 3,794,221	\$ 4,498,651	1.19		3.83	1.19	
2034		\$ 633,485	\$ 168,454	\$ 33,356	\$ 123,824	\$ 103,780	\$ 109,357	\$ 1,172,256	\$ 2,619,248	\$ 3,791,505	\$ 4,498,651	1.19		3.84	1.19	
2035		\$ 168,454	\$ 33,357	\$ 123,824	\$ 103,780	\$ 131,632	\$ 561,047	\$ 2,619,249	\$ 3,180,296	\$ 4,498,651	\$ 4,498,651	1.41		8.02	1.41	
2036		\$ 168,454	\$ 33,357	\$ 123,824	\$ 103,780	\$ 131,634	\$ 561,048	\$ 2,120,370	\$ 2,681,418	\$ 4,498,651	\$ 4,498,651	1.68		8.02	1.68	
2037		\$ 168,455	\$ 33,356	\$ 123,825	\$ 103,780	\$ 131,631	\$ 561,047	\$ 2,120,371	\$ 2,681,418	\$ 4,498,651	\$ 4,498,651	1.68		8.02	1.68	
2038		\$ 168,455	\$ 33,356	\$ 123,825	\$ 103,780	\$ 131,632	\$ 561,048	\$ 2,120,370	\$ 2,681,418	\$ 4,498,651	\$ 4,498,651	1.68		8.02	1.68	
2039		\$ 168,454	\$ 33,357	\$ 123,825	\$ 103,780	\$ 131,633	\$ 561,049	\$ 2,117,610	\$ 2,678,658	\$ 4,498,651	\$ 4,498,651	1.68		8.02	1.68	
2040		\$ 168,454	\$ 33,356	\$ 123,824	\$ 103,780	\$ 131,633	\$ 561,047	\$ 2,117,609	\$ 2,678,656	\$ 4,498,651	\$ 4,498,651	1.68		8.02	1.68	
2041		\$ 168,455	\$ 33,356	\$ 123,824	\$ 103,780	\$ 131,632	\$ 561,048	\$ 2,117,608	\$ 2,678,656	\$ 4,498,651	\$ 4,498,651	1.68		8.02	1.68	
2042		\$ 168,454	\$ 33,356	\$ 123,825	\$ 103,780	\$ 131,633	\$ 561,048	\$ 2,100,577	\$ 2,661,625	\$ 4,498,651	\$ 4,498,651	1.69		8.02	1.69	
2043		\$ 168,454	\$ 33,357	\$ 123,824	\$ 103,780	\$ 131,632	\$ 561,048	\$ 2,227,697	\$ 2,788,745	\$ 4,498,651	\$ 4,498,651	1.61		8.02	1.61	
2044		\$ 168,454	\$ 33,357	\$ 123,824	\$ 103,780	\$ 131,632	\$ 561,048	\$ 1,714,357	\$ 2,275,405	\$ 4,498,651	\$ 4,498,651	1.98		8.02	1.98	
2045		\$ 168,454	\$ 33,357	\$ 123,825	\$ 103,780	\$ 131,632	\$ 561,047	\$ 1,673,338	\$ 2,234,385	\$ 4,498,651	\$ 4,498,651	2.01		8.02	2.01	
2046		\$ 168,454	\$ 33,357	\$ 123,825	\$ 103,780	\$ 131,633	\$ 561,048	\$ 250,343	\$ 811,391	\$ 4,498,651	\$ 4,498,651	5.54		8.02	5.54	
2047		\$ 168,454	\$ 33,357	\$ 123,825		\$ 235,412	\$ 561,048	\$ 126,051	\$ 687,099	\$ 4,498,651	\$ 4,498,651	6.55		8.02	6.55	
2048		\$ 168,452	\$ 33,357	\$ 123,824		\$ 235,415	\$ 561,048	\$ 7,008	\$ 568,057	\$ 4,498,651	\$ 4,498,651	7.92		8.02	7.92	
2049			\$ 33,356	\$ 123,824			\$ 157,180	\$ -	\$ 157,180	\$ 4,498,651	\$ 4,498,651	28.62		28.62	28.62	
Total	\$ 5,858,856	\$ 5,727,163	\$ 3,874,445	\$ 800,563	\$ 2,971,782	\$ 2,080,850	\$ 2,724,393	\$ 24,038,051	\$ 46,861,094	\$ 70,899,145						

Outstanding Debt & Coverage Analysis

Debt	Super Subordinate Lien														
	CWSRF 110	CWSRF 083	CWSRF 1438143R	CWSRF 135	RIP 00059	RIP 00073	WPF-0220	WPF-0221	WPF-0318	WPF-0340	WPF-3557	WPF-4826	WPF-5081	WPF-5426	WPF-5673
Par Issue Date Source	\$26,200,000 9/7/2022 NMED	\$6,259,681 2/23/2023 NMED	\$5,983,697 8/25/2021 NMED	\$800,000 5/17/2024 NMED	\$1,500,000 7/30/2024 NMED	\$1,750,000 9/9/2025 NMED	\$600,000 11/4/2011 NMFA	\$140,000 1/13/2012 NMFA	\$562,400 6/29/2015 NMFA	\$182,000 3/31/2016 NMFA	\$53,840 8/13/2018 NMFA	\$320,000 2/25/2022 NMFA	\$360,000 3/12/2021 NMFA	\$1,300,000 1/14/2022 NMFA	\$1,460,000 1/20/2023 NMFA
2026	\$ 1,311,213	\$ 313,313	\$ 460,153	\$ -	\$ -	\$ -	\$ 31,691	\$ 7,186	\$ 28,990	\$ 9,735	\$ 2,762	\$ 17,033	\$ 11,123	\$ 60,805	\$ 40,814
2027	\$ 1,311,451	\$ 313,313	\$ 460,153	\$ 39,962	\$ 83,123	\$ -	\$ 31,689	\$ 7,185	\$ 28,989	\$ 9,735	\$ 2,762	\$ 17,033	\$ 11,123	\$ 60,805	40813.83
2028	\$ 1,311,451	\$ 313,313	\$ 460,153	\$ 40,042	\$ 83,123	\$ 96,977	\$ 31,687	\$ 7,185	\$ 28,989	\$ 9,736	\$ 2,762	\$ 17,033	\$ 11,123	\$ 60,805	\$ 40,814
2029	\$ 1,311,451	\$ 313,313	\$ 460,153	\$ 40,042	\$ 83,123	\$ 96,977	\$ 31,684	\$ 7,185	\$ 28,989	\$ 9,736	\$ 2,762	\$ 17,033	\$ 11,123	\$ 60,805	\$ 40,814
2030	\$ 1,311,451	\$ 313,313	\$ 460,153	\$ 40,042	\$ 83,123	\$ 96,977	\$ 31,681	\$ 7,186	\$ 28,989	\$ 9,736	\$ 2,762	\$ 17,033	\$ 11,123	\$ 60,805	\$ 40,814
2031	\$ 1,311,451	\$ 313,313	\$ 460,153	\$ 40,042	\$ 83,123	\$ 96,977	\$ 31,679	\$ 7,185	\$ 28,990	\$ 9,736	\$ 2,762	\$ 17,032	\$ 11,123	\$ 60,805	\$ 40,814
2032	\$ 1,311,451	\$ 313,313	\$ 460,153	\$ 40,042	\$ 83,123	\$ 96,977	\$	\$ 7,185	\$ 28,989	\$ 9,736	\$ 2,762	\$ 17,033	\$ 11,123	\$ 60,805	\$ 40,814
2033	\$ 1,311,451	\$ 313,313	\$ 460,153	\$ 40,042	\$ 83,123	\$ 96,977		\$	\$ 28,989	\$ 9,736	\$ 2,762	\$ 17,032	\$ 11,123	\$ 60,805	\$ 40,814
2034	\$ 1,311,451	\$ 313,313	\$ 460,153	\$ 40,042	\$ 83,123	\$ 96,977		\$	\$ 28,989	\$ 9,736	\$ 2,762	\$ 17,033	\$ 11,123	\$ 60,805	\$ 40,814
2035	\$ 1,311,451	\$ 313,313	\$ 460,153	\$ 40,042	\$ 83,123	\$ 96,977		\$	\$ 28,989	\$ 9,735	\$ 2,762	\$ 17,033	\$ 11,123	\$ 60,805	\$ 40,814
2036	\$ 1,311,451	\$ 313,313		\$ 40,042	\$ 83,123	\$ 96,977					\$ 2,762	\$ 17,032	\$ 11,123	\$ 60,805	\$ 40,814
2037	\$ 1,311,451	\$ 313,313		\$ 40,042	\$ 83,123	\$ 96,977					\$ 2,762	\$ 17,032	\$ 11,123	\$ 60,805	\$ 40,814
2038	\$ 1,311,451	\$ 313,313		\$ 40,042	\$ 83,123	\$ 96,977					\$ 2,762	\$ 17,032	\$ 11,123	\$ 60,805	\$ 40,814
2039	\$ 1,311,451	\$ 313,313		\$ 40,042	\$ 83,123	\$ 96,977						\$ 17,033	\$ 11,123	\$ 60,805	\$ 40,814
2040	\$ 1,311,451	\$ 313,313		\$ 40,042	\$ 83,123	\$ 96,977						\$ 17,033	\$ 11,123	\$ 60,805	\$ 40,814
2041	\$ 1,311,451	\$ 313,313		\$ 40,042	\$ 83,123	\$ 96,977						\$ 17,032	\$ 11,123	\$ 60,805	\$ 40,814
2042	\$ 1,311,451	\$ 313,313		\$ 40,042	\$ 83,123	\$ 96,977							\$ 11,123	\$ 60,805	\$ 40,814
2043	\$ 1,311,451	\$ 313,313		\$ 40,042	\$ 83,123	\$ 96,977							\$ 12,385	\$ 186,664	\$ 40,814
2044	\$ 1,311,451			\$ 40,042	\$ 83,123	\$ 96,977									\$ 39,835
2045	\$ 1,311,451			\$ 40,042	\$ 83,123	\$ 96,977									
2046				\$ 40,042	\$ 83,123	\$ 96,977									
2047						\$ 95,851									
2048															
2049															
Total	\$ 26,228,782	\$ 5,639,634	\$ 4,601,530	\$ 800,760	\$ 1,662,459	\$ 1,938,410	\$ 190,111	\$ 50,296	\$ 289,894	\$ 97,355	\$ 35,904	\$ 272,524	\$ 201,483	\$ 1,220,343	\$ 774,484

Los Alamos County

Outstanding Debt & Coverage Analysis

Debt	Super Subordinate Lien				Total
	WPF-5966	WPF-6583	WPF-6584	WPF -6881 Proposed	
Par Issue Date Source	\$2,400,000 4/12/2024 NMFA	\$200,000 1/23/2026 NMFA	\$250,000 1/23/2026 NMFA	\$136,000 10/2/2026 NMFA	
2026	\$ 112,805				\$ 2,407,623
2027	\$ 112,729				\$ 2,530,866
2028	\$ 112,729	\$ 10,155	\$ 12,693		\$ 2,650,769
2029	\$ 112,729	\$ 10,308	\$ 12,884	\$ 7,009	\$ 2,658,119
2030	\$ 112,729	\$ 10,307	\$ 12,884	\$ 7,009	\$ 2,658,115
2031	\$ 112,729	\$ 10,307	\$ 12,883	\$ 7,009	\$ 2,658,113
2032	\$ 112,729	\$ 10,307	\$ 12,884	\$ 7,009	\$ 2,626,434
2033	\$ 112,729	\$ 10,307	\$ 12,884	\$ 7,008	\$ 2,619,248
2034	\$ 112,729	\$ 10,307	\$ 12,884	\$ 7,009	\$ 2,619,248
2035	\$ 112,729	\$ 10,307	\$ 12,883	\$ 7,009	\$ 2,619,249
2036	\$ 112,729	\$ 10,307	\$ 12,883	\$ 7,009	\$ 2,120,370
2037	\$ 112,729	\$ 10,307	\$ 12,884	\$ 7,009	\$ 2,120,371
2038	\$ 112,729	\$ 10,307	\$ 12,884	\$ 7,009	\$ 2,120,370
2039	\$ 112,729	\$ 10,307	\$ 12,884	\$ 7,009	\$ 2,117,610
2040	\$ 112,729	\$ 10,307	\$ 12,884	\$ 7,009	\$ 2,117,609
2041	\$ 112,729	\$ 10,307	\$ 12,884	\$ 7,009	\$ 2,117,608
2042	\$ 112,729	\$ 10,307	\$ 12,884	\$ 7,009	\$ 2,100,577
2043	\$ 112,729	\$ 10,307	\$ 12,884	\$ 7,009	\$ 2,227,697
2044	\$ 112,729	\$ 10,307	\$ 12,884	\$ 7,009	\$ 1,714,357
2045	\$ 111,545	\$ 10,307	\$ 12,884	\$ 7,009	\$ 1,673,338
2046		\$ 10,307	\$ 12,884	\$ 7,009	\$ 250,343
2047		\$ 10,307	\$ 12,884	\$ 7,009	\$ 126,051
2048				\$ 7,008	\$ 7,008
2049					\$ -
Total	\$ 2,253,470	\$ 205,989	\$ 257,486	\$ 140,178	\$ 46,861,094

Joint Utility System consists of electric, gas, water, and wastewater.

In 2014, the County effectively closed off their Senior lien and refunded prior obligations into the Subordinate lien. PPRF-2461 was left in the Senior lien tier and the County covenanted that no additional debt be issued into the Senior lien tier. A Subordination Agreement was also signed between NMFA, NMED and the County. Because the Senior lien tier is closed off, the 2010 Bonds (PPRF-2461) are still outstanding, and the subordination agreement for the NMED loans (CWSRF 1438143R and CWSRF 09L ARRA) contemplates the closed off lien structure, so legal team suggested to not combine the Senior and Subordinate tiers (even if only NMFA loans remain in both tiers).

(*) DW-6651 closed on 6/27/25 with an original loan amount of \$2,102,000. An additional \$525,000 has been requested from Los Alamos County and is scheduled to close 8/28/26, and the loan name has been amended to DWL-6651.

SOURCES AND USES OF FUNDS

Los Alamos County Waterline Replacement-Lead Service Line

Sources:	Waterline Replacement, Original Loan DW-6651	Lead Service Line New Loan, DWL-6651	Total
Bond Proceeds:			
Par Amount	2,102,000.00	525,000.00	2,627,000.00
Other Sources of Funds:			
Principal Forgiveness Original Loan	625,000.00		625,000.00
	2,727,000.00	525,000.00	3,252,000.00

Uses:	Waterline Replacement, Original Loan DW-6651	Lead Service Line New Loan, DWL-6651	Total
Project Fund Deposits:			
Project Fund Original Loan	2,102,000.00		2,102,000.00
Project Fund New Loan Lead Service Line		525,000.00	525,000.00
	2,102,000.00	525,000.00	2,627,000.00
Other Uses of Funds:			
Principal Forgiveness Original Loan	625,000.00		625,000.00
	2,727,000.00	525,000.00	3,252,000.00

BOND SUMMARY STATISTICS

Los Alamos County

Waterline Replacement-Lead Service Line

	Waterline Replacement, Original Loan DW-6651	Lead Service Line New Loan, DWL-6651	Aggregate
Earliest Dated Date	06/27/2025	08/28/2026	06/27/2025
Earliest Delivery Date	06/27/2025	08/28/2026	06/27/2025
Last Maturity	05/01/2048	05/01/2048	05/01/2048
Arbitrage Yield	0.260001%	0.260001%	0.260001%
True Interest Cost (TIC)	0.260001%	0.260001%	0.260001%
Net Interest Cost (NIC)	0.260000%	0.260000%	0.255807%
All-In TIC	0.260001%	0.260001%	0.260001%
Average Coupon	0.260000%	0.260000%	0.255807%
Average Life (years)	13.431	17.576	14.493
Duration of Issue (years)	13.166	17.169	14.197
Par Amount	2,102,000.00	525,000.00	2,627,000.00
Bond Proceeds	2,102,000.00	525,000.00	2,627,000.00
Total Interest	73,401.90	23,991.20	97,393.10
Net Interest	73,401.90	23,991.20	97,393.10
Total Debt Service	2,175,401.90	548,991.20	2,724,393.10
Maximum Annual Debt Service	107,993.34	127,421.44	235,414.50
Average Annual Debt Service	95,226.74	25,328.31	119,258.45
Underwriter's Fees (per \$1000)			
Average Takedown			
Other Fee			
Total Underwriter's Discount			
Bid Price	100.000000	100.000000	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life
Loan Component	2,627,000.00	100.000	0.260%	14.259
	2,627,000.00			14.259

BOND SUMMARY STATISTICS

Los Alamos County

Waterline Replacement-Lead Service Line

	TIC	All-In TIC	Arbitrage Yield
Par Value	2,627,000.00	2,627,000.00	2,627,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense			
- Other Amounts			
Target Value	2,627,000.00	2,627,000.00	2,627,000.00
Target Date	Multiple	Multiple	Multiple
Yield	0.260001%	0.260001%	0.260001%

DETAILED BOND DEBT SERVICE**Los Alamos County
Waterline Replacement, Original Loan DW-6651****Loan Component (LOAN)**

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>
05/01/2026			4,615.06	4,615.06
05/01/2027			5,465.20	5,465.20
05/01/2028			5,465.20	5,465.20
05/01/2029	102,528	0.260%	5,465.20	107,993.20
05/01/2030	102,794	0.260%	5,198.62	107,992.62
05/01/2031	103,061	0.260%	4,931.36	107,992.36
05/01/2032	103,329	0.260%	4,663.40	107,992.40
05/01/2033	103,598	0.260%	4,394.74	107,992.74
05/01/2034	103,867	0.260%	4,125.40	107,992.40
05/01/2035	104,138	0.260%	3,855.34	107,993.34
05/01/2036	104,408	0.260%	3,584.58	107,992.58
05/01/2037	104,680	0.260%	3,313.12	107,993.12
05/01/2038	104,952	0.260%	3,040.96	107,992.96
05/01/2039	105,225	0.260%	2,768.08	107,993.08
05/01/2040	105,498	0.260%	2,494.50	107,992.50
05/01/2041	105,773	0.260%	2,220.20	107,993.20
05/01/2042	106,048	0.260%	1,945.18	107,993.18
05/01/2043	106,323	0.260%	1,669.46	107,992.46
05/01/2044	106,600	0.260%	1,393.02	107,993.02
05/01/2045	106,877	0.260%	1,115.86	107,992.86
05/01/2046	107,155	0.260%	837.98	107,992.98
05/01/2047	107,433	0.260%	559.38	107,992.38
05/01/2048	107,713	0.260%	280.06	107,993.06
	2,102,000		73,401.90	2,175,401.90

DETAILED BOND DEBT SERVICE

Los Alamos County
Lead Service Line New Loan, DWL-6651

Loan Component (LOAN)

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>
05/01/2027			921.38	921.38
05/01/2028			1,365.00	1,365.00
05/01/2029			1,365.00	1,365.00
05/01/2030			1,365.00	1,365.00
05/01/2031			1,365.00	1,365.00
05/01/2032			1,365.00	1,365.00
05/01/2033			1,365.00	1,365.00
05/01/2034			1,365.00	1,365.00
05/01/2035	22,274	0.260%	1,365.00	23,639.00
05/01/2036	22,334	0.260%	1,307.08	23,641.08
05/01/2037	22,389	0.260%	1,249.02	23,638.02
05/01/2038	22,448	0.260%	1,190.80	23,638.80
05/01/2039	22,507	0.260%	1,132.44	23,639.44
05/01/2040	22,567	0.260%	1,073.92	23,640.92
05/01/2041	22,624	0.260%	1,015.26	23,639.26
05/01/2042	22,683	0.260%	956.42	23,639.42
05/01/2043	22,742	0.260%	897.46	23,639.46
05/01/2044	22,801	0.260%	838.32	23,639.32
05/01/2045	22,860	0.260%	779.04	23,639.04
05/01/2046	22,920	0.260%	719.60	23,639.60
05/01/2047	126,760	0.260%	660.02	127,420.02
05/01/2048	127,091	0.260%	330.44	127,421.44
	525,000		23,991.20	548,991.20

DETAILED BOND DEBT SERVICE**Los Alamos County
Waterline Replacement, Original Loan DW-6651****Loan Component (LOAN)**

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>	<i>Annual Debt Service</i>
11/01/2025			1,882.46	1,882.46	
05/01/2026			2,732.60	2,732.60	4,615.06
11/01/2026			2,732.60	2,732.60	
05/01/2027			2,732.60	2,732.60	5,465.20
11/01/2027			2,732.60	2,732.60	
05/01/2028			2,732.60	2,732.60	5,465.20
11/01/2028			2,732.60	2,732.60	
05/01/2029	102,528	0.260%	2,732.60	105,260.60	107,993.20
11/01/2029			2,599.31	2,599.31	
05/01/2030	102,794	0.260%	2,599.31	105,393.31	107,992.62
11/01/2030			2,465.68	2,465.68	
05/01/2031	103,061	0.260%	2,465.68	105,526.68	107,992.36
11/01/2031			2,331.70	2,331.70	
05/01/2032	103,329	0.260%	2,331.70	105,660.70	107,992.40
11/01/2032			2,197.37	2,197.37	
05/01/2033	103,598	0.260%	2,197.37	105,795.37	107,992.74
11/01/2033			2,062.70	2,062.70	
05/01/2034	103,867	0.260%	2,062.70	105,929.70	107,992.40
11/01/2034			1,927.67	1,927.67	
05/01/2035	104,138	0.260%	1,927.67	106,065.67	107,993.34
11/01/2035			1,792.29	1,792.29	
05/01/2036	104,408	0.260%	1,792.29	106,200.29	107,992.58
11/01/2036			1,656.56	1,656.56	
05/01/2037	104,680	0.260%	1,656.56	106,336.56	107,993.12
11/01/2037			1,520.48	1,520.48	
05/01/2038	104,952	0.260%	1,520.48	106,472.48	107,992.96
11/01/2038			1,384.04	1,384.04	
05/01/2039	105,225	0.260%	1,384.04	106,609.04	107,993.08
11/01/2039			1,247.25	1,247.25	
05/01/2040	105,498	0.260%	1,247.25	106,745.25	107,992.50
11/01/2040			1,110.10	1,110.10	
05/01/2041	105,773	0.260%	1,110.10	106,883.10	107,993.20
11/01/2041			972.59	972.59	
05/01/2042	106,048	0.260%	972.59	107,020.59	107,993.18
11/01/2042			834.73	834.73	
05/01/2043	106,323	0.260%	834.73	107,157.73	107,992.46
11/01/2043			696.51	696.51	
05/01/2044	106,600	0.260%	696.51	107,296.51	107,993.02
11/01/2044			557.93	557.93	
05/01/2045	106,877	0.260%	557.93	107,434.93	107,992.86
11/01/2045			418.99	418.99	
05/01/2046	107,155	0.260%	418.99	107,573.99	107,992.98
11/01/2046			279.69	279.69	
05/01/2047	107,433	0.260%	279.69	107,712.69	107,992.38
11/01/2047			140.03	140.03	
05/01/2048	107,713	0.260%	140.03	107,853.03	107,993.06
	2,102,000		73,401.90	2,175,401.90	2,175,401.90

DETAILED BOND DEBT SERVICE

Los Alamos County
Lead Service Line New Loan, DWL-6651

Loan Component (LOAN)

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>	<i>Annual Debt Service</i>
11/01/2026			238.88	238.88	
05/01/2027			682.50	682.50	921.38
11/01/2027			682.50	682.50	
05/01/2028			682.50	682.50	1,365.00
11/01/2028			682.50	682.50	
05/01/2029			682.50	682.50	1,365.00
11/01/2029			682.50	682.50	
05/01/2030			682.50	682.50	1,365.00
11/01/2030			682.50	682.50	
05/01/2031			682.50	682.50	1,365.00
11/01/2031			682.50	682.50	
05/01/2032			682.50	682.50	1,365.00
11/01/2032			682.50	682.50	
05/01/2033			682.50	682.50	1,365.00
11/01/2033			682.50	682.50	
05/01/2034			682.50	682.50	1,365.00
11/01/2034			682.50	682.50	
05/01/2035	22,274	0.260%	682.50	22,956.50	23,639.00
11/01/2035			653.54	653.54	
05/01/2036	22,334	0.260%	653.54	22,987.54	23,641.08
11/01/2036			624.51	624.51	
05/01/2037	22,389	0.260%	624.51	23,013.51	23,638.02
11/01/2037			595.40	595.40	
05/01/2038	22,448	0.260%	595.40	23,043.40	23,638.80
11/01/2038			566.22	566.22	
05/01/2039	22,507	0.260%	566.22	23,073.22	23,639.44
11/01/2039			536.96	536.96	
05/01/2040	22,567	0.260%	536.96	23,103.96	23,640.92
11/01/2040			507.63	507.63	
05/01/2041	22,624	0.260%	507.63	23,131.63	23,639.26
11/01/2041			478.21	478.21	
05/01/2042	22,683	0.260%	478.21	23,161.21	23,639.42
11/01/2042			448.73	448.73	
05/01/2043	22,742	0.260%	448.73	23,190.73	23,639.46
11/01/2043			419.16	419.16	
05/01/2044	22,801	0.260%	419.16	23,220.16	23,639.32
11/01/2044			389.52	389.52	
05/01/2045	22,860	0.260%	389.52	23,249.52	23,639.04
11/01/2045			359.80	359.80	
05/01/2046	22,920	0.260%	359.80	23,279.80	23,639.60
11/01/2046			330.01	330.01	
05/01/2047	126,760	0.260%	330.01	127,090.01	127,420.02
11/01/2047			165.22	165.22	
05/01/2048	127,091	0.260%	165.22	127,256.22	127,421.44
	525,000		23,991.20	548,991.20	548,991.20

UNIVERSAL BOND SOLUTION

Los Alamos County Waterline Replacement-Lead Service Line Universal Bond Solution Component

<i>Period Ending</i>	<i>Proposed Principal</i>	<i>Proposed Debt Service</i>	<i>Existing Debt Service</i>	<i>Total Adj Debt Service</i>	<i>Revenue Constraints</i>	<i>Unused Revenues</i>	<i>Debt Service Coverage</i>
05/01/2026		4,615	2,181,647	2,186,262	4,498,651	2,312,389	205.77%
05/01/2027		6,387	2,255,430	2,261,816	4,498,651	2,236,835	198.90%
05/01/2028		6,830	2,245,874	2,252,704	4,498,651	2,245,947	199.70%
05/01/2029	102,528	109,358	2,217,863	2,327,221	4,498,651	2,171,430	193.31%
05/01/2030	102,794	109,358	2,197,180	2,306,537	4,498,651	2,192,114	195.04%
05/01/2031	103,061	109,357	1,063,351	1,172,709	4,498,651	3,325,942	383.61%
05/01/2032	103,329	109,357	1,062,367	1,171,724	4,498,651	3,326,927	383.93%
05/01/2033	103,598	109,358	1,065,615	1,174,973	4,498,651	3,323,678	382.87%
05/01/2034	103,867	109,357	1,062,899	1,172,257	4,498,651	3,326,394	383.76%
05/01/2035	126,412	131,632	429,415	561,047	4,498,651	3,937,604	801.83%
05/01/2036	126,742	131,634	429,414	561,048	4,498,651	3,937,603	801.83%
05/01/2037	127,069	131,631	429,416	561,047	4,498,651	3,937,604	801.83%
05/01/2038	127,400	131,632	429,416	561,048	4,498,651	3,937,603	801.83%
05/01/2039	127,732	131,633	429,416	561,048	4,498,651	3,937,603	801.83%
05/01/2040	128,065	131,633	429,414	561,048	4,498,651	3,937,603	801.83%
05/01/2041	128,397	131,632	429,416	561,048	4,498,651	3,937,603	801.83%
05/01/2042	128,731	131,633	429,415	561,047	4,498,651	3,937,604	801.83%
05/01/2043	129,065	131,632	429,416	561,048	4,498,651	3,937,603	801.83%
05/01/2044	129,401	131,632	429,416	561,048	4,498,651	3,937,603	801.83%
05/01/2045	129,737	131,632	429,415	561,047	4,498,651	3,937,604	801.83%
05/01/2046	130,075	131,633	429,415	561,048	4,498,651	3,937,603	801.83%
05/01/2047	234,193	235,412	325,636	561,048	4,498,651	3,937,603	801.83%
05/01/2048	234,804	235,415	325,633	561,048	4,498,651	3,937,603	801.83%
	2,627,000	2,724,393	21,156,478	23,880,871	103,468,973	79,588,102	



Los Alamos County
Drinking Water State Revolving Loan Fund
Denver Steels Waterline Replacement Phase II & III
Amended and Restated

Board Date: 5/28/2026

App # DW-6651 & DWL-6651

Lending Officer: Carmela Manzari

A. EXECUTIVE SUMMARY				
Interim Period		Term: 2	N/A	
DW-6651 Loan:	\$2,102,000	Term: 20	Net Interest Cost:	0.26%
DWL-6651 Loan:	\$525,000	Term: 20	Net Interest Cost:	0.26%
DW-6651 Principal Forgiveness:	\$625,000	Term: N/A	Net Interest Cost:	N/A
Total Amount:	\$3,252,000	Total Term:	22 years	

Pledged Revenue	Net System Revenue of the County Utility			
Coverage	1.93x (1.20x required)			
Compliance with NMFA Policies	Yes	☒	No	☐
Waiver Request	None			

Project Description

Los Alamos County applied to the Drinking Water State Revolving Loan Fund (DWSRLF) to finance Phases II and III of the Denver Steels Waterline Replacement Project. The initial loan closed on June 27, 2025, for a total of \$2,727,000, comprising \$2,102,000 in loan financing and \$625,000 in principal forgiveness. A subsequent loan request of \$525,000 will provide the additional funding necessary to replace lead service lines identified during construction. The new funding for the lead service line replacement is provided through the Infrastructure Investment and Jobs Act.

The project is located in the Denver Steels neighborhood, named for the prefabricated steel homes manufactured in Denver and installed in Los Alamos during the late 1940s and early 1950s as part of post-war housing development.

The initial phase of the project involved replacing approximately 3,300 feet of 70-year-old cast-iron water main with lead joints. During Phase II construction, the contractor, TLC Plumbing, identified the need to replace the associated water service lines. The existing galvanized service lines were found to be severely corroded, actively leaking, and in many cases deteriorating or failing during mainline replacement activities.

The additional funding will support several key improvements, including but not limited to:

- Installation of new PEX service lines originating from existing meter locations near residences.
- Extension of service lines to connect to new water meters located within the public right-of-way.
- Transfer of long-term ownership and maintenance responsibility for the portion of the service line between the new meter and the residence to the homeowner upon project completion.
- Replacement of 78 water service connections and six fire hydrants.

Approval of Loan DWL-6651 for an additional \$525,000 will enable the County to proceed without delay with the required service line replacements. The County will also be eligible for reimbursement of payments already made to the contractor for completed infrastructure work.

NMFA staff have coordinated with the Drinking Water Bureau, which has confirmed that amending Loan DWL-6551 to reflect the expanded project scope is acceptable. The Drinking Water Bureau supports the amendment and has approved the revised funding structure.

Strengths	Weaknesses
• Increases construction efficiency by completing service line and mainline replacements at the same time. • Improves public health by removing lead and galvanized service lines, reducing leaks and outages, and increasing long-term system reliability. • Ensures federal compliance and reduces County costs by leveraging IJJA and LSLR funding. • Enhances fire protection through hydrant replacements. • Removes utility easements from private property, clarifies maintenance responsibilities, and supports a historically significant neighborhood.	N/A

This is the second time this project has appeared before the NMFA Board.

Recommendation: Staff recommends approval of the amended scope and additional loan funding.

PROJECT FINANCING

1. PROPOSED SOURCES AND USES:

Sources:	Amount
DWSRLF Rate Loan	\$2,102,000
	\$525,000
DWSRLF Principal Forgiveness	\$625,000
Total Sources	\$3,252,000

Uses:	Amount
Deposit to Project Fund	\$2,627,000
Principal Forgiveness	\$625,000
Total Uses	\$3,252,000

SECURITY

Pledged Revenue:	Net System Revenue of the County Utility	\$4,498,651
	Total Revenue	\$4,498,651
Distributing Entity:	Los Alamos County	
Distribution Timing:	Interest monthly on amounts drawn during the first 24 months of the loan commencing one month after the first incurred cost and ending no later than 24 months after the date of the loan agreement; thereafter monthly principal and interest payments commencing one month after the loan amount has been finalized and ending on the final maturity date of the loan.	
Lien Status	Subordinate	
	Senior Lien Total Outstanding Debt	\$5,858,856
	Subordinate Lien (Parity) Total Outstanding Debt	\$15,454,802
	Super Subordinate Lien Total Outstanding Debt	\$42,554,162
Additional Bonds Test	120%	

3. CONTINGENCIES

Readiness to Proceed	
1.	Executed Copy of the Binding Commitment Letter;
2.	Estimated Cost Breakdown;
3.	Detailed drawdown schedule for project payments;
4.	Executed Copy of EPA form 4700-4;
5.	Verified System Award Management form 5700-9;
6.	Compliance with the State Environmental Review Process (SERP);
7.	Approval of Plans and Specifications by NMFA including confirmation that the existing Statement of Finding remains valid for the expanded scope of work;
8.	Approval of Plans and Specifications by NMED Drinking Water Bureau prior to construction start;
9.	Approval of Bids by NMED and NMFA;
10.	Approval of Contract Award by NMFA;
11.	Any additional information requested by the NMFA; and
12.	Loan documents shall conform to NMFA standard forms and policies.

4. BORROWER ATTRIBUTES

Priority Rank	#2 2025 Mid-Year Supplemental list		
Number of Users	18,500		
System Designation	Large		
MHI	\$143,188	% Of National MHI	179.19%
Disadvantaged Status	N/A		
Principal Forgiveness Source	DW-6511 FY24 Base Capitalization Grant & DWL-6511 LSLR Capitalization Grants		
Principal Forgiveness Determination	Compliance with Federal requirements		

All Outstanding Loans in Compliance with Terms?	Yes	☒	No	☐	N/A	☐



County of Los Alamos

Staff Report

August 19, 2026

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.: 6.b.

Index (Council Goals):

Presenters: Joann Gentry, Deputy Utility Manager-Finance & Admin.

Legislative File: RE0681-26a

Title

Recommendation Regarding Incorporated County of Los Alamos Resolution No. 26-22; A Resolution Removing Uncollectible Utility Accounts from the Incorporated County of Los Alamos Accounts Receivables List for - Fiscal Year 2022

Recommended Action

I move that the Board of Public Utilities Recommend to Council the Approval of Incorporated County of Los Alamos Resolution No. 26-22; A Resolution Removing Uncollectible Utility Accounts from the Incorporated County of Los Alamos Accounts Receivables List for - Fiscal Year 2022.

Utilities Manager's Recommendation

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

Body

Pursuant to 3-37-7 NMSA 1978, it is requested that the Board of Public Utilities approve the write off of the accounts listed in the Exhibit A to the Resolution, which have been deemed uncollectible. These accounts have been uncollectible for four (4) or more years, and all avenues for collection by the county have been exhausted. Once the Utilities Board has formally approved the write-offs for utility charges, the Resolution will be presented to Council for final approval and adoption.

Writing off such uncollectible accounts has no effect on the County's future right to collection if circumstances change, and if collection is not barred by the applicable statute of limitations.

The amount of write-off for each utility was determined from the actual amounts billed. The APPA reports in their 2026 survey that comparably sized utilities (5,000 - 10,000 customers) have a weighted average of 0.0008 per revenue dollar. The County has a ratio of 0.00079 for FY2022.

Utilities write-offs for fiscal year 2022 consist of 76 accounts totaling \$31,800.33. Please note the balance due listed on Exhibit A includes GRT & GGRT in the amounts of \$1,546.67 & \$481.39 respectively for Fiscal Year 2022.

Alternatives

The alternative is to maintain these amounts as receivables, an asset, on the County's books, with an offsetting liability, allowance for uncollectible accounts.

Fiscal and Staff Impact

<u>Utility</u>	<u>FY2022</u>
Electric	\$ 13,423.81
Gas	\$ 5,965.49
Water	\$ 3,002.12
Sewer	\$ 4,432.11
Subtotal	\$ 28,851.59 <i>(amount requiring Utility Board affirmation for FY22, includes GRT & GGRT)</i>
<u>Refuse</u>	<u>\$ 2,948.74</u>
FY22 Total	\$ 31,800.33

Attachments

A - Resolution No. 26-22

B - Exhibit A - Write Off Accounts FY22

INCORPORATED COUNTY OF LOS ALAMOS RESOLUTION NO. 26-22

**A RESOLUTION REMOVING UNCOLLECTIBLE UTILITY ACCOUNTS
FROM THE INCORPORATED COUNTY OF LOS ALAMOS' ACCOUNTS
RECEIVABLE LIST FOR FISCAL YEAR 2022**

WHEREAS, Joann Gentry, Deputy Utilities Manager - Finance and Administration, has stated that:

1. The accounts listed are unsecured receivables incurred for the services or fees outlined in Exhibit A attached hereto;
2. Monthly statements were mailed and numerous phone calls were made in an effort to locate the debtors and collect the receivables;
3. Where possible, outstanding balances were added to existing customer accounts;
4. The accounts have been uncollectible for more than four (4) years;
5. In the opinion of the Deputy Utilities Manager-Finance and Administration, the accounts are uncollectible; and

WHEREAS, collection efforts with respect to the uncollectible accounts have been unsuccessful and the uncollectible accounts remain on the list of accounts receivable of the Incorporated County of Los Alamos ("County"); and

WHEREAS, the County wishes to remove the uncollectible accounts from the list of accounts receivable as authorized by NMSA 1978, Section 3-37-7.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Incorporated County of Los Alamos, that:

Section 1. Pursuant to NMSA 1978, Section 3-37-7, the uncollectible accounts set forth in Exhibit A, including but not limited to those uncollectible accounts that have been discharged in bankruptcy, are hereby removed from the list of accounts receivable of the County for Fiscal Year 2022.

Section 2. Nothing in this Resolution or the removal of the accounts from the list of accounts receivable shall have any effect on the County's future rights to collection as to the uncollectible accounts and the discharged accounts.

[this section intentionally left blank]

Section 3. The Council hereby directs and authorizes the County Manager/Treasurer to take all necessary action to accomplish the purpose of this Resolution.

PASSED AND ADOPTED this 29th day of September 2026.

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

Randall T. Rytz,
Council Chair

ATTEST: (Seal)

Michael D. Redondo,
Los Alamos County Clerk

Approved as to Form:



J. Alvin Leaphart,
Los Alamos County Attorney

WRITE OFF ACCOUNTS FY2022

Account Number	Customer Name	Amount Due
2007120	JORDAN KNECHT	\$ 60.13
2012841	DANIEL COMSTOCK	\$ 23.00
2017808	ROSS C/O ENTERPRISE BANK & TRUST, INEZ	\$ 227.85
2017983	RONDA M JONES	\$ 52.20
2018418	SAUNDERS, JANA C.	\$ 136.58
2019873	SHAW, LYNN M.	\$ 160.99
2020148	CARL JOHNSON	\$ 101.05
2021041	MARTIN A OTT	\$ 43.24
2022502	SHARON SMITH	\$ 298.53
2022971	CATHERINE AND CHARLES KNOOP	\$ 95.27
2042598	DUANE AND LEANNE PARSONS	\$ 84.76
2048488	COLEMAN SMITH	\$ 604.80
2059988	HOME BUILDERS OF LA	\$ 338.99
2060068	HOMES BY HOLMES	\$ 58.58
2072868	JACKSON FULLBRIGHT	\$ 3,632.11
2075058	IMOGENE DISON, C/O AMBER MORRIS	\$ 121.21
2080108	RACHEL AND JOACHIM SCHOLZ	\$ 111.02
2084458	HEATHER ANDREWS AND MATTHEW CALEF IRRIGA	\$ 8.82
2084958	MCNIEL AND EVELYN L CURTIS, MARTHA L.	\$ 126.74
2091438	MESA ELITE FITNESS	\$ 700.02
2095468	SHANNON HOPWOOD	\$ 228.25
2101458	APRIL AND JASON OSBORN	\$ 319.26
2101908	JENNIFER AND JACOB RICHMOND	\$ 498.57
2105358	AMANDA TAPIA	\$ 463.19
2109978	JOEY MARTINEZ	\$ 78.95
2110108	JESSICA PRIVETTE	\$ 306.90
2111178	BRADLEY OR EUN JUNG W SETTLEMYER PARK	\$ 311.77
2112128	TRIUMPH HOLDINGS LLC NORTH	\$ 3,921.94
2112148	TRIUMPH HOLDINGS LLC SOUTH	\$ 4,458.21
2116188	LAURA LEWIS	\$ 261.04
2117788	AMETHYST LAND CO.	\$ 215.34
2119358	RANDALL REDDICK AND CARMEN RAMOS	\$ 372.11
2121168	MICHAEL D FROMAN	\$ 194.08
2121958	DAKOTA AND BRITNEY GREGORY	\$ 967.28
2123788	RICHARD C SISNEROS	\$ 21.69
2123968	BLAKE HENRY	\$ 110.07
2124878	MATTHEW AND JENNIFER LIGHT	\$ 229.90
2131918	GRACELYNN HEARRING	\$ 178.40
2133958	NICHOLAS SLY	\$ 222.89
2134278	KELLEY AND PATRICK WEBER	\$ 280.38
2135128	CHRISTOPHER AND NICOLE THOMPSON	\$ 1,156.89
2136428	AARON J HERRERA	\$ 789.73
2137788	JOHN AND ANN WOODY	\$ 94.11

WRITE OFF ACCOUNTS FY2022

Account Number	Customer Name	Amount Due
2200289	BUSTOS, JOSEPH	\$ 134.56
2205900	STUEVE, NICOLE	\$ 1,649.37
2208350	HARPER, KEVIN OR KRISTEN	\$ 195.16
2214764	KIMBROUGH, KAREN LEE	\$ 252.45
2214904	KIM, HUIDONG	\$ 153.63
2215136	WILLIAMS, RODDY	\$ 302.05
2215166	THE LAKEWORTH GROUP	\$ 127.24
2215171	BUTLER, GIOVANNA	\$ 196.68
2215323	GARCIA, EDWARD	\$ 20.73
2215406	VERNON SCHKLETON	\$ 1,192.05
2215472	DALEY, TIM	\$ 120.00
2215649	GARCIA, ALICIA	\$ 161.65
2215693	EDWARDS, SUSAN	\$ 40.82
2215703	COTTEN, TARA	\$ 155.44
2215890	FARRIS, DOUGLAS C.	\$ 925.91
2215951	SAI PUNEET DESAI	\$ 82.21
2215986	NEVIN, WILLIAM AND TASHINA	\$ 310.93
2216065	SCHAEFER, TIM	\$ 156.53
2216154	SMITH, CARLTON G.	\$ 121.00
2216228	WOOSLEY, AMBER	\$ 19.28
2216229	BEETS, NATHAN	\$ 32.12
2216309	DUSTIN BENNETT	\$ 71.63
2216408	KIM, JAEHOON	\$ 150.89
2216557	ERMANOV, CATELIN	\$ 560.20
2216583	MURREN, MELISSA	\$ 495.68
2216602	LEE, CHUNG	\$ 5.92
2216649	SANDOVAL, ELDIEANNA	\$ 664.00
2216749	CALEB BELCHAK	\$ 23.76
2216831	WARREN FRANCO	\$ 248.48
2216870	LYNETTE BACA	\$ 24.04
2217048	ARNDT, MECHELLE	\$ 380.29
2217199	CASTRO, MARISA	\$ 125.53
2217332	LENSSEN, JAMES	\$ 33.26
		\$ 31,800.33

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County of Los Alamos

Los Alamos, NM 87544
www.losalamosnm.us

Staff Report

August 19, 2026

Agenda No.:	7.a.
Index (Council Goals):	Quality Excellence - Effective, Efficient, and Reliable Services; Quality Governance - Intergovernmental and Regional Relations; DPU FY26 - 1.0 Provide Safe and Reliable Utility Services; DPU FY26 - 6.0 Develop and Strengthen Partnerships
Presenters:	Ben Olbrich, Deputy Utility Manager-Power Supply
Legislative File:	21707-26b

Title

Approval of 2026 Electric Coordination Agreement between the Incorporated County of Los Alamos and the United States Department of Energy National Nuclear Security Administration

Recommended Action

I move that the Board of Public Utilities recommend Council approve the Electric Coordination Agreement between the Incorporated County of Los Alamos and the Department of Energy National Nuclear Security Administration, and forward to Council for approval.

Utilities Manager's Recommendation

The Utilities Manager recommends that Board approve the motion as presented once the final contract terms and conditions are presented at the board meeting or sooner.

Body

THESE ATTACHED DOCUMENTS ARE THE SAME AS THE ONES PRESENTED TO BPU ON JULY 22ND. ONCE REVISED TERMS AND CONDITIONS ARE IN HAND, BPU WILL RECEIVE THE UPDATED VERSION.

The Power Pool was established through the Electric Coordination Agreement (ECA) between Los Alamos County and The Department of Energy in 1985. In 2002 the National Nuclear Security Administration (NNSA) was established as a branch of the Department of Energy and took over responsibility for the ECA. The acronyms DOE, NNSA, and LANL (Los Alamos National Laboratory) may be used interchangeably throughout this discussion. Through the contract, both parties contribute the power from, and costs of, each of the respective "Pool Approved Resources" into the pool, and those costs are then allocated back to the parties pro rata according to each party's usage. The contract has been renewed continuously since 1985 and has met the needs of both NNSA and the County as it has permitted the County to make long-term investments in new projects with NNSA support.

It is now necessary to establish a new ECA to accommodate changes in electricity markets, federal procurement rules and the cost risks of long-term resource commitments such as Foxtail Flats. This new ECA builds on the framework of the current agreement by refining existing Power Pool management and cost allocation practices based on past practice while adding new practices to equitably manage costs and risks of electric market changes and resource

procurement. Important points of the new ECA include:

1. A new fixed price with a cost-sharing arrangement which complies with current DOE/NNSA contracting requirements
2. A 10-year contract term starting on August 1, 2026, continuing through July 31, 2036, with an option for a 10-year extension
3. New language addressing contemporary electricity markets and resources
4. New language to address cost risks arising from load and generation forecasting uncertainties and long-term resource procurement commitments
5. Revised cost allocation methods to match current practices and prepare for future market changes
6. Language is being prepared to address the specific handling of the Foxtail Flats contracts in the event that the DOE exercises its right to terminate for convenience.

There are five separate documents that comprise the 2026 ECA. All five documents are included as attachments B through F.

Much effort has gone into making this new ECA into a foundation for a balanced partnership between DOE/NNSA and the County. Starting with over three years of DOE/NNSA and DPU staff work to prepare the initial draft documents, the 2026 ECA has been reviewed and revised multiple times by several groups within the DOE/NNSA and County over the past seven months. Reviewers include:

1. Draft versions of all ECA documents were delivered on December 19, 2026, late May, and early June, to a working sub-committee consisting of Chair Gibson and Board Member Nakhleh. A total of 67 review comments were identified by these reviewers. Every one of the 67 comments has been addressed.
2. Los Alamos County attorney Thomas Wyman reviewed multiple draft versions of the ECA documents and offered substantive legal advice and revisions.
3. Outside counsel was engaged to provide subject matter expert legal review of the ECA documents and make necessary adjustments to the contract language that safeguards the County's interests. Seth Kirshenberg and Lauren Irish with Kutak Rock LLP have provided this service.
4. Department of Public Utilities staff contributed to the review process throughout, with the Finance and Administration Division, the Electric Production Division, and the Utilities Manager all reviewing multiple versions of the documents and making revisions throughout the documents to ensure that all parts, including the resource cost accounting practices, contract management language, and operating procedures are accurate, up-to-date, balance the interests of both parties, and provide financial risk protections for the County.
5. DOE/NNSA contracting office and field office staff were deeply involved throughout the review process in this coordinated effort with DPU staff. Their effort was essential for working through difficult contracting issues to the satisfaction of both parties.

Alternatives

Board could elect not to accept the proposed 2026 ECA, and the current agreement will end on August 31, 2026, without any contract structure in place for managing the continued operation of the DOE/NNSA and the County's electric resources.

Board could elect to request additional time to review the contract documents. However, Staff has already executed a thirty-one-day extension with DOE/NNSA to extend the ECA term

through August 31, 2026.

Fiscal and Staff Impact/Planned Item

There is no immediate staff or fiscal impact.

Attachments

A - 2026 Electric Coordination Agreement Presentation

B - Contract Terms & Conditions

C - Attachment 1 ECA PWS

D - Attachment 2 ECA Operating Procedures

E - Attachment 3 Los Alamos Electric Power Services REPORTING REQUIREMENTS

CHECKLIST

F - Attachment 4 LANL Exhibit-G Physical Security Lab-wide_Rev.20240716

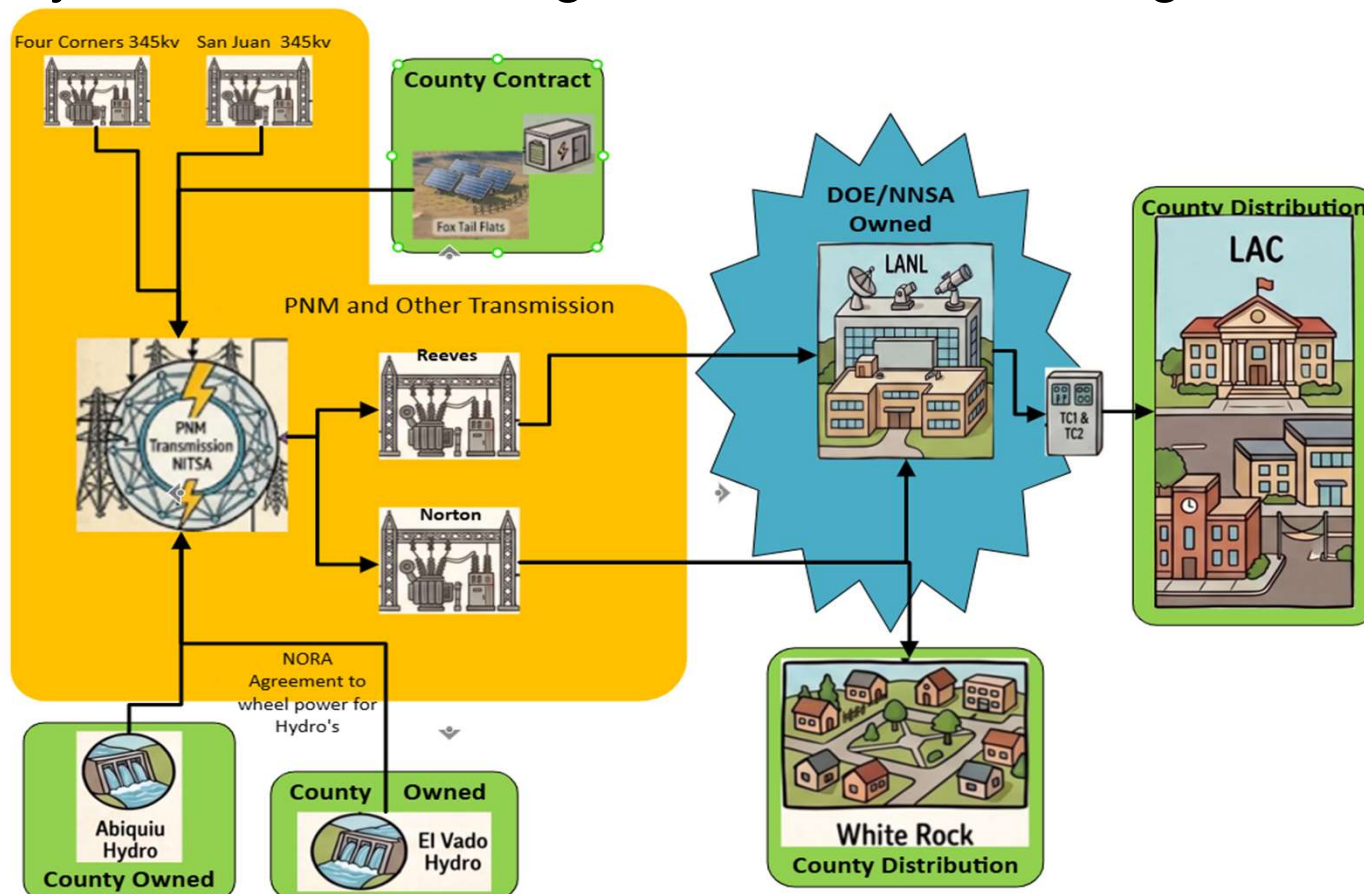
2026 Electric Coordination Agreement

Department of Public Utilities
Electric Production Division
August 19, 2026

The County's and the DOE's Electric Systems are Inextricably Linked

2

- All County power is delivered by DOE transmission
- DOE owns and operates key assets: SCADA, CGTG, TA-3 substation
- DOE distribution system provides backup power paths for the County
- County owns most of the generation and holds agreements with PNM



This Linkage has Been Recognized for Four Decades

3

- The DOE/NNSA and County recognized that a typical “Utility” and “Utility Customer” structure doesn’t fit
- Thus, the Electric Coordination Agreement (ECA) was established in 1985 between the Department of Energy (DOE/NNSA) and Los Alamos County
- The ECA is the contract that allows both parties to combine their combined power generation and transmission resources and manage costs efficiently and fairly

The ECA has been a successful framework for managing our joint electrical system over those decades

4

- The 1985 ECA was modified over the past 40 years to keep it up to date as electric resources have come and gone and markets and power operations have changed
- The goal is to achieve economic dispatch and maintain a reliable electric power supply (economic dispatch is the process of minimizing the total operational cost of power generation while considering power balance and unit generation limits)
- With the coming end of the 1985 ECA, the 2026 ECA is needed to take its place

The DPU has negotiated a new ECA with DOE over the last four years

5

- Drafting of the 2026 ECA started April 2022, with the DOE/NNSA and County staff working together through the Operating Committee
- Two Board of Public Utilities members have thoroughly reviewed and helped refine the entire 2026 ECA
- Both DOE/NNSA and County staff have been diligent in finding solutions to resolve issues throughout the process, and are committed to correcting issues that arise in the future

The proposed new ECA provides benefits to the County and the Laboratory

6

- By looking at both parties' electric needs together, it allows energy to be procured with an improved economy of scale
- Shared power operations staff eliminates duplicated roles thus lowering costs
- Allows for coordinated joint control over separate assets instead of them being independently managed
- Provides longer-term planned management and operations stability through the ECA Operations Committee instead of short-term reactions to external forces

Each party has certain responsibilities under the ECA

7

- Both parties participate in the ECA Operating Committed to mutually agree on budgeting, operations and accounting actions
- The County provides the power generation management and scheduling staff
- The DOE/NNSA provides the transmission lines reaching the County
- The County provides the billing and accounting functions under the ECA
- The DOE/NNSA provides the bulk electric metering

The new ECA offers some advantages over the old...

8

- New provisions for mitigating the County's risks of procuring long-term generation resources
 - Brings in Sandia National Laboratory and Kirtland Air Force Base to use power from Foxtail Flats
 - Adds a new cost allocation method that compensates the County for procuring below-market-cost generation resources
- Includes new language to address:
 - Recent and coming electric market costs
 - The fair allocation of DOE-imposed compliance costs
 - Methods for accommodating future DOE/NNSA transmission lines, the County's East Gate Substation, and other planned resources

...but also has some disadvantages

9

- Shorter term increases the County's risks from procuring long-term generation
 - DOE cannot have 40-year power contracts under current federal procurement rules
 - New 2026 ECA is for 10 years with an additional 10-year option if the DOE chooses to extend
- Adds new DOE compliance requirements that could be burdensome to County staff and electric customers; mitigated by new language to keep such costs entirely on the DOE
- Limits on the DOE's liability for Termination for Convenience – currently under negotiation

Were the ECA not to be renewed, the County has no path forward to provide affordable electrical power to residents

- Loss of partner using 80% of the County's generation would leave County with too much power
- No mechanism for cost recovery on the County's long-term electric assets
- No mechanism for delivering power to the County residences and businesses
- No staff or systems in place for replacing the DOE and LANL staff and resources
- Any alternative approach to the ECA will bring power supply chaos and will increase the County's electric costs

Moreover, not renewing the ECA would impose costs and complexity on the DOE/NNSA and LANL, our 80% customer

- No power for most of LANL's load
- Potential disruption to LANL's mission
- No transmission agreements in place with PNM to get power to LANL
- No staff in place to perform the power supply and scheduling functions that the County provides

DPU staff strongly support approval of the new ECA

Thank you!
Questions?



AWARD/CONTRACT		1. This Contract is a Rated Order under the Defense Priorities and Allocations System (DPAS) - Code of Federal Regulations - at 15 CFR 700.		RATING		PAGE OF PAGES 1 22	
		2. CONTRACT (Procurement, Instruction, Identification) NUMBER 89233126CNA000436		3. EFFECTIVE DATE See Block 20C		4. REQUISITION/PURCHASE REQUEST/PROJECT NUMBER 26NA001820	
5. ISSUED BY CODE 892331 Contracting Operations Division Contracting Operations Division NA-PAS-31 Albuquerque Complex P.O. Box 5400 Albuquerque NM 87185-5400		6. ADMINISTERED BY (If other than Item 5) CODE 05001 NNSA/Business Services Division U.S. Department of Energy Business Services Division P.O. Box 5400 Albuquerque NM 87185-5400					
7. NAME AND ADDRESS OF CONTRACTOR (Number, Street, County, State and ZIP Code) INCORPORATED COUNTY OF LOS ALAMOS Attn: DAVID GRIEGO 1000 CENTRAL AVE STE 300 LOS ALAMOS NM 875444059				8. DELIVERY ☐ FREE ON BOARD (FOB) ORIGIN ☒ OTHER (See below)			
				9. DISCOUNT FOR PROMPT PAYMENT NET 30			
				10. SUBMIT INVOICES (4 copies unless otherwise specified) TO THE ADDRESS SHOWN IN			
CODE		FACILITY CODE					
11. SHIP TO/MARK FOR CODE 05003 NNSA/Los Alamos Site Office U.S. Department of Energy Los Alamos Site Office 3747 West Jemez Road Los Alamos NM 87544		12. PAYMENT WILL BE MADE BY CODE VIPERS VIPERS https://vipers.doe.gov Any questions, please contact by call/email 888-251-3557 or payments@hq.doe.gov					
13. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION UNDER THE UNITED STATES CODE AT: ☐ 10 U.S.C. 3204(a)(0) ☐ 41 U.S.C. 3304(a)()				14. ACCOUNTING AND APPROPRIATION DATA See Schedule			
15A. ITEM NUMBER	15B. SUPPLIES/SERVICES	15C. QUANTITY	15D. UNIT	15E. UNIT PRICE	15F. AMOUNT		
	Continued...						
15G. TOTAL AMOUNT OF CONTRACT ▶					\$424,000,000.00		
16. TABLE OF CONTENTS							
(X)	SECTION	DESCRIPTION	PAGE(S)	(X)	SECTION	DESCRIPTION	PAGE(S)
PART I - THE SCHEDULE				PART II - CONTRACT CLAUSES			
X	A	SOLICITATION/CONTRACT FORM	3	X	I	CONTRACT CLAUSES	11
X	B	SUPPLIES OR SERVICES AND PRICES/COSTS	3	PART III - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS			
X	C	DESCRIPTION/SPECIFICATIONS/WORK STATEMENT	3	X	J	LIST OF ATTACHMENTS	22
X	D	PACKAGING AND MARKING	3	PART IV - REPRESENTATIONS AND INSTRUCTIONS			
X	E	INSPECTION AND ACCEPTANCE	3		K	REPRESENTATIONS, CERTIFICATIONS AND OTHER STATEMENTS OF OFFERORS	
X	F	DELIVERIES OR PERFORMANCE	3		L	INSTRUCTIONS, CONDITIONS, AND NOTICES TO OFFERORS	
X	G	CONTRACT ADMINISTRATION DATA	4		M	EVALUATION FACTORS FOR AWARD	
X	H	SPECIAL CONTRACT REQUIREMENTS	6				
CONTRACTING OFFICER WILL COMPLETE ITEM 17 (SEALED-BID OR NEGOTIATED PROCUREMENT) OR 18 (SEALED-BID PROCUREMENT) AS APPLICABLE							
17. ☒ CONTRACTOR'S NEGOTIATED AGREEMENT (Contractor is required to sign this document and return _____ copies to issuing office.) Contractor agrees to furnish and deliver all items or perform all the services set forth or otherwise identified above and on any continuation sheets for the consideration stated herein. The rights and obligations of the parties to this contract shall be subject to and governed by the following documents: (a) this award/contract, (b) the solicitation, if any, and (c) such provisions, representations, certifications, and specifications, as are attached or incorporated by reference herein. (Attachments are listed herein.)				18. ☐ SEALED-BID AWARD (Contractor is not required to sign this document.) Your bid on Solicitation Number _____, including the additions or changes made by you which additions or changes are set forth in full above, is hereby accepted as to the terms listed above and on any continuation sheets. This award consummates the contract which consists of the following documents: (a) the Government's solicitation and your bid, and (b) this award/contract. No further contractual document is necessary. (Block 18 should be checked only when awarding a sealed-bid contract.)			
19A. NAME AND TITLE OF SIGNER (Type or print)				20A. NAME OF CONTRACTING OFFICER Yolanda Robinson-Freeman			
19B. NAME OF CONTRACTOR INCORPORATED COUNTY OF LOS ALAMOS			19C. DATE SIGNED	20B. UNITED STATES OF AMERICA			20C. DATE SIGNED
BY _____ (Signature of person authorized to sign)				BY _____ (Signature of Contracting Officer)			07/16/2026

CONTINUATION SHEET	REFERENCE NO. OF DOCUMENT BEING CONTINUED	PAGES
	89233126CNA000436	PAGE 2 OF 22

NAME OF OFFEROR OR CONTRACTOR
INCORPORATED COUNTY OF LOS ALAMOS

ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
	UEI: NUDDNPTPSE45 "The Department of Energy and the Los Alamos County have enhanced their electricity and electrical system capabilities through a joint effort, specifically by leveraging combined power generation and transmission resources for the economic dispatch of power and energy. Founded on a long-standing partnership, this collaboration has served as a strategic framework, enabling both entities to realize substantial efficiencies in the collaborative management, planning, acquisition, and maintenance of their electrical generation and distribution assets and needs. The benefit is achieved by pooling these resources and expertise, leading to optimized operational costs and improved system reliability." Accounting Info: 00922-2026-01-100258-23320-1721310-0000000-1058781 -0000000 Fund: 00922 Appr Year: 2026 Allottee: 01 Report Entity: 100258 Object Class: 23320 Program: 1721310 Project: 0000000 WFO: 1058781 Local Use: 0000000 FOB: Destination Period of Performance: 08/01/2026 to 07/31/2036				

Section A - Solicitation/Contract Form.....	3
Section B - Supplies or Services/Prices.....	3
Section C - Description/Specifications.....	3
Section D - Packaging and Marking.....	3
Section E - Inspection and Acceptance	3
Section F - Deliveries or Performance	3
Section G - Contract Administration Data	4
Section H - Special Contract Requirements	6
Section I - Contract Clauses	11
Section J - List of Documents, Exhibits and Other Attachments	22

Section A - Solicitation/Contract Form

931.102 Fixed-price contracts.

952.204-2 Security requirements. (DEC 2024)

952.208-70 Printing. (APR 1984)

952.233-2 Service of protest. (DEC 2024)

970.5204-2 Laws, regulations, and DOE directives. (DEC 2000)

Section B - Supplies or Services/Prices

DOE-B-2006 Firm-Fixed-Price Contract (OCT 2014)

(a) This is a firm-fixed-price contract. The Contractor shall provide the following SEE SECTION J, ATTACHMENT 1: PWS at the fixed unit prices specified:

SEE SECTION J, ATTACHMENT 1: PWS

(b) Payments of the fixed unit prices and the total contract price will be made in accordance with SEE SECTION J, ATTACHMENT 1: PWS

(End of Clause)

Section C - Description/Specifications

DOE-C-2002 Performance Work Statement (OCT 2014)

SEE SECTION J ATTACHMENT 1: Performance Work Statement

(End of Clause)

Section D - Packaging and Marking

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Section E - Inspection and Acceptance

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Section F - Deliveries or Performance

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DOE-F-2003 Period of Performance (OCT 2014)

The Contractor shall commence performance of this contract in accordance with the contract terms and conditions on August 1, 2026 and continue through July 31, 2036.

(End of Clause)

Section G - Contract Administration Data

DOE-G-2001 Contracting Officer Authority (OCT 2014)

The Contracting Officer is responsible for administration of the contract. The Contracting Officer may appoint a Contracting Officer's Representative (COR), in accordance with the clause entitled Contracting Officer's Representative, to perform specifically delegated functions. The Contracting Officer is the only individual who has the authority on behalf of the Government, among other things, to take the following actions under the contract:

- (a) Assign additional work within the general scope of the contract.
- (b) Issue a change in accordance with the clause entitled Changes.
- (c) Change the cost or price of the contract.
- (d) Change any of the terms, conditions, specifications, or services required by the contract.
- (e) Accept non-conforming work.
- (f) Waive any requirement of the contract.

(End of Clause)

DOE-G-2002 Contracting Officer's Representative (OCT 2014)

Pursuant to the clause at DEAR 952.242-70, Technical Direction, the Contracting Officer shall designate in writing a Contracting Officer's Representative (COR) for this contract, and provide a copy of such designation to the contractor, including the delegated responsibilities and functions. The COR does not have authority to perform those functions reserved exclusively for the Contracting Officer.

(End of Clause)

DOE-G-2004 Contract Administration (OCT 2014)

To promote timely and effective contract administration, correspondence delivered to the Government under this contract shall reference the contract number, title, and subject matter, and shall be subject to the following procedures:

- (a) Technical correspondence. Technical correspondence shall be addressed to the Contracting Officer's Representative (COR) for this contract, and a copy of any such correspondence shall be sent to Contracting Officer. As used herein, technical correspondence does not include correspondence where patent or rights in data issues are involved, nor technical correspondence which proposes or involves waivers, deviations, or modifications to the requirements, terms or conditions of this contract.
- (b) Other Correspondence.
 - (1) Correspondence regarding patent or rights in data issues should be sent to the Intellectual Property Counsel. A copy of such correspondence shall be provided to Contracting Officer.

(2) If no Government Contract Administration Office is designated on Standard Form 33 (Block 24) or Standard Form 26 (Block 6), all correspondence, other than technical correspondence and correspondence regarding patent or rights in data, including correspondence regarding waivers, deviations, or modifications to requirements, terms or conditions of the contract, shall be addressed to the Contracting Officer. Copies of all such correspondence shall be provided to the COR.

(3) Where a Government Contract Administration Office, other than DOE, is Designated on either Standard Form 33 (Block 24), or Standard Form 26 (Block 6), of this contract, all correspondence, other than technical correspondence, shall be addressed to the Government Contract Administration Office so designated, with copies of the correspondence to the Contracting Officer and the COR.

(c) Information regarding correspondence addresses and contact information is as follows:

(1) Contract Specialist:

(A) Matthew Barela

(B) Telephone number: (505) 845-5535

(C) Address: NNSA Albuquerque Complex, 24600 20th Street SE, Kirtland AFB, NM 87117-550

(D) Email address: matthew.barela@nnsa.doe.gov

(2) Contracting Officer:

(A) Yolanda Robinson-Freeman

(B) Telephone number: (505) 845-4693

(C) Address: NNSA Albuquerque Complex, 24600 20th Street SE, Kirtland AFB, NM 87117-550

(D) Email address: yolanda.r-freeman@nnsa.doe.gov

(3) Contracting Officer's Representative:

(A) Cassandra Begay

(B) Telephone number: (505) 665-4246

(C) Address: Los Alamos Field Office 3747 West Jemez Road, Los Alamos, NM 87544

(D) Email address: cassandra.begay@nnsa.doe.gov

(4) Intellectual Property Counsel:

(A) N/A

(B) Telephone number: N/A

(C) Address: N/A

(D) Email address: N/A

(5) Government Contract Administration Office NA-PAS 311

(A) Name: Specialty Acquisition Branch

(B) Telephone number: (505) 845-4693

(C) Mailing address: NNSA Albuquerque Complex, 24600 20th Street SE,
Kirtland AFB, NM 87117-5550

(D) Email address: yolanda.r-freeman@nnsa.doe.gov

(End of Clause)

DOE-G-2005 Billing Instructions (APR 2020)

(a) Contractors shall use Standard Form 1034, Public Voucher for Purchases and Services Other than Personal, when requesting payment for work performed under the contract.

(b) Contractors shall submit vouchers electronically through the DOE Office of Finance and Accounting's Vendor Invoicing Portal and Electronic Reporting System (VIPERS). VIPERS allows vendors to submit vouchers, attach supporting documentation and check the payment status of any voucher submitted to the DOE. Instructions concerning contractor enrollment and use of VIPERS can be found at <https://vipers.doe.gov>.

(c) A paper copy of a voucher that has been submitted electronically will not be accepted.

(End of Clause)

Section H - Special Contract Requirements

NNS-H-1003 ACCESS TO DOE-OWNED OR LEASED FACILITIES

(a) The performance of this contract requires that employees of the Contractor have physical access to DOE-owned or leased facilities; however, this clause does not control requirements for an employee's obtaining a security clearance. The Contractor understands and agrees that DOE has a prescribed process with which the Contractor and its employees must comply in order to receive a security badge that allows such physical access. The Contractor further understands that it must propose employees whose background offers the best prospect of obtaining a security badge approval for access. The contractor should consider the following types of potential problems, which are not all inclusive and may vary depending on access requirements, when making hiring decisions:

(1) is the candidate suspected of being a terrorist;

(2) is the candidate subject to an outstanding warrant;

(3) has the candidate deliberately omitted, concealed, or falsified relevant and material facts from any Questionnaire for National Security Positions (SF-86), Questionnaire for Non-Sensitive Positions (SF-85), or similar form;

(4) has the candidate presented false or forged identity source documents;

(5) has the candidate been barred from Federal employment;

(6) is the candidate currently awaiting a hearing or trial or been convicted of a crime punishable by imprisonment of six (6) months or longer; or

(7) is the candidate awaiting or serving a form of pre-prosecution probation, suspended or deferred sentencing, probation or parole in conjunction with an arrest or criminal charges against the individual for a crime that is punishable by imprisonment of six (6) months or longer.

(b) The Contractor shall assure:

(1) In initiating the process for gaining physical access, (i) compliance with procedures established by DOE in providing its employee(s) with any forms directed by DOE, (ii) that the employee properly completes any forms, and (iii) that the employee(s) submits the forms to the person designated by the Contracting Officer.

(2) In completing the process for gaining physical access, that its employee (i) cooperates with DOE officials responsible for granting access to DOE-owned or leased facilities and (ii) provides additional information, requested by those DOE officials.

(c) The Contractor understands and agrees that DOE may unilaterally deny a security badge to an employee and that the denial remains effective for that employee unless DOE subsequently determines that access may be granted. Upon notice from DOE that an employee's application for a security badge is or will be denied, the Contractor shall promptly identify and submit the forms referred to in subparagraph (b)(1) of this clause for the substitute employee. The denial of a security badge to individual employees by DOE shall not be cause for extension of the period of performance of this Contract or any Contractor claim against DOE.

(d) The Contractor shall return to the Contracting Officer or designee the badge(s) or other credential(s) provided by DOE pursuant to this clause, granting physical access to DOE-owned or leased facilities by the Contractor's employee(s), upon (1) the termination of this Contract; (2) the expiration of this Contract; (3) the termination of employment on this Contract by an individual employee; or (4) demand by DOE for return of the badge.

(e) The Contractor shall include this clause, including this paragraph (e), in any subcontract, awarded in the performance of this Contract, in which an employee(s) of the subcontractor will require physical access to DOE-owned or leased facilities.

(End of clause)

NNS-H-1013 IDENTIFICATION AND PROTECTION OF UNCLASSIFIED CONTROLLED NUCLEAR INFORMATION (UCNI)

In the performance of this contract, the Contractor is responsible for complying with the DOE O 471.1B requirements and for flowing down all requirements to subcontractors.

NNS-H-1014 LIMITATION OF GOVERNMENT'S OBLIGATION

(a) Of the price of \$424,000,000.00, the sum of \$6,000,000.00 is presently available for payment and allotted to this contract. It is anticipated that from time to time additional funds will be allotted to this contract until the total price of said item is allotted.

(b) The Contractor agrees to perform or have performed work on said item up to the point at which, in the event of termination of this contract pursuant to FAR Clause 52.249-2 "Termination for Convenience of the Government (Fixed Price)" the total amount payable by the Government (including amounts payable in respect of subcontracts and settlement costs), pursuant to paragraph (e) thereof, would in the exercise of reasonable judgment by the Contractor approximate the total amount at the time allotted to the contract. The Government shall not be obligated in any event to pay or reimburse the Contractor in excess of the amount from time to time allotted to the contract, anything to the contrary in the FAR Clause "Termination for Convenience of the Government (Fixed Price)" notwithstanding.

(c) It is contemplated that funds presently allotted to this contract will cover the work to be performed until December 1, 2026. The Contractor will notify the Contracting Officer in writing at least 60 days prior to the date when, in the Contractor's best judgment, the work will reach the point at which the total amount payable by the Government, including any cost for termination for convenience, will approximate 85 percent of the total amount then allotted to the contract for performance of the applicable items. The notice

shall state the estimated date when such point will be reached and the estimated amount of additional funds required to continue performance to the above or an agreed substituted date. The Contractor shall, 30 days prior to the date above written or agreed substitute date, advise the Contracting Officer in writing as to the estimated amount of additional funds which will be required for the timely performance of the contract for a further period, as may be specified in the contract or otherwise agreed to by the parties. If, after such later notification, additional funds are not allotted by the date above, the Contracting Officer will terminate any items for which additional funds have not been allotted, pursuant to FAR Clause 52.249-2 "Termination for Convenience of the Government (Fixed Price)."

(d) When additional funds are allotted from time to time for continued performance of the work under this contract, the parties shall agree on the applicable period of contract performance which shall be covered by such funds. The provisions of paragraphs (b) and (c) above shall apply to such additional allotted funds and substituted date pertaining thereto and the contract amended accordingly.

(e) If the Contractor incurs additional costs, or is delayed in the performance of the work under this contract, solely by reason of the failure of the Government to allot additional funds in amounts sufficient for the timely performance of this contract, and if additional funds are allotted, an equitable adjustment shall be made in the price or prices of said items or in the time of delivery or both. Failure to agree to any such equitable adjustment hereunder shall be a dispute concerning a question of fact within the meaning of the clause in this contract entitled "Disputes."

(f) The Government may at any time prior to termination, and with the consent of the Contractor, after notice of termination, allot additional funds for this contract.

(g) Nothing in this clause shall affect the right of the Government to terminate this contract pursuant to FAR Clause 52.249-2 "Termination for Convenience of the Government (Fixed Price)."

(End of clause)

DOE-H-2013 Consecutive Numbering (OCT 2014)

Due to automated procedures employed in formulating this document, clauses and provisions contained within may not always be consecutively numbered.

(End of Clause)

DOE-H-2047 Federal Holidays and Other Closures (JUL 2021)

(a) Designated Federal holidays. Federal employees observe the following Federal holidays:

- (1) New Year's Day;
- (2) Birthday of Martin Luther King, Jr.;
- (3) Washington's Birthday;
- (4) Memorial Day;
- (5) Juneteenth;
- (6) Independence Day;
- (7) Labor Day;
- (8) Columbus Day;
- (9) Veterans Day;

(10) Thanksgiving Day; and

(11) Christmas Day.

Generally, Federal holidays that fall on Saturday are observed on the preceding Friday; and holidays that fall on Sunday are observed on the following Monday. The exact calendar day and/or date on which any of the listed holidays are observed may change year to year.

(b) Other Federal Holidays. In addition to the holidays specified above in paragraph (a), Federal employees may observe other holidays designated by Federal Statute, Executive Order, or Presidential Proclamation as a one-time, day-off such as Inauguration Day for the President of the United States.

(c) Unscheduled closures. Occasionally, an individual Federally-owned or -controlled site or facility will be closed or have an early closure on a normal work day for other reasons such as inclement weather or facility conditions. If an unplanned closure occurs, the Contractor will be notified as soon as possible after the determination that the Federally-owned or -controlled site or facility will be closed.

(d) The Contractor shall provide the services required by the contract at Federally-owned or -controlled sites or facilities on all regularly scheduled Federal work days and other days as may be required by the contract. The Contractor shall not provide the services required by the contract on those days, or portions thereof, specified in paragraphs (a), (b) and (c), except as required under paragraph (e). Accordingly, the Contractor's employees, whose regular duty station in performance of this contract is a Federally-owned or -controlled site or facility, shall not be granted access to the facility during those times specified in paragraphs (a), (b) and (c), unless required by paragraph (e) below.

(e) There may be times that the Contractor is required to perform the services required by the contract on a Federal holiday or other closure times. In the event that such performance is required, the Contracting Officer will notify the Contractor, in writing, and specify the extent to which performance of the contract will be required. The Contractor shall provide sufficient personnel to perform the contractually-required work on those days, as directed by the Contracting Officer.

(f) In accordance with the payment and other applicable clauses of the contract, the Government will not pay the Contractor for its employees' regularly scheduled work hours not actually provided directly in performance of the contract due to an unscheduled closure as contemplated in paragraphs (b) and (c) above.

(End of Clause)

DOE-H-2063 Confidentiality of Information (NOV 2023)

(a) Performance of work under this contract may result in the Contractor having access to Controlled Unclassified Information (CUI), via written or electronic documents, or by virtue of having access to DOE's electronic or other systems. Such CUI includes personally identifiable information (such as social security account numbers) or proprietary business, technical, or financial information belonging to the Government or other companies or organizations. The Contractor shall treat this information as confidential and agrees not to use this information for its own purposes, or to disclose the information to third parties, unless specifically authorized to do so in writing by the Contracting Officer.

(b) The restrictions set out in paragraph(a) above, however, do not apply to -

(1) Information which, at the time of receipt by the Contractor, is in the public domain;

- (2) Information which, subsequent to receipt by the Contractor, becomes part of the public domain through no fault or action of the Contractor;
- (3) Information which the Contractor can demonstrate was previously in its possession and was not acquired directly or indirectly as a result of access obtained by performing work under this contract;
- (4) Information which the Contractor can demonstrate was received from a third party who did not require the Contractor to hold it in confidence; or
- (5) Information which is subject to release under applicable law.

(c) These provisions do not alter the contractor's and their employees' obligations, rights, or liabilities created by existing statute or Executive order relating to (1) classified information, (2) communications to Congress, (3) the reporting to an Inspector General or the Office of Special Counsel of a violation of any law, rule, or regulation, or mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety, or (4) any other whistleblower protection. The definitions, requirements, obligations, rights, sanctions, and liabilities created by controlling Executive orders and statutory provisions are incorporated into this agreement and are controlling.

(d) The Contractor shall obtain a written agreement from each of its employees who are granted access to, or furnished with, CUI, whereby the employee agrees that he or she will not discuss, divulge, or disclose any such information to any person or entity except those persons within the Contractor's organization directly concerned with the performance of the contract. The agreement shall be in a form satisfactory to the Contracting Officer.

(e) Upon request of the Contracting Officer, the Contractor agrees to execute an agreement with any party which provides CUI to the Contractor pursuant to this contract, or whose facilities the Contractor is given access to that restrict use and disclosure of CUI obtained by the Contractor. A copy of the agreement, which shall include all material aspects of this clause, shall be provided to the Contracting Officer for approval.

(f) Upon request of the Contracting Officer, the Contractor shall supply the Government with reports itemizing the confidential or proprietary information it receives under this contract and identify the source (company, companies or other organizations) of the information.

(g) The Contractor agrees to flow down this clause to all subcontracts issued under this contract.

(End of Clause)

DOE-H-2066 Safeguards and Security Program (OCT 2014)

(a) Pursuant to the clause at DEAR 952.204-2, Security, the Contractor agrees to comply with all security regulations and contract requirements as incorporated into the contract.

(b) The Contractor shall comply with the requirements of those DOE directives, or parts thereof, identified below in implementing the requirements of this clause. The Contracting Officer, may, at any time, unilaterally amend this clause in order to add, modify or delete specific requirements.

Contracting Officer's Representative (COR) upon request will provide any Directive and security regulations to the contractor that are applicable to this contract.

(End of Clause)

DOE-H-2076 Lobbying Restrictions (NOV 2018)

In accordance with 18 U.S.C. § 1913, the Contractor agrees that none of the funds obligated on this award shall be expended, directly or indirectly, to influence congressional action on any legislation or appropriation matters pending before Congress. This restriction is in addition to those prescribed elsewhere in statute and regulation.

(End of Clause)

Section I - Contract Clauses

52.202-1 Definitions. (JUN 2020)

52.203-3 Gratuities. (APR 1984)

52.203-5 Covenant Against Contingent Fees. (MAY 2014)

(a) The Contractor warrants that no person or agency has been employed or retained to solicit or obtain this contract upon an agreement or understanding for a contingent fee, except a bona fide employee or agency. For breach or violation of this warranty, the Government shall have the right to annul this contract without liability or to deduct from the contract price or consideration, or otherwise recover, the full amount of the contingent fee.

(b) *Bona fide agency*, as used in this clause, means an established commercial or selling agency, maintained by a contractor for the purpose of securing business, that neither exerts nor proposes to exert improper influence to solicit or obtain Government contracts nor holds itself out as being able to obtain any Government contract or contracts through improper influence.

Bona fide employee, as used in this clause, means a person, employed by a contractor and subject to the contractor's supervision and control as to time, place, and manner of performance, who neither exerts nor proposes to exert improper influence to solicit or obtain Government contracts nor holds out as being able to obtain any Government contract or contracts through improper influence.

Contingent fee, as used in this clause, means any commission, percentage, brokerage, or other fee that is contingent upon the success that a person or concern has in securing a Government contract.

Improper influence, as used in this clause, means any influence that induces or tends to induce a Government employee or officer to give consideration or to act regarding a Government contract on any basis other than the merits of the matter.

(End of clause)

52.203-6 Restrictions on Subcontractor Sales to the Government. (JUN 2020)

52.203-6 Restrictions on Subcontractor Sales to the Government. (JUN 2020) - Alternate I (NOV 2021)

52.203-7 Anti-Kickback Procedures. (JUN 2020)

52.203-17 Contractor Employee Whistleblower Rights. (NOV 2023)

52.204-1 Approval of Contract. (DEC 1989)

This contract is subject to the written approval of Contracting Officer and shall not be binding until so approved.

(End of clause)

52.204-12 Unique Entity Identifier Maintenance. (OCT 2016)

52.204-13 System for Award Management Maintenance. (OCT 2018)

52.204-18 Commercial and Government Entity Code Maintenance. (AUG 2020)

52.204-19 Incorporation by Reference of Representations and Certifications. (DEC 2014)

52.209-6 Protecting the Government's Interest When Subcontracting With Contractors Debarred, Suspended, Proposed for Debarment, or Voluntarily Excluded. (JAN 2025)

52.209-9 Updates of Publicly Available Information Regarding Responsibility Matters. (OCT 2018)

52.209-10 Prohibition on Contracting With Inverted Domestic Corporations. (NOV 2015)

52.210-1 Market Research. (NOV 2021)

52.212-5 Contract Terms and Conditions Required To Implement Statutes or Executive Orders - Commercial Products and Commercial Services. (MAR 2026)

(a) The Contractor shall comply with the following Federal Acquisition Regulation (FAR) clauses, which are incorporated in this contract by reference, to implement provisions of law or Executive orders applicable to acquisitions of commercial products and commercial services:

(1) 52.203-19, Prohibition on Requiring Certain Internal Confidentiality Agreements or Statements (JAN 2017) (section 743 of Division E, Title VII, of the Consolidated and Further Continuing Appropriations Act, 2015 (Pub. L. 113-235) and its successor provisions in subsequent appropriations acts (and as extended in continuing resolutions)).

(2) 52.204-23, Prohibition on Contracting for Hardware, Software, and Services Developed or Provided by Kaspersky Lab Covered Entities (DEC 2023) (Section 1634 of Pub. L. 115-91).

(3) 52.204-25, Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment. (NOV 2021) (Section 889(a)(1)(A) of Pub. L. 115-232).

(4) 52.209-10, Prohibition on Contracting with Inverted Domestic Corporations (NOV 2015).

(5) 52.232-40, Providing Accelerated Payments to Small Business Subcontractors (MAR 2023) (31 U.S.C. 3903 and 10 U.S.C. 3801).

(6) 52.233-3, Protest After Award (AUG 1996) (31 U.S.C. 3553).

(7) 52.233-4, Applicable Law for Breach of Contract Claim (OCT 2004) (Public Laws 108-77 and 108-78 (19 U.S.C. 3805 note)).

(b) The Contractor shall comply with the FAR clauses in this paragraph (b) that the Contracting Officer has indicated as being incorporated in this contract by reference to implement provisions of law or Executive orders applicable to acquisitions of commercial products and commercial services: *[Contracting Officer check as appropriate.]*

[] (1) 52.203-6, Restrictions on Subcontractor Sales to the Government (JUN 2020), with Alternate I (NOV 2021) (41 U.S.C. 4704 and 10 U.S.C. 4655).

[] (2) 52.203-13, Contractor Code of Business Ethics and Conduct (NOV 2021) (41 U.S.C. 3509).

[X] (3) 52.203-15, Whistleblower Protections under the American Recovery and Reinvestment Act of 2009 (JUN 2010) (Section 1553 of Pub. L. 111-5). (Applies to contracts funded by the American Recovery and Reinvestment Act of 2009.)

[X] (4) 52.203-17, Contractor Employee Whistleblower Rights (NOV 2023) (41 U.S.C. 4712); this clause does not apply to contracts of DoD, NASA, the Coast Guard, or applicable elements of the intelligence community-see FAR 3.900(a).

[X] (5) 52.204-10, Reporting Executive Compensation and First-Tier Subcontract Awards (JUN 2020) (Pub. L. 109-282) (31 U.S.C. 6101 note).

[] (6) [Reserved]

[] (7) 52.204-14, Service Contract Reporting Requirements (OCT 2016) (Pub. L. 111-117, section 743 of Div. C).

[] (8) 52.204-15, Service Contract Reporting Requirements for Indefinite-Delivery Contracts (OCT 2016) (Pub. L. 111-117, section 743 of Div. C).

[] (9) 52.204-27, Prohibition on a ByteDance Covered Application (JUN 2023) (Section 102 of Division R of Pub. L. 117-328).

[] (10) 52.204-28, Federal Acquisition Supply Chain Security Act Orders-Federal Supply Schedules, Governmentwide Acquisition Contracts, and Multi-Agency Contracts. (DEC 2023) (Pub. L. 115-390, title II).

[] (11)(i) 52.204-30, Federal Acquisition Supply Chain Security Act Orders- Prohibition. (DEC 2023) (Pub. L. 115-390, title II).

[] (ii) Alternate I (DEC 2023) of 52.204-30.

[] (12) 52.209-6, Protecting the Government's Interest When Subcontracting With Contractors Debarred, Suspended, Proposed for Debarment, or Voluntarily Excluded. (JAN 2025) (31 U.S.C. 6101 note).

[] (13) 52.209-9, Updates of Publicly Available Information Regarding Responsibility Matters (OCT 2018) (41 U.S.C. 2313).

[] (14) [Reserved]

[] (15) 52.219-3, Notice of HUBZone Set-Aside or Sole-Source Award (OCT 2022) (15 U.S.C. 657a).

[] (16) 52.219-4, Notice of Price Evaluation Preference for HUBZone Small Business Concerns (OCT 2022) (if the offeror elects to waive the preference, it shall so indicate in its offer) (15 U.S.C. 657a).

[] (17) [Reserved]

[] (18)(i) 52.219-6, Notice of Total Small Business Set-Aside (NOV 2020) (15 U.S.C. 644).

[] (ii) Alternate I (MAR 2020) of 52.219-6.

[] (19)(i) 52.219-7, Notice of Partial Small Business Set-Aside (NOV 2020) (15 U.S.C. 644).

[] (ii) Alternate I (MAR 2020) of 52.219-7.

- [] (20) 52.219-8, Utilization of Small Business Concerns (JAN 2025) (15 U.S.C. 637(d)(2) and (3)).
- [] (21)(i) 52.219-9, Small Business Subcontracting Plan (JAN 2025) (15 U.S.C. 637(d)(4)).
 - [] (ii) Alternate I (NOV 2016) of 52.219-9.
 - [] (iii) Alternate II (NOV 2016) of 52.219-9.
 - [] (iv) Alternate III (JUN 2020) of 52.219-9.
 - [] (v) Alternate IV (JAN 2025) of 52.219-9.
- [] (22)(i) 52.219-13, Notice of Set-Aside of Orders (MAR 2020) (15 U.S.C. 644(r)).
 - [] (ii) Alternate I (MAR 2020) of 52.219-13.
- [] (23) 52.219-14, Limitations on Subcontracting (OCT 2022) (15 U.S.C. 657s).
- [] (24) 52.219-16, Liquidated Damages- Subcontracting Plan (SEP 2021) (15 U.S.C. 637(d)(4)(F)(i)).
- [] (25) 52.219-27, Notice of Set-Aside for, or Sole-Source Award to, Service-Disabled Veteran-Owned Small Business (SDVOSB) Concerns Eligible Under the SDVOSB Program (FEB 2024) (15 U.S.C. 657f).
- [] (26)(i) 52.219-28, Postaward Small Business Program Rerepresentation (JAN 2025) (15 U.S.C. 632(a)(2)).
 - [] (ii) Alternate I (MAR 2020) of 52.219-28.
- [] (27) 52.219-29, Notice of Set-Aside for, or Sole-Source Award to, Economically Disadvantaged Women-Owned Small Business Concerns (OCT 2022) (15 U.S.C. 637(m)).
- [] (28) 52.219-30, Notice of Set-Aside for, or Sole-Source Award to, Women-Owned Small Business Concerns Eligible Under the Women-Owned Small Business Program (OCT 2022) (15 U.S.C. 637(m)).
- [] (29) 52.219-32, Orders Issued Directly Under Small Business Reserves (MAR 2020) (15 U.S.C. 644(r)).
- [] (30) 52.219-33, Nonmanufacturer Rule (SEP 2021) (15 U.S.C. 637(a)(17)).
- [X] (31) 52.222-3, Convict Labor (JUN 2003) (E.O. 11755).
- [] (32) 52.222-19, Child Labor-Cooperation with Authorities and Remedies (MAR 2026) (E.O. 13126).
- [X] (33) 52.222-21, Prohibition of Segregated Facilities (APR 2015).
- [X] (34)(i) 52.222-26, Equal Opportunity (SEPT 2016) (E.O. 11246).
 - [] (ii) Alternate I (FEB 1999) of 52.222-26.
- [X] (35)(i) 52.222-35, Equal Opportunity for Veterans (JUN 2020) (38 U.S.C. 4212).
 - [] (ii) Alternate I (JULY 2014) of 52.222-35.

[X] (36)(i) 52.222-36, Equal Opportunity for Workers with Disabilities (JUN 2020) (29 U.S.C. 793).

[] (ii) Alternate I (JULY 2014) of 52.222-36.

[] (37) 52.222-37, Employment Reports on Veterans (JUN 2020) (38 U.S.C. 4212).

[X] (38) 52.222-40, Notification of Employee Rights Under the National Labor Relations Act (DEC 2010) (E.O. 13496).

[X] (39)(i) 52.222-50, Combating Trafficking in Persons (OCT 2025) (22 U.S.C. chapter 78 and E.O. 13627).

[X] (ii) Alternate I (MAR 2015) of 52.222-50 (22 U.S.C. chapter 78 and E.O. 13627).

[] (40) 52.222-54, Employment Eligibility Verification (JAN 2025) (Executive Order 12989). (Not applicable to the acquisition of commercially available off-the-shelf items or certain other types of commercial products or commercial services as prescribed in FAR 22.1803.)

[] (41)(i) 52.223-9, Estimate of Percentage of Recovered Material Content for EPA-Designated Items (MAY 2008) (42 U.S.C. 6962(c)(3)(A)(ii)). (Not applicable to the acquisition of commercially available off-the-shelf items.)

[] (ii) Alternate I (MAY 2008) of 52.223-9 (42 U.S.C. 6962(i)(2)(C)). (Not applicable to the acquisition of commercially available off-the-shelf items.)

[] (42) 52.223-11, Ozone-Depleting Substances and High Global Warming Potential Hydrofluorocarbons (MAY 2024) (42 U.S.C. 7671, *et seq.*).

[] (43) 52.223-12, Maintenance, Service, Repair, or Disposal of Refrigeration Equipment and Air Conditioners (MAY 2024) (42 U.S.C. 7671, *et seq.*).

[] (44) 52.223-20, Aerosols (MAY 2024) (42 U.S.C. 7671, *et seq.*).

[] (45) 52.223-21, Foams (MAY 2024) (42 U.S.C. 7671, *et seq.*).

[] (46) 52.223-23, Sustainable Products and Services (MAY 2024) (E.O. 14057, 7 U.S.C. 8102, 42 U.S.C. 6962, 42 U.S.C. 8259b, and 42 U.S.C. 76711).

[] (47)(i) 52.224-3, Privacy Training (JAN 2017) (5 U.S.C. 552a).

[] (ii) Alternate I (JAN 2017) of 52.224-3.

[] (48)(i) 52.225-1, Buy American- Supplies (OCT 2022)) (41 U.S.C. chapter 83).

[] (ii) Alternate I (OCT 2022) of 52.225-1.

[] (49)(i) 52.225-3, Buy American-Free Trade Agreements-Israeli Trade Act (NOV 2023) (19 U.S.C. 3301 note, 19 U.S.C. 2112 note, 19 U.S.C. 3805 note, 19 U.S.C. 4001 note, 19 U.S.C. chapter 29 (sections 4501-4732), Public Law 103-182, 108-77, 108-78, 108-286, 108-302, 109-53, 109-169, 109-283, 110-138, 112-41, 112-42, and 112-43).

[] (ii) Alternate I [Reserved].

[] (iii) Alternate II (JAN 2025) of 52.225-3.

[] (iv) Alternate III (FEB 2024) of 52.225-3.

[] (v) Alternate IV (OCT 2022) of 52.225-3.

[] (50) 52.225-5, Trade Agreements (NOV 2023) (19 U.S.C. 2501, *et seq.*, 19 U.S.C. 3301 note).

[] (51) 52.225-13, Restrictions on Certain Foreign Purchases (FEB 2021) (E.O.'s, proclamations, and statutes administered by the Office of Foreign Assets Control of the Department of the Treasury).

[] (52) 52.225-26, Contractors Performing Private Security Functions Outside the United States (OCT 2016) (Section 862, as amended, of the National Defense Authorization Act for Fiscal Year 2008; 10 U.S.C. Subtitle A, Part V, Subpart G Note).

[] (53) 52.226-4, Notice of Disaster or Emergency Area Set-Aside (NOV 2007) (42 U.S.C. 5150).

[] (54) 52.226-5, Restrictions on Subcontracting Outside Disaster or Emergency Area (NOV 2007) (42 U.S.C. 5150).

[X] (55) 52.226-8, Encouraging Contractor Policies to Ban Text Messaging While Driving (May 2024) (E.O. 13513).

[] (56) 52.229-12, Tax on Certain Foreign Procurements (FEB 2021).

[] (57) 52.232-29, Terms for Financing of Purchases of Commercial Products and Commercial Services (NOV 2021) (41 U.S.C. 4505, 10 U.S.C. 3805).

[] (58) 52.232-30, Installment Payments for Commercial Products and Commercial Services (NOV 2021) (41 U.S.C. 4505, 10 U.S.C. 3805).

[X] (59) 52.232-33, Payment by Electronic Funds Transfer-System for Award Management (OCT 2018) (31 U.S.C. 3332).

[] (60) 52.232-34, Payment by Electronic Funds Transfer-Other than System for Award Management (JUL 2013) (31 U.S.C. 3332).

[] (61) 52.232-36, Payment by Third Party (MAY 2014) (31 U.S.C. 3332).

[] (62) 52.239-1, Privacy or Security Safeguards (AUG 1996) (5 U.S.C. 552a).

[] (63) 52.240-1, Prohibition on Unmanned Aircraft Systems Manufactured or Assembled by American Security Drone Act-Covered Foreign Entities (Nov 2024) (Sections 1821-1826, Pub. L. 118-31, 41 U.S.C. 3901 note prec.).

[] (64) 52.242-5, Payments to Small Business Subcontractors (JAN 2017)(15 U.S.C. 637(d)(13)).

[] (65)(i) 52.247-64, Preference for Privately Owned U.S.-Flag Commercial Vessels (NOV 2021) (46 U.S.C. 55305 and 10 U.S.C. 2631).

[] (ii) Alternate I (Apr 2003) of 52.247-64.

[] (iii) Alternate II (NOV 2021) of 52.247-64.

(c) The Contractor shall comply with the FAR clauses in this paragraph (c), applicable to commercial services, that the Contracting Officer has indicated as being incorporated in this contract by reference to implement provisions of law or Executive orders applicable to

acquisitions of commercial products and commercial services: *[Contracting Officer check as appropriate.]*

☐ (1) 52.222-41, Service Contract Labor Standards (AUG 2018) (41 U.S.C. chapter 67).

☐ (2) 52.222-42, Statement of Equivalent Rates for Federal Hires (MAY 2014) (29 U.S.C. 206 and 41 U.S.C. chapter 67).

☐ (3) 52.222-43, Fair Labor Standards Act and Service Contract Labor Standards-Price Adjustment (Multiple Year and Option Contracts) (AUG 2018) (29 U.S.C. 206 and 41 U.S.C. chapter 67).

☐ (4) 52.222-44, Fair Labor Standards Act and Service Contract Labor Standards-Price Adjustment (MAY 2014) (29 U.S.C. 206 and 41 U.S.C. chapter 67).

☐ (5) 52.222-51, Exemption from Application of the Service Contract Labor Standards to Contracts for Maintenance, Calibration, or Repair of Certain Equipment-Requirements (MAY 2014) (41 U.S.C. chapter 67).

☐ (6) 52.222-53, Exemption from Application of the Service Contract Labor Standards to Contracts for Certain Services-Requirements (MAY 2014) (41 U.S.C. chapter 67).

☐ (7) 52.222-55, Minimum Wages for Contractor Workers Under Executive Order 14026 (JAN 2022).

☒ (8) 52.222-62, Paid Sick Leave Under Executive Order 13706 (JAN 2022) (E.O. 13706).

☐ (9) 52.226-6, Promoting Excess Food Donation to Nonprofit Organizations (JUN 2020) (42 U.S.C. 1792).

☐ (10) 52.247-69, Reporting Requirement for U.S.-Flag Air Carriers Regarding Training to Prevent Human Trafficking (JAN 2025) (49 U.S.C. 40118(g)).

(d) *Comptroller General Examination of Record.* The Contractor shall comply with the provisions of this paragraph (d) if this contract was awarded using other than sealed bid, is in excess of the simplified acquisition threshold, as defined in FAR 2.101, on the date of award of this contract, and does not contain the clause at 52.215-2, Audit and Records - Negotiation.

(1) The Comptroller General of the United States, or an authorized representative of the Comptroller General, shall have access to and right to examine any of the Contractor's directly pertinent records involving transactions related to this contract.

(2) The Contractor shall make available at its offices at all reasonable times the records, materials, and other evidence for examination, audit, or reproduction, until 3 years after final payment under this contract or for any shorter period specified in FAR Subpart 4.7, Contractor Records Retention, of the other clauses of this contract. If this contract is completely or partially terminated, the records relating to the work terminated shall be made available for 3 years after any resulting final termination settlement. Records relating to appeals under the disputes clause or to litigation or the settlement of claims arising under or relating to this contract shall be made available until such appeals, litigation, or claims are finally resolved.

(3) As used in this clause, records include books, documents, accounting procedures and practices, and other data, regardless of type and regardless of form. This does not require the Contractor to create or maintain any record that the Contractor does not maintain in the ordinary course of business or pursuant to a provision of law.

(e)(1) Notwithstanding the requirements of the clauses in paragraphs (a), (b), (c), and (d) of this clause, the Contractor is not required to flow down any FAR clause, other than those in this paragraph (e)(1), in a subcontract for commercial products or commercial services. Unless otherwise indicated below, the extent of the flow down shall be as required by the clause-

(i) 52.203-13, Contractor Code of Business Ethics and Conduct (NOV 2021) (41 U.S.C. 3509).

(ii) 52.203-17, Contractor Employee Whistleblower Rights (NOV 2023) (41 U.S.C. 4712).

(iii) 52.203-19, Prohibition on Requiring Certain Internal Confidentiality Agreements or Statements (JAN 2017) (section 743 of Division E, Title VII, of the Consolidated and Further Continuing Appropriations Act, 2015 (Pub. L. 113-235) and its successor provisions in subsequent appropriations acts (and as extended in continuing resolutions)).

(iv) 52.204-23, Prohibition on Contracting for Hardware, Software, and Services Developed or Provided by Kaspersky Lab Covered Entities (DEC 2023) (Section 1634 of Pub. L. 115-91).

(v) 52.204-25, Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment. (NOV 2021) (Section 889(a)(1)(A) of Pub. L. 115-232).

(vi) 52.204-27, Prohibition on a ByteDance Covered Application (JUN 2023) (Section 102 of Division R of Pub. L. 117-328).

(vii)(A) 52.204-30, Federal Acquisition Supply Chain Security Act Orders-Prohibition. (DEC 2023) (Pub. L. 115-390, title II).

(B) Alternate I (DEC 2023) of 52.204-30.

(viii) 52.219-8, Utilization of Small Business Concerns (JAN 2025) (15 U.S.C. 637(d)(2) and (3)), in all subcontracts that offer further subcontracting opportunities. If the subcontract (except subcontracts to small business concerns) exceeds the applicable threshold specified in FAR 19.702(a) on the date of subcontract award, the subcontractor must include 52.219-8 in lower tier subcontracts that offer subcontracting opportunities.

(ix) 52.222-21, Prohibition of Segregated Facilities (APR 2015).

(x) 52.222-26, Equal Opportunity (SEP 2016) (E.O. 11246).

(xi) 52.222-35, Equal Opportunity for Veterans (JUN 2020) (38 U.S.C. 4212).

(xii) 52.222-36, Equal Opportunity for Workers with Disabilities (JUN 2020) (29 U.S.C. 793).

(xiii) 52.222-37, Employment Reports on Veterans (JUN 2020) (38 U.S.C. 4212).

(xiv) 52.222-40, Notification of Employee Rights Under the National Labor Relations Act (DEC 2010) (E.O. 13496). Flow down required in accordance with paragraph (f) of FAR clause 52.222-40.

(xv) 52.222-41, Service Contract Labor Standards (AUG 2018) (41 U.S.C. chapter 67).

(xvi) [] (A) 52.222-50, Combating Trafficking in Persons (OCT 2025) (22 U.S.C. chapter 78 and E.O. 13627).

[] (B) Alternate I (MAR 2015) of 52.222-50 (22 U.S.C. chapter 78 and E.O. 13627).

(xvii) 52.222-51, Exemption from Application of the Service Contract Labor Standards to Contracts for Maintenance, Calibration, or Repair of Certain Equipment-Requirements (MAY 2014) (41 U.S.C. chapter 67).

(xviii) 52.222-53, Exemption from Application of the Service Contract Labor Standards to Contracts for Certain Services-Requirements (MAY 2014) (41 U.S.C. chapter 67).

(xix) 52.222-54, Employment Eligibility Verification (JAN 2025) (E.O. 12989).

(xx) 52.222-55, Minimum Wages for Contractor Workers Under Executive Order 14026 (JAN 2022).

(xxi) 52.222-62 Paid Sick Leave Under Executive Order 13706 (JAN 2022) (E.O. 13706).

(xxii)(A) 52.224-3, Privacy Training (JAN 2017) (5 U.S.C. 552a).

(B) Alternate I (JAN 2017) of 52.224-3.

(xxiii) 52.225-26, Contractors Performing Private Security Functions Outside the United States (OCT 2016) (Section 862, as amended, of the National Defense Authorization Act for Fiscal Year 2008; 10 U.S.C. Subtitle A, Part V, Subpart G Note).

(xxiv) 52.226-6, Promoting Excess Food Donation to Nonprofit Organizations (JUN 2020) (42 U.S.C. 1792). Flow down required in accordance with paragraph (e) of FAR clause 52.226-6.

(xxv) 52.232-40, Providing Accelerated Payments to Small Business Subcontractors (MAR 2023) (31 U.S.C. 3903 and 10 U.S.C. 3801). Flow down required in accordance with paragraph (c) of 52.232-40.

(xxvi) 52.240-1, Prohibition on Unmanned Aircraft Systems Manufactured or Assembled by American Security Drone Act-Covered Foreign Entities (Nov 2024) (Sections 1821-1826, Pub. L. 118-31, 41 U.S.C. 3901 note prec.).

(xxvii) 52.247-64, Preference for Privately Owned U.S.-Flag Commercial Vessels (NOV 2021) (46 U.S.C. 55305 and 10 U.S.C. 2631). Flow down required in accordance with paragraph (d) of FAR clause 52.247-64.

(2) While not required, the Contractor may include in its subcontracts for commercial products and commercial services a minimal number of additional clauses necessary to satisfy its contractual obligations.

(End of clause)

52.215-2 Audit and Records - Negotiation. (JUN 2020)

52.215-8 Order of Precedence - Uniform Contract Format. (OCT 1997)

52.215-10 Price Reduction for Defective Certified Cost or Pricing Data. (AUG 2011)

52.215-11 Price Reduction for Defective Certified Cost or Pricing Data - Modifications. (JUN 2020)

52.215-12 Subcontractor Certified Cost or Pricing Data. (JUN 2020)

52.215-12 Subcontractor Certified Cost or Pricing Data. (JUN 2020) - Alternate I (OCT 2025)

52.215-13 Subcontractor Certified Cost or Pricing Data - Modifications. (JUN 2020)

52.215-13 Subcontractor Certified Cost or Pricing Data - Modifications. (JUN 2020) - Alternate I (OCT 2025)

52.215-23 Limitations on Pass-Through Charges. (JUN 2020)

52.215-23 Limitations on Pass-Through Charges. (JUN 2020) -- Alternate I (OCT 2009)

52.216-12 Cost-Sharing Contract - No Fee. (APR 1984)

52.216-12 Cost-Sharing Contract - No Fee. (APR 1984) - Alternate I (APR 1984)

52.217-8 Option To Extend Services. (NOV 1999)

The Government may require continued performance of any services within the limits and at the rates specified in the contract. These rates may be adjusted only as a result of revisions to prevailing labor rates provided by the Secretary of Labor. The option provision may be exercised more than once, but the total extension of performance hereunder shall not exceed 6 months. The Contracting Officer may exercise the option by written notice to the Contractor within fifteen (15) days before the contract period of performance expires.

(End of clause)

52.217-9 Option To Extend the Term of the Contract. (MAR 2000)

(a) The Government may extend the term of this contract by written notice to the Contractor within 30 Days; provided that the Government gives the Contractor a preliminary written notice of its intent to extend at least 60 days before the contract expires. The preliminary notice does not commit the Government to an extension.

(b) If the Government exercises this option, the extended contract shall be considered to include this option clause.

(c) The total duration of this contract, including the exercise of any options under this clause, shall not exceed 20 years.

(End of clause)

52.222-4 Contract Work Hours and Safety Standards - Overtime Compensation. (MAY 2018)

52.226-1 Utilization of Indian Organizations and Indian-Owned Economic Enterprises. (JUN 2000)

52.232-33 Payment by Electronic Funds Transfer - System for Award Management. (OCT 2018)

52.232-39 Unenforceability of Unauthorized Obligations. (JUN 2013)

52.233-1 Disputes. (MAY 2014) - Alternate I (DEC 1991)

52.233-4 Applicable Law for Breach of Contract Claim. (OCT 2004)

52.237-3 Continuity of Services. (JAN 1991)

52.241-8 Change in Rates or Terms and Conditions of Service for Unregulated Services. (FEB 1995)

- (a) This clause applies to the extent that services furnished hereunder are not subject to regulation by a regulatory body.
- (b) After a 60 day notice, either party may request a change in rates or terms and conditions of service, unless otherwise provided in this contract. Both parties agree to enter in negotiations concerning such changes upon receipt of a written request detailing the proposed changes and specifying the reasons for the proposed changes.
- (c) The effective date of any change shall be as agreed to by the parties. The Contractor agrees that throughout the life of this contract the rates so negotiated will not be in excess of published and unpublished rates charged to any other customer of the same class under similar terms and conditions of use and service.
- (d) The failure of the parties to agree upon any change after a reasonable period of time shall be a dispute under the Disputes clause of this contract.
- (e) Any changes to rates, terms, or conditions as a result of such negotiations shall be made a part of this contract by the issuance of a contract modification.

(End of clause)

52.242-1 Notice of Intent to Disallow Costs. (APR 1984)

52.242-13 Bankruptcy. (JUL 1995)

52.243-1 Changes - Fixed-Price. (AUG 1987)

- (a) The Contracting Officer may at any time, by written order, and without notice to the sureties, if any, make changes within the general scope of this contract in any one or more of the following:
 - (1) Drawings, designs, or specifications when the supplies to be furnished are to be specially manufactured for the Government in accordance with the drawings, designs, or specifications.
 - (2) Method of shipment or packing.
 - (3) Place of delivery.
- (b) If any such change causes an increase or decrease in the cost of, or the time required for, performance of any part of the work under this contract, whether or not changed by the order, the Contracting Officer shall make an equitable adjustment in the contract price, the delivery schedule, or both, and shall modify the contract.
- (c) The Contractor must assert its right to an adjustment under this clause within 30 days from the date of receipt of the written order. However, if the Contracting Officer decides that the facts justify it, the Contracting Officer may receive and act upon a proposal submitted before final payment of the contract.
- (d) If the Contractor's proposal includes the cost of property made obsolete or excess by the change, the Contracting Officer shall have the right to prescribe the manner of the disposition of the property.
- (e) Failure to agree to any adjustment shall be a dispute under the Disputes clause. However, nothing in this clause shall excuse the Contractor from proceeding with the contract as changed.

(End of clause)

52.252-2 Clauses Incorporated by Reference. (FEB 1998)

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this/these address(es): <https://www.acquisition.gov/>

(End of clause)

52.252-4 Alterations in Contract. (APR 1984)

Portions of this contract are altered as follows: TO BE UTILIZED WHEN CHANGES OCCUR

(End of clause)

52.249-14 Excusable Delays. (APR 1984)

Section J - List of Documents, Exhibits and Other Attachments

Attachment Number	Title	Date
1	Attachment 1 - Electric Coordination Agreement PWS Final	06/16/2026
2	Attachment 2 - Operating Procedures	06/16/2026
3	Attachment 3 - REPORTING REQUIREMENTS CHECKLIST	12/15/2025
4	Attachment 4 - Exhibit G Physical Security	01/27/2025

Electric Coordination Agreement
Performance Work Statement

Between the U.S. Department of Energy/National Nuclear Security Administration
And

Incorporated County of Los Alamos
Contract Number: 89233126CNA000436

BACKGROUND:

The Department of Energy and the Los Alamos County have enhanced their electricity and electrical system capabilities through a joint effort, specifically by leveraging combined power generation and transmission resources for the economic dispatch of power and energy. Founded on a long-standing partnership, this collaboration has served as a strategic framework, enabling both entities to realize substantial efficiencies in the collaborative management, planning, acquisition, and maintenance of their electrical generation and distribution assets and needs. The benefit is achieved by pooling these resources and expertise, leading to optimized operational costs and improved system reliability.

PART I - THE SCHEDULE

SECTION A - SOLICITATION/CONTRACT FORM

A.1 [Insert SF 33, SF 26, or other appropriate form for contract award]

SECTION B - SERVICES AND PRICES/COSTS

B.0 CONTRACT TYPE

- (1) This is a Fixed Price Cost Sharing arrangement for the coordination and management of electric resources.
- (2) This section describes the supplies or services to be furnished hereunder and their prices or costs.

B.1 ACCOUNTING FOR RESOURCE COSTS

- (1) The costs of providing the Approved Resources described in Section C.1(1) shall be accounted for in the Resource Accounting Pool. The costs and charges allowable for inclusion in the Resource Accounting Pool are set forth in Attachment 1, Exhibits. The uniform system of accounts as approved from time to time by the Federal Energy Regulatory Commission (FERC) shall be used to record costs for Approved Resources.
- (2) A cost incurred audit of charges to the Resource Accounting Pool will be arranged annually by the Incorporated County of Los Alamos (County). This audit will be completed by an independent auditor acceptable to both Parties unless it can be demonstrated that an audit can be completed by the Defense Contract Audit Agency or the U.S. Department of Energy/National Nuclear Security Administration (DOE/NNSA) Office of Inspector General within one (1) year of the end of the Pool Fiscal Year to be audited. If the audit is performed by an independent auditor, the costs of such audit will be included in the Resource Accounting Pool.
- (3) Either Party may request a review, in addition to the annual audit, of the expenses that have been included in the Resource Accounting Pool, and the Party making the request will be responsible for all costs associated with such review. The allowability of DOE/NNSA's variable and miscellaneous costs (those which are not a fixed charge or established by formula) shall be consistent with DOE/NNSA's full cost recovery policy as set forth in 10 Code of Federal Regulations (CFR) Part 1009 except that no DOE/NNSA added factor shall apply. The allowability of the County's variable

and miscellaneous costs (those which are not a fixed charge or established by formula) shall be consistent with the Contract Cost Principles and Procedures as set forth in 48 CFR Subparagraph 31.6 (Office of Management and Budget (OMB) Circular No. A-87 Revised).

- (4) The Parties agree to assign all relevant costs of the Los Alamos Power Pool in accordance with appropriate accounting principles and cost recovery methods mentioned under B.1 *Accounting for Resource Costs*. However, if actual energy costs are lower than the around-the-clock day-ahead Palo Verde index price plus \$2.00 for net energy delivered through the transmission network from each County owned generating resource or approved long-term power purchase agreement included herein for the month, then the Parties agree to split the difference based on the formula below:

(a) Definitions:

- PVI = Palo Verde Index
- COR = County Owned Resources Total Energy Cost / MWh from the Component Cost Summary

(b) Formula:

- If $COR < PVI + 2$, then $((PVI + 2) \text{ minus } COR) \text{ divided by } 2 = \text{Difference applied to DOE}$

- (5) Qualifying resources for this accounting treatment are resources that the County has a long-term stake in and liabilities that either extend or are not in line with the contracting period. Examples of qualifying resources are set forth in Exhibit 2, *County Approved Resources*.
- (6) If actual energy costs are higher than the around-the-clock day-ahead Palo Verde index price plus \$2.00 on a weighted average basis for the month, then the Parties agree that no further adjustment will be applied as current accounting methods will split the total energy costs on a pro rata basis according to actual energy used. Transmission, capacity, or demand costs will be allocated to the Parties pursuant Section B.3.

B.2 MISCELLANEOUS COSTS

- (1) Except as provided herein, all costs associated with personnel, procurement, management, and administration that are not directly related to the combined operation of Approved Resources shall be borne separately by each Party. All individuals directly involved in Los Alamos Power Pool activities shall maintain hourly time records as support for charges reimbursed by the Resource Accounting Pool. Exhibit 3, *Miscellaneous Costs of Mutual Benefit*, sets forth miscellaneous costs of mutual benefit to the Parties that will be allowable in the Resource Accounting Pool.
- (a) Additions, deletions, or changes of any costs to the Resource Accounting Pool will be presented to the Operating Committee for consideration and approval. If it is determined a modification to the contract is required, then the Contracting Officer will issue a Bi-lateral modification. Exhibit 3, *Miscellaneous Costs of Mutual Benefit*, will be updated as the contract is modified to reflect recurring cost items, as needed.
- (2) Each Party shall bear all costs associated with its respective 115/13 kilovolt (kV) transformation and 13 kV distribution facilities. At several locations, however, it is advantageous to connect load to the distribution network of the other Party and thereby avoid an unnecessary duplication of facilities. Operating Procedure B8, *Customer Related Costs*, provides the facilities charge for monthly cost of service responsibility associated with the County's use of DOE/NNSA's distribution facilities. Such costs are to be accounted for as part of the Resource Accounting Pool.

B.3 ALLOCATION OF RESOURCE COSTS

- (1) Costs included in the Resource Accounting Pool pursuant to Section C.1(1)(a) below, and B.2 above shall be classified as demand-related, energy-related, or customer-related, or a combination thereof, consistent with the classification as shown in the monthly billing statement. Demand-related costs shall be allocated each month between the two Parties based on the ratio of each Party's billing demand to the sum of both Parties' billing demands for the applicable month.
- (2) For the term of the contract the following billing demand shall apply to the Approved Resources that exist during the time period:
 - (a) Billing demand for each Party is the higher of that Party's actual demand at the time of the coincidental monthly system peak during the billing month, or 83% of that Party's actual demand at the time of the highest coincidental monthly system peak during the preceding eleven months.
- (3) The following billing demand shall apply to the Approved Resources:
 - (a) Billing demand shall be each Party's actual demand at the time of the coincidental monthly system Los Alamos Service Area peak during the billing month. However, if in any month when the combined demand of the Parties is less than 164 megawatts (MW) then the following demand ratchet provision shall apply:
 - i. The billing demand of each Party shall be the higher of a) that Party's actual demand at the time of the coincidental monthly peak during the billing month, or b) 83% of that Party's actual demand at the time of the highest coincidental peak during the preceding eleven months. Provided, however, if any such resulting computation under b) yields a computed demand greater than 110 MW for DOE/NNSA, then 110 MW shall become the DOE/NNSA's billing demand. Likewise, if any such resulting computation under b) yields a computed demand greater than 22 MW for the County, then 22 MW shall become the County's billing demand.
 - (b) The Parties may negotiate a different cost allocation procedure for any future Los Alamos Power Pool resources funded by the County, or for the fixed costs associated with any additional long-term power purchase or transmission commitment made to expand Los Alamos Power Pool resources.
 - (c) Energy-related costs shall be allocated based on the ratio of a Party's energy consumption during the month to the combined total consumption for the month. Customer-related costs shall be allocated between the Parties as appropriate to each cost item as described under the Operating Procedure B8 *Customer Related Costs* or as mutually agreed by the Operating Committee. The County will make invoice adjustments in accordance with the Operating Procedure B4, *Adjustments for Prior Period Invoiced Corrections*.
 - (d) The Parties agree to annually assess, in good faith, requirements for Long-Term Capacity Resources and Short-Term Capacity Resources, through evaluation of historical experience, Monthly Demand Projections and minimum Long-Term Capacity Requirements. A similar review shall also be made at other times whenever a previously unanticipated load reduction or load increase of 5 MW or more occurs or is projected to occur. Through such capacity assessments, the Parties agree to determine if excess Long-Term Capacity exists, which is capacity in excess of the lowest amount of Long-Term Capacity Resources required to satisfy the Minimum Long-Term Capacity Requirements for all months within the Resource Planning Horizon.

- (e) If excess Long-Term Capacity is determined to exist throughout the Resource Planning Horizon, each Party agrees to pursue available options to dispose of their excess portion of the appropriate Long-Term Capacity Resource(s). If an offer is received, acceptable to both Parties, the disposition of the excess capacity will be so handled.
- (f) Alternatively, if an offer, projected to produce a net savings to the Los Alamos Power Pool throughout the full Resource Planning Horizon, is received that is acceptable to one Party and not the other, the Parties shall develop specific terms and conditions to reapportion cost responsibilities and revenue benefits, such that the Party that determines the offer is unacceptable shall be assigned the associated cost responsibility and revenue benefits.
- (g) The County shall not be required to accept any offer (or penalized hereunder for refusing to accept an offer) to dispose of Long-Term Capacity Resources if the acceptance of such offer would adversely affect the status of any outstanding County Bonds as exempt for inclusion in gross income for federal income tax purposes. If the Parties are unable to dispose of such Excess Long-Term Capacity, then the cost associated with the Approved Resource shall continue to be shared as a Los Alamos Power Pool cost.

B.4 CLASSIFICATION OF EXPENDITURES

- (1) The Parties recognize that expenditures incurred will be classified as either capital, operating and maintenance, or repairs. Assets may include facilities owned by others but claimed as a resource, for example, hydro-generating facilities.
- (2) Capital expenditures are funds used by a Party or the Parties to acquire or upgrade physical assets such as property, buildings, or equipment. An expenditure is considered to be a capital expenditure when the asset is a newly acquired capital asset or an investment that materially increases the value or the useful life of an existing capital asset.
- (3) Notwithstanding this classification, projects with total cost less than \$250,000 will shall be included in the Los Alamos Power Pool in the period(s) costs are incurred. Except as discussed below, Capital Projects and Operations and Maintenance (O&M) expenditures costing \$250,000 or more will be charged to the Resource Accounting Pool over a recovery period to be negotiated on a case-by-case basis and added to the fixed charges for the relevant Los Alamos Power Pool Approved Resource through (1) written modification to the relevant exhibit to this contract or (2) approval of the Contracting Officer and County Authority of such fixed charge within the Resource Accounting Pool's 24-month budget.
- (4) O&M expenditures are activities related to the performance of routine, preventative, predictive, scheduled, and unscheduled actions aimed at preventing equipment failure or decline with the goal of increasing efficiency, reliability, and safety.
- (5) Repair expenditures are costs incurred to bring an asset back to an earlier condition or to keep the asset operating at its present condition (as opposed to improving the asset).

B.5 NET COST RESPONSIBILITY AND PAYMENT

The Parties' costs and charges as allowed in the Resource Accounting Pool and the Parties' allocated share of costs of the Resource Accounting Pool shall be determined monthly in accordance with the Operating Procedures. The Parties will agree on a method for calculating the cost of electric service to the Parties and the related net payment.

B.6 RENEWABLE ENERGY CERTIFICATES (RECs) AND OTHER ATTRIBUTES

The Parties recognized that Long-Term Capacity Resources and Short-Term Capacity Resources may have associated RECs and Renewable Attributes. RECs and Renewable Attributes will be allocated as agreed upon by the Operating Committee to the mutual benefit of the Parties. Each Party can purchase RECs as needed, and they will be solely responsible for the costs associated with those RECs.

SECTION C - DESCRIPTION/SPECIFICATIONS/STATEMENT OF WORK

This section describes the work to be performed.

C.1 STATEMENT OF SERVICES

(1) Resources

(a) *Contribution and Usage of Capacity and Energy.*

- i. Section C.1(1)(d) and Attachment 1, Exhibits, identify the respective Approved Resources which are contributed by DOE/NNSA and the County for electrical service to the Los Alamos Service Area. Each Party shall be separately responsible for all arrangements necessary for the acquisition, transportation, operation (including fuel costs) and maintenance of its respective resources. All capacity and energy requirements of DOE/NNSA and the County within the Los Alamos Service Area and during the term of this contract shall be first satisfied from the Approved Resources. Notwithstanding the foregoing, and pursuant to the Operating Procedures, other resources may be used to furnish the loads of the Parties otherwise required to be first served from the Approved Resources when such other resources are found to be economically beneficial to both Parties.
- ii. The County and DOE/NNSA agree to give notice to one another of meetings or proceedings with third Parties involving matters that could significantly alter established Resource Accounting Pool cost responsibilities. The County and DOE/NNSA agree to designate representatives who are to be notified of such meetings and proceedings. Said representatives shall consult one another to determine whether the Party receiving notice should attend. Such notice should be given to the other Party at least forty-eight hours prior to the meeting.

(b) *Priorities.*

- i. For purposes of establishing priority of deliveries in the event of curtailment of Approved Resources. Priority of use of Approved Resources shall be allocated in accordance with the Operating Procedures, C10 *System Operation and Load Shedding*. The Operating Committee will develop and periodically review such priority plans to ensure resources are allocated to give priority to human needs, health, safety, and security needs.

(c) *Continuity of Service.*

- i. Each Party will use every reasonable means consistent with prudent utility practices to provide its Approved Resources on a regular and uninterrupted basis, but neither Party shall be liable to the other for failure, suspension, diminution, or other variations of service occasioned by any cause beyond its control and without willful misconduct or gross negligence. Such causes may include, but are not restricted to, acts specified in FAR Clause 52.249–14, Excusable Delays.

- ii. The Parties recognize that temporary service interruptions or reductions may be necessary for the purpose of maintenance, repairs, replacements, installation, or inspection of equipment and facilities. Either Party will give the Operating Committee, except in case of emergency, reasonable advance notice of such temporary interruptions or reductions and will minimize to the extent practicable the duration of such interruptions or reductions.

(d) *Additional Approved Resources.*

- i. In the event either Party desires to add additional Approved Resources beyond those defined in Attachment 1, Exhibits, such additions may be incorporated into this contract by modification, provided the Parties mutually agree upon the terms and conditions and cost allocations for the addition of such Approved Resources. The Government will submit the modification to the Los Alamos County for approval per Section G.1.
- ii. The Parties recognize under the terms of the County's Network Integrated Transmission Service Agreement (NITSA) with Public Service Company of New Mexico (PNM) that PNM has the utility responsibility to provide off-site transmission facilities on a timely basis to serve projected Los Alamos Service Area load growth and service reliability needs. In recognition of this PNM obligation, the Parties may request PNM to evaluate the projected needs of the Los Alamos Service Area and complete all necessary system improvements required to address the growth and service reliability needs of the Los Alamos Service Area and the surrounding area.
- iii. The Parties recognize that carbon-free power supply resources may be required by either Party. Such energy supply facilities and/or contracts necessary to meet these requirements shall be included as Approved Resources. The Parties agree to provide for cost recovery through the Resource Accounting Pool pursuant to the operational and cost-recovery guidelines set forth in Attachment 1, Exhibits, depending upon which Party(s) contracts for such carbon-free power supply resources.
- iv. The Parties recognize the need to provide flexibility to enter power purchase arrangements to meet longer-term capacity needs. The Parties agree that subject to the advance concurrence of the contracting authorities, authorized power purchase contracts will be Approved Resources under the Los Alamos Power Pool. The Parties agree to submit a modification to their respective contracting authorities to add the new resource to this contract. The Parties agree to provide for cost recovery through the Resource Accounting Pool pursuant to the operational and cost-recovery guidelines set forth in Attachment 1, Exhibits, depending upon which Party(s) contracts for the resource(s).
- v. A list of Approved Resources and Special Purpose Approved Resources (SPARs) under this contract is attached hereto as Attachment 1, Exhibits.

(e) *Infrastructure Investment*

The County shall provide written notice to DOE/NNSA within 60 days identifying any proposed additional electric production, transmission, or storage facilities ("New Facilities") for investment under this contract. Such notice may include: (i) a full description of the proposed

New Facilities; (ii) any impact on services, rates, or terms and conditions of service to DOE/NNSA; (iii) the required commitment period for the investment; and (iv) whether any contract modifications will be necessary. The Contracting Officer shall meet with the County within thirty (30) days of receiving such notice to discuss the proposed County investment and its impacts on DOE/NNSA rates.

If, following consultation and DOE/NNSA agreement, the County proceeds with the investment in any New Facilities, any resulting changes to rates or terms and conditions of service shall be incorporated into this contract by modification.

If the County proposes a long-term modification to add New Facilities, which may exceed the term of this Contract, the parties may review additional options outside this Contract such as involving Western Area Power Administration (WAPA), to facilitate the addition of New Facilities.

(2) Metering

- (a) All metering equipment shall be of standard manufacture and adequate to establish accurately the monthly kilowatt-hour energy use of each Party and to provide a reasonably accurate determination of each Party's contribution to the coincidental monthly demand. All meters measuring loads greater than 25 kilowatts (kW) shall measure and store 60 days of interval-by-interval load data.
- (b) Each Party will be responsible to furnish, install, maintain, and calibrate (if necessary) all meters for assets or resources they own, operate, and manage. Approved assets/resources Attachment 1, Exhibits, and further include additional Approved Resources added pursuant to Section C.1(1)(d). All meter readings shall be in accordance with the Operating Procedures, C7, *Metering*. If any meter fails to register or registers incorrectly, the quantity of service delivered through it shall be estimated based upon the best available information or historic and/or current usage. Each Party shall have the right to inspect all meter installations and billing data derived from the meters.
- (c) For the purpose of determining cost allocation factors for the Resource Accounting Pool, all metered quantities shall be adjusted for losses to reflect usage quantities at the system input points, which are defined as the dead-end structure on the east side of the Rio Grande river crossing of the Norton-ETA 115 kV line, the STA end of the BA – STA 115 kV Line, the net output of on-site generation, including the LANL Technical Area (TA) – 03 combustion gas turbine generator, the two 1 MW diesel engine generators and the 1 MW Photovoltaic (PV) at TA-61, as metered at the points of connection to the Los Alamos 13 kV system.

(3) Scheduling Agent Services

The County shall provide economic dispatch, scheduling agent services, load serving entity functions, accounting, and administrative services on behalf of Los Alamos Power Pool and shall be paid in accordance with Section B.1, *Accounting for Resource Costs*.

SECTION D - PACKAGING AND MARKING

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SECTION E - INSPECTION AND ACCEPTANCE

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SECTION F - DELIVERIES OR PERFORMANCE

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SECTION G - CONTRACT ADMINISTRATION DATA

G.1 CONTRACT ADMINISTRATION

- (1) The Contracting Officer serves as the contracting authority for the DOE/NNSA, and the County Council will serve as the contracting authority for the County. The responsibilities of the contracting authority shall include, but are not necessarily limited to, the following:
 - (a) Final approval of all contract modifications and 24-month budget put forth by the Operating Committee.
 - (b) Approval of all additions to, or deletions of, Approved Resources.
 - (c) Approval of the updated Operating Procedures will occur every five (5) years, which shall include policies for disposal of surplus power, economy energy transactions, short-term power purchases, emergency power purchases, and negotiations and agreements related thereto. Modifications or revisions that do not significantly impact the overall operations will be approved by the Operating Committee then documented in the five-year update to the Operating Procedures for contracting authority approval.
 - (d) Resolution of issues that cannot be resolved by the Operating Committee. Any issue that cannot be resolved by the Contracting Officer shall be resolved under the provisions of the Disputes Clause.

SECTION H - SPECIAL CONTRACT REQUIREMENTS

H.1 REAL PROPERTY ACCESS

- (1) DOE/NNSA hereby grants to the County, free of any rental or similar charge, a revocable access permit to the delivery points for any proper purpose under this contract, including use of the site or sites agreed upon by the Parties hereto for the installation, operation, and maintenance of the facilities of the County required to be located upon DOE/NNSA's premises. Authorized representatives of the County will be allowed access to the facilities of the County located within the DOE/NNSA premises at suitable times to perform the obligations of the County with respect to these facilities. It is expressly understood that the DOE/NNSA may limit or restrict the right of access herein granted in any manner considered to be necessary for national security.
- (2) The County hereby grants to DOE/NNSA, free of any rental or similar charge, a revocable access permit to the delivery points for any proper purpose under this contract, including use of the site or sites agreed upon by the Parties hereto for the installation, operation, and maintenance of the facilities of DOE/NNSA required to be located upon County premises. Authorized representatives of DOE/NNSA will be allowed access to the facilities of DOE/NNSA located within County premises at suitable times to perform the obligations of DOE/NNSA with respect to these facilities.
- (3) Any facilities installed pursuant to the contract shall be and remain the property of the Party installing them notwithstanding that the same may have been affixed to the premises, and each Party shall have a reasonable time after the expiration of this contract in which to remove its facilities so installed; provided, however, that each Party shall have the option of abandoning any of its facilities in place and/or leaving such facilities in place until service comparable to that provided for hereunder is otherwise obtained. Either Party may require that facilities that have been installed by

the other Party remain in service until a reasonable amount of time has been allowed for the affected Party to replace those facilities.

- (4) DOE/NNSA and the County entered into a joint use license agreement (M20NA70289) that will run concurrently with this contract. The Parties have a mutual interest in providing existing space within individually owned facilities to accommodate both the primary control room and back-up control for the shared Supervisory Control and Data Acquisition (SCADA) system.
- (5) DOE/NNSA granted a ground lease (DERP-M1NA27945) to the County for the operation and maintenance of the photovoltaic project at TA-61. It will expire on October 31, 2036, with a renewal option for an additional twenty-five (25) year term upon request by the County.

H.2 WESTERN ELECTRICITY COORDINATING COUNCIL (WECC) COMPLIANCE

- (1) The WECC is the Regional Entity for the Western Interconnection responsible for compliance monitoring and enforcement. DOE/NNSA is registered as a Distribution Provider (DP) with WECC. As a registered entity, DOE/NNSA is responsible for compliance with all requirements of the WECC standards that are applicable to their function for which they are registered. The DOE/NNSA owns, operates and maintains the primary and back-up control room(s) for the Supervisory Control and Data Acquisition (SCADA) system. The SCADA system and the Backup Control Center (BCC) provide a critical function needed to meet the WECC requirements related to the Critical Infrastructure Protection and cybersecurity requirements.
- (2) The Parties agree to the following terms to ensure compliance with the applicable WECC standards and/or requirements:
 - (a) Each Party shall comply with the North American Electric Reliability Corporation (NERC) and WECC standards where applicable. DOE/NNSA will notify the County of new standards or modifications to standards as applicable. The Operating Procedures will be updated to identify the requirements and who is the responsible Party to implement, as necessary.
 - (b) As the registered entity with WECC, DOE/NNSA shall be the lead Party responsible for the annual self-certification including (1) communication with WECC regarding any issues or concerns; (2) submitting the required documentation; and (3) coordinating with the County in a timely manner. The County shall provide the appropriate documentation to support DOE/NNSA within the required timeframes as communicated by DOE/NNSA.

H.3 COOPERATION OF THE PARTIES

If, in the maintenance of their respective resources and the utilization thereof for the purposes of this contract, it becomes necessary by reason of any emergency or extraordinary condition for either Party to request the other to furnish personnel, materials, tools, and equipment for the accomplishment thereof, the Party so requested shall cooperate with the other and render such assistance as the Party so requested may determine to be available. The Party making such request, upon receipt of properly itemized bills from the other Party, shall reimburse the Party rendering such assistance for all costs, properly and reasonably incurred by it in such performance, consistent with the policies and principles set forth in Section B.1, Accounting for Resource Costs.

PART II SECTION I - CONTRACT CLAUSES

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PART III - LIST OF DOCUMENTS, EXHIBITS, AND OTHER ATTACHMENTS

LIST OF PWS ATTACHMENTS

(1) The following documents, exhibits, and other attachments are incorporated into this contract:

ATTACHMENT 1: EXHIBITS

ATTACHMENT 1

EXHIBITS

Exhibit 1: DOE/NNSA Approved Resources and SPARs

- 1.1 Technical Area-03 Combustion Gas Turbine Generator (CGTG)**
- 1.2 DOE/NNSA Power Purchase Agreement Contracts**
- 1.3 DOE/NNSA Transmission and Substation Facilities**

Exhibit 2: County Approved Resources

- 2.1 Laramie River Station**
- 2.2 El Vado Hydroelectric Plant**
- 2.3 Abiquiu Hydroelectric Plant**
- 2.4 County Power Purchase Contracts**
- 2.5 County 1 MW Photovoltaic Installation at the Technical Area-61**
- 2.6 Foxtail Flats Photovoltaic and Battery Storage Project**
- 2.7 County Substation and Switching Facilities**

Exhibit 3: Miscellaneous Costs of Mutual Benefit

Exhibit 4: Method for the Cost Determination of DOE Distribution Facilities

Exhibit 5: San Juan Generating Station and Mine Reclamation

Exhibit 1: DOE/NNSA Approved Resources and SPARs

This Exhibit describes DOE/NNSA-owned electric utility resources which are included in the Resource Accounting Pool as either Approved Resources or SPARs.

1.1. Technical Area-03 Combustion Gas Turbine Generator (CGTG) SPAR

Description: The DOE/NNSA installed a Combustion Gas Turbine Generator (CGTG) adjacent to the Los Alamos TA-03 Steam Plant. The unit is incorporated in the Resource Accounting Pool as a SPAR, with a modified cost recovery schedule, not a full cost recovery Approved Resource. The Combustion Turbine is natural gas fired and will be operated and maintained to primarily support LANL energy needs.

Cost Recovery: DOE/NNSA accepted full fiscal responsibility for the arrangements to fund the Combustion Turbine. When the Combustion Turbine is utilized for Los Alamos Power Pool capacity purposes, DOE/NNSA will be given a credit equal to the cost of the fuel at the time of generation when operation is authorized by the MOP and a fixed fee to cover operations and maintenance and capital costs (O&MC), expenditures. The fixed O&MC cost will be reviewed and updated annually by DOE/NNSA and adjusted as part of the annual budget submittal. As a SPAR, the Combustion Turbine may be asked to curtail operations to achieve balancing on the system. Every effort will be made to manage balancing of the Los Alamos Power Pool's respective service territory before asking to curtail the Combustion Turbine.

1.2. DOE/NNSA Power Purchase Agreements

A. DOE Firm Electric Service Agreement No. DE-AC0489AL45747 (17-SLC-0885)

DOE/NNSA has an allocation of WAPA Salt Lake City Area Integrated Projects (SLCA/IP) firm power and has arranged for WAPA to secure long-term supplies of renewable energy including carbon-free energy. The Parties agree that WAPA's allocation of SLCA/IP power, which expires on September 30, 2057, unless extended, is an Approved Resource. All wheeling charges necessary to deliver the power and energy shall be included herein. Any new WAPA allocation and associated wheeling charges shall be included herein and shall be an Approved Resource. The scheduling of such energy purchases shall be the responsibility of the Manager of Operations or the designated representative. It is agreed that such purchased energy costs as well as costs associated with related wheeling shall be included herein.

WAPA offers, when available, monthly, and seasonal surplus capacity without energy. When economically beneficial to both Parties, such capacity may be utilized and will be included herein.

B. DOE Interagency Agreement No. 22-SLC-1098

DOE entered into an Interagency Agreement with WAPA, designated as Agreement No. 22-SLC-1098, which expires December 31, 2053. This agreement provides for a variety of services from WAPA, including purchases of long-term energy supply. Under this arrangement, WAPA is proceeding to secure long-term carbon-free energy supplies for LANL and Sandia/KAFB to meet the carbon-free electrical energy goals established for LANL. Within limits defined below, costs associated with carbon-free energy purchases shall be included in the Resource Accounting Pool as a SPAR.

Monthly Fixed Charges: Unless the carbon-free power source is available on a firm basis, the carbon-free energy supply will be treated as a non-firm energy resource with no capacity credit. If the carbon-

free energy is received on a firm basis, the associated firm fixed costs will be assigned to the Los Alamos Power Pool to the extent that the resulting average energy supply costs are not in excess of the maximum level provided below.

Carbon-Free Energy Expense: The actual carbon-free energy supply cost for non-firm carbon-free energy to be secured by WAPA for DOE/NNSA up to a mutually acceptable ceiling price per megawatt-hour (MWh) at points of input into the PNM transmission system, not counting PNM-NITSA cost, is to be fully allocated to electric energy expense.

Should carbon-free energy be firmed by WAPA through use of the DOE/NNSA 15 MW of WAPA peaking capacity, the net energy costs shall be allowed to the extent that the combined monthly fixed costs and carbon-free energy supply costs do not exceed a mutually acceptable ceiling price per MWh at points of input into the PNM transmission system. Credits, if any, obtained through firming of carbon-free energy for other New Mexico customers of WAPA shall be reflected in the determination of the net allowable energy costs assignable to the Resource Accounting Pool.

These mutually acceptable ceiling prices shall be subject to periodic review and change as part of the annual budget process to reflect the projected annual Four Corners' competitive market prices for non-firm and firm energy. Adjusted rates as agreed upon by the Parties shall become effective upon (1) written modification to this exhibit or (2) the approval by the Contracting Officer and County Authority of such revised charge within the Resource Accounting Pool's 24-month budget.

Transmission Delivery Costs: Any PNM NITSA or other transmission service costs and/or WAPA transmission delivery costs, including additional ancillary fees and losses associated with the delivery of carbon-free energy through the PNM transmission system, will be treated as Los Alamos Power Pool transmission costs.

1.3. DOE/NNSA Transmission and Substation Facilities

Description

The DOE/NNSA Los Alamos 115 kV Transmission and Substation Facilities that shall be included as Approved Resources and SPARs are as follows:

- A. ETA Switching Station and related facilities
- B. STA Switching Station and related facilities
- C. WTA Switching Station and related facilities
- D. 115 kV Transmission System ETA to TA-53, TA-53 to TA-03, STA to WTA, WTA to TA-03
- E. 115 kV Transmission ETA to PNM system point of connection
- F. TA-03 Substation and related facilities
- G. Capacitor Banks and related facilities
- H. Synchronous Optical Network (SONET Ring)
- I. Primary and Backup Control Rooms and the Personnel Access Control System
- J. Supervisory Control and Data Acquisition System (SCADA)

K. Static Var Compensator at TA -05

L. SN Line: Transmission network line from PNM's Norton Substation to STA (SN Line) is a SPAR until the LAC coincidental peak demand exceeds 30 MVA, after which time the Operating Committee may consider making the SN Line an Approved Resource. Then the Parties may mutually agree upon the terms and conditions for adding the SN Line as an additional Approved Resource pursuant to Section C.1(1)(d).

M. CN Line: Transmission network line from ETA to TA-03 (CN Line) and substation modifications are a SPAR until the LAC coincidence peak demand exceeds 30 MVA, after which time the Operating Committee may consider making the CN Line and substation modifications including a current limiting reactor an Approved Resource. Then the Parties may mutually agree upon the terms and conditions for adding the CN Line as an additional Approved Resource pursuant to Section C.1(1)(d).

Monthly Fixed Charge – Approved Resources.

The Parties agree that a monthly fixed charge associated with the DOE/NNSA 115 KV Transmission and Substation Facilities for each budget year will be based upon amortization of the remaining net asset value over the remaining estimated asset life as of June 30 of the proceeding contract year. Estimated asset lives will be established when assets are placed in service based on standard asset lives adopted for assets of a similar nature, industry or trade standards, or other methodology agreed to by the Parties upon project approval. Any assets exposed directly or fully amortized will be excluded from this fixed charge amount. The monthly charge shall be included as part of DOE/NNSA's annual budget. Replacements and additions of single items, not to exceed \$250,000, shall be separately charged as an operating expense on an actual cost-incurred basis.

Operating and Maintenance Expenses.

The Parties agree that all operating and maintenance expenses associated with the approved 115 kV Transmission and Substation Facilities shall be included herein.

Monthly Fixed Charge – SPARs

The Parties agree the amount of fixed charges for construction of new transmission network line from PNM's Norton Substation to the TA-71 STA Switching station (SN Line) are a SPAR until the LAC coincidental peak demand exceeds 30MVA and shall not be included. The Parties agree that once LAC's coincidental peak demand net of any storage exceeds 30 MVA then the Operating Committee may consider making the SN Line an Approved Resource. Then the parties may mutually agree upon the terms and conditions for adding the SN Line as an additional Approved Resource pursuant to Section C.1(1)(d).

The Parties agree the amount of fixed charges for construction of new transmission network line from ETA to TA-03 (CN Line) and substation modifications including a current limiting reactor are a SPAR until the LAC coincidental peak demand exceeds 30 MVA and shall not be included. The Parties agree that once LAC's coincidental peak demand net of any storage exceeds 30 MVA then the Operating Committee may consider making the CN Line an Approved Resource. Then the parties may mutually agree upon the terms and conditions for adding the CN Line as an additional Approved Resource pursuant to Section C.1(1)(d).

Annual Adjustment of Fixed Charges:

In the event of extraordinary additions or replacements of single items, in excess of \$250,000, the Parties may agree to treat such specific additions or replacements as capital improvements and negotiate a revision of the fixed charge. An adjusted monthly fixed charge as agreed upon by the Parties shall become effective upon (1) written modification to this exhibit or (2) the approval by the Contracting Officer and County Authority of such revised charge within the Resource Accounting Pool's 24- month budget.

Exhibit 2: County Approved Resources

General

The County owns and operates or holds contracts for generation resources and has entered into various transmission agreements to provide for the delivery of power to the Los Alamos Service Area; these generation and transmission resources are Approved Resources under this contract unless otherwise indicated, and are set forth as separate schedules to this Exhibit 2.

2.1 Laramie River Station

Description

The County has contracted with Lincoln Electric System (LES) for a life of the project participation of 4.35 percent (10 MW) of LES original entitlement from the Laramie River Station (LRS). LRS is a coal-fired generating plant located in Wheatland, Wyoming. LES power and energy as well as related transmission arrangements for the LES power shall be included herein.

Monthly Participation Charge

The Parties agree that the monthly participation charge as set forth in the agreement between the County and LES shall be included herein.

2.2 El Vado Hydroelectric Plant

Description

The Parties agree that the El Vado Project is an Approved Resource under this contract. The El Vado Project, located on the El Vado Reservoir 55 miles northwest of Los Alamos, has one (1) 8.9 MW hydroelectric generating unit and commenced initial operation in May 1988.

Determination of Monthly Capacity Charge

A monthly capacity charge for the El Vado Hydroelectric Plant shall be computed by the County in accordance with the following formula:

$$\text{Monthly Capacity Charge} = (1/\text{MO}) \times (\text{DS} + \text{RR} + \text{FDE})$$

Where:

MO = Total months or parts thereof that the Approved Resource is anticipated at the beginning of the County Fiscal Year by the County to operate during such County Fiscal Year. The calculation shall include MO=12.

DS = Debt Services for Approved Resources shall mean the net amount of annual payments of principal (whether due to maturity or through retirement from mandatory sinking fund installments or through mandatory extraordinary redemptions prior to maturity as a result of, among other things, failure to renew this contract), and interest on any obligations (bonds, notes, letter of credit and other credit facilities, subordinated indebtedness or other evidence of indebtedness) owned by the County on any obligation of the County issued to finance or refinance Approved Resources including without limitation, any obligation issued by the County under either Indenture, less all relative interest earnings, from Bond Fund Earnings, Bond Reserve Fund Earnings, Rate Stabilization Reserve Fund Earnings and Replace Reserve Fund

Earnings held under such Indentures, regardless of whether or not earnings from these funds are otherwise restricted. For purposes thereof, the interest earnings are limited to those that would be allowed to flow to the County under Internal Revenue Service Arbitrage restrictions.

RR = Current annual budgets for renewal and replacements.

FDE = Annual budget for fixed demand related expenses recorded in Federal Energy Regulatory Commission (FERC) Accounts 408, 431, 500, 502, 505, 506, 507, 510, & 511, and such other approved charges.

The monthly capacity charge will be allocated 100 percent energy.

Existing Debt Service will be included as a part of the capacity charge. If a new debt service must be issued, then the Operating Committee will consider it on a case-by-case basis. It will be approved by the Contracting Authority for each party.

If Debt Service for Approved Resources includes payments of principal on an accelerated basis and the DOE pays its share thereof as required by the terms of this contract, the County agrees that it will share, in a fair and equitable manner and upon such terms as shall be agreed to by the County and DOE, the benefits of the County's Approved Resources paid for early by such acceleration.

If the County borrows funds to avoid having to pass on all or a major share of the incremental costs of accelerated debt retirement to its retail customers, repayment of such borrowed funds shall be the sole responsibility of the County and shall not be recoverable from the Pool.

Determination of Monthly Energy Charge

A monthly energy charge for hydroelectric production shall be developed in accordance with the following formula:

$$\text{Monthly Energy Charge} = \text{FERC}$$

Where

FERC = Total Charges incurred by County, that are properly chargeable to FERC Account Nos. 535 through 545, and such other approved charges.

The monthly energy charge will be allocated as 100 percent energy.

2.3 Abiquiu Hydroelectric Plant

Description

The Parties agree that the Abiquiu Project is an Approved Resource under this contract. The Abiquiu Project, located on the Abiquiu Reservoir 28 miles northwest of Los Alamos, has three (3) hydroelectric generating units with a combined capacity of 17.0 MW. The first 6.9 MW unit at the Abiquiu Project commenced initial operation in March 1989, and the second 6.9 MW unit commenced operation April 1990. The third unit at the Abiquiu Project, also referred to as the Low Flow Turbine-generator unit ("LFT"), has a rated capacity of 3.2 MW. The LFT was funded, beginning June 1, 2009, through County issuance of 20-year revenue bonds in the approximate amount of \$10 million. Existing debt service, including that for the LFT, will be included as a part of the monthly capacity charge. In the event new

debt service is issued, the Pool will consider the inclusion of such new debt service on a case-by-case basis.

Determination of Monthly Capacity Charge

A monthly capacity charge for the Abiquiu Hydroelectric Plant shall be computed by the County in accordance with the following formula:

$$\text{Monthly Capacity Charge} = (1/\text{MO}) \times (\text{DS} + \text{RR} + \text{FDE})$$

Where:

MO = Total months or parts thereof that the Approved Resource is anticipated at the beginning of the County Fiscal Year by the County to operate during such County Fiscal Year. The calculation shall include MO=12.

DS = Debt Services for Approved Resources shall mean the net amount of annual payments of principal (whether due to maturity or through retirement from mandatory sinking fund installments or through mandatory extraordinary redemptions prior to maturity as a result of, among other things, failure to renew this contract), and interest on any obligations (bonds, notes, letter of credit and other credit facilities, subordinated indebtedness or other evidence of indebtedness) owned by the County on any obligation of the County issued to finance or refinance Approved Resources including without limitation, any obligation issued by the County under either Indenture, less all relative interest earnings, from Bond Fund Earnings, Bond Reserve Fund Earnings, Rate Stabilization Reserve Fund Earnings and Replace Reserve Fund Earnings held under such Indentures, regardless of whether or not earnings from these funds are otherwise restricted. For purposes thereof, the interest earnings are limited to those that would be allowed to flow to the County under Internal Revenue Service Arbitrage restrictions.

RR = Current annual budgets for renewal and replacements.

FDE = Annual budget for fixed demand related expenses recorded in Federal Energy Regulatory Commission (FERC) Accounts 408, 431, 500, 502, 505, 506, 507, 510, & 511, and such other approved charges.

The monthly capacity charge will be allocated 100 percent energy.

Existing Debt Service will be included as a part of the capacity charge. If a new debt service must be issued, then the Operating Committee will consider it on a case-by-case basis. It would need to be approved the Contracting Authority for each party.

If Debt Service for Approved Resources includes payments of principal on an accelerated basis and the DOE pays its share thereof as required by the terms of this contract, the County agrees that it will share, in a fair and equitable manner and upon such terms as shall be agreed to by the County and DOE, the benefits of the County's Approved Resources paid for early by such acceleration.

If the County borrows funds to avoid having to pass on all or a major share of the incremental costs of accelerated debt retirement to its retail customers, repayment of such borrowed funds shall be the sole responsibility of the County and shall not be recoverable from the Pool.

Determination of Monthly Energy Charge

A monthly energy charge for hydroelectric production shall be developed in accordance with the following formula:

Monthly Energy Charge = FERC

Where:

FERC = Total charge incurred by County, on and after the date that a given hydroelectric unit is declared available for commercial operation, that are properly chargeable to FERC Account Nos. 535 through 545, and such other approved charges.

The monthly capacity charge will be allocated 100 percent energy.

Monthly Charge

The parties recognize that the monthly charge associated with the transmission interconnection agreements will be dependent in part on actual power deliveries. The parties agree that all such charges shall be included herein.

2.4 County Purchased Power Contracts

County Contract No. 17-SLC-0896

The Parties agree that WAPA's allocation of SLCA/IP power and energy per Contract No. 17-SLC-0896 which expires September 30, 2057, unless extended, is an Approved Resource. In addition, any new WAPA allocation shall be an Approved Resource. Any wheeling charges necessary to deliver the power and energy shall be included herein.

WAPA offers, when available, monthly, and seasonal surplus capacity and energy. When economically beneficial to both Parties, such capacity may be utilized and shall be included herein.

Short-Term Purchase Power

Short-term purchases as may be required and as have been approved by the Parties in the 24-month budget forecast shall be included herein.

Emergency Power for County Approved Resources

Through power pool membership, reserve sharing groups, regional transmission organizations, and power purchase agreements the County will be providing for emergency and replacement power and energy. Emergency and replacement power purchases shall be included herein.

The following agreements for transmission of power and modifications thereto for the County's Approved Resources and provision for alternate transmission paths in case of failures in the normal path shall be included herein:

- A. PNM Interconnection Agreement
- B. Plains/Tri-State Interconnection Agreement & TSA
- C. WAPA Transmission Agreement(s)
- D. NORA Interconnection Agreement & TSA
- E. Jemez Interconnection Agreement

- F. El Vado – Spills Switchyard 69 kV line (The El Vado – Spills Switchyard 69 kV Line and associated line terminal equipment that connects the El Vado Plant to the NORA system is assigned to the Los Alamos Power Pool as part of the cost of the El Vado Plant).
- G. PNM/LAC Network Integration Transmission Service Agreement (NITSA)
- H. Southwest Power Pool Transmission and Market Participant Agreements

Monthly Charge

The parties recognize that the monthly charge associated with the transmission interconnection agreements will be dependent in part on actual power deliveries. The Parties agree that all such charges shall be included herein.

2.5 County 1 MW Photovoltaic Installation at the Technical Area-61

Description

The County has a 1 MW PV generation resource on leased federal land at TA-61. This land is owned by DOE/NNSA and is leased to the County. Output from the 1 MW PV installation at TA-61 is used to serve Los Alamos Power Pool Loads. There is potential to increase the power generation capacity of this installation; the cost allocation to the Los Alamos Power Pool and any termination provisions associated with the construction for such an increase, and/or any associated power purchase agreements, and accounting procedures are subject to Operating Committee review and concurrence and subsequent approval by the Contracting Authorities as part of the future Los Alamos Power Pool budgets.

2.6 Foxtails Flats Photovoltaic and Battery Energy Storage Project

Description

The Foxtail Flats Photovoltaic (PV) and Battery Energy Project is in San Juan County, New Mexico on leased Tribal or New Mexico State lands. The project consists of 170 MW of PV with an 80MW / 320MWh battery energy storage over a 20-year term. Sandia National Laboratory/Kirtland Airforce Base (SNL/KAFB), DOE/NNSA and the County will be participating as offtakers in this resource. This Exhibit will be effective when the power resources become commercially operational.

SNL/KAFB, DOE/NNSA and the County agree that the Power Purchase Agreement (PPA), entered between the Incorporated County of Los Alamos and Foxtail Flats Solar LLC is an approved resource throughout the term of the Electric Coordination Agreement (ECA). The PPA is for 170 MW of unit contingent PV power.

The power is priced at a fixed price of \$37.88/MWh with no escalator for the life of the PPA.

The Parties agree that the Energy Storage Agreement (ESA) entered between the County and Foxtail Flats Storage LLC, is an approved resource throughout the term of the Electric Coordination Agreement (ECA), notwithstanding Exhibit 1, Section 1.2 B. *DOE Interagency Agreement No. 22-SLC-1098*. The ESA is for 80MW / 320MWh of battery energy storage capacity. The resource is priced at a fixed price of \$13.50/kW-month with no escalator for the life of the ESA. The battery will nominally be fully charged and discharged once per day.

The Parties will not be responsible for any operations and maintenance costs of any of the facilities associated with the power resource(s). The Parties agree that any wheeling or transmission costs

necessary to deliver the power and energy are included herein. If any one Party among the Parties cannot utilize their entire resource allocation, then the other two Parties will have first right of refusal for the excess power from the PV at the stated price. Power excess to the aggregate need of the Parties will be sold through the merchant desk or curtailed.

Total generation is the actual power produced by the array and battery energy storage plus the amount of any curtailed power capacity that was not called upon to generate. Curtailment may occur when economic conditions, for example negative pricing, or system constraints preclude reasonable sales.

Resource Allocation and Costs:

(1) Sandia National Laboratory/Kirtland Airforce Base (SNL/KAFB)

30 MW of PV plus 20 MW / 80 MWh of battery energy storage at the fixed price listed above adjusted for sales and curtailment on a monthly basis for a 10-year term starting from the Foxtail Flats Phase 2 Commercial Operation Date, with the option for an additional 10-year term immediately following the first term will be allocated to SNL/KAFB. This sales agreement helps mitigate the risk for selling the excess PV in the first ten years.

SNL/KAFB will notify the LAPP at least three (3) calendar years before the end of the first 10-year term whether or not the option for a second 10-year term will be exercised. If the option is not exercised, then SNL/KAFB's 30 MW PV and 20 MW BESS allocations will be reallocated to LAPP at the end of the first 10-year term. The scheduling, billing and payment of this resource will be done in accordance with 08-SLC-061, Scheduling Agent Agreement between WAPA and the County on behalf of SNL/KAFB.

(2) Los Alamos Power Pool (LAPP)

90MW of PV plus 60MW / 240MWh of battery energy storage at the fixed prices listed above adjusted on a monthly basis for sales and curtailment for the first 10-years will be allocated to the LAPP. LAPP refers to the LANL and County collectively.

The scheduling, billing and payment of this resource will be done in accordance with Sections C.1(1) *Resources* and B.1 *ACCOUNTING FOR RESOURCE COSTS* of this contract for the Los Alamos Power Pool.

(3) Market Sales

The County intends on selling approximately 50MW of the PV for the first ten years, starting from the commercial operation date. All expenses and revenues associated with these market sales are included herein.

2.7 County Substation and Switching Facilities

Description

The Los Alamos County Substation and Switching Facilities are as follows:

- A. Townsite Switching Station
- B. Los Alamos Switching Station (LASS)
- C. White Rock Substation

D. East Gate Substation. The Parties agree that the County may fund a new substation and associated equipment. The County will have ownership, operating and maintenance responsibilities. When complete, the Operating Committee may consider making this substation an Approved Resource. Then the Parties may mutually agree upon the terms and conditions for adding the East Gate Substation as an additional Approved Resource pursuant to Section C.1.(1)(d).

Resource Allocation and Costs:

The County shall own, operate and maintain these resources. The Parties agree these resources are not considered approved resources so they will not be included herein. If the County decides to make any of these resources an approved resource, the County will present it to the Operating Committee for consideration as a new approved resource pursuant to Section C.1(1)(d)

Additional Approved Resources.

Exhibit 3: Miscellaneous Costs of Mutual Benefit

To provide for the coordinated operation of the DOE/NNSA and County resource planning, the Parties recognize that there are certain other costs which are not appropriately included as costs of the Approved Resources, but which are mutually beneficial to both Parties. The list of other costs shall be included herein is as follows:

- A. Expenses associated with the coordination of the combined operation of the Approved Resources include funding and operating the load dispatch center and the employment of a Manager of Operations. The monthly allocation of Scheduling Agent Services will be done in a two-step process. First, all of the Scheduling Agent Services costs will be totaled. The portion allocable to KAFB/SNL will be determined by the ratio of (i) the total energy use by KAFB/SNL to (ii) the combined LAC/LANL and KAFB/SNL energy use for the billing month, multiplied by the total cost. The costs determined by this formula are allocable to KAFB/SNL and will be billed directly to WAPA. Second, all remaining Scheduling Agent Services costs will be included in the monthly LAC/LANL settlement sheet and allocated 100 percent demand.
- B. Expenses related to the Los Alamos Power Pool, and meetings shall be included herein. The Parties agree that these costs will be allocated 50 percent demand and 50 percent energy.
- C. Studies and meetings associated with the planning for future resources and facilities as scheduled in the approved 24-month budget forecast. The Parties agree that these costs will be allocated 50 percent demand and 50 percent energy.
- D. Cost of owning, maintaining, and reading meters, rendering invoices and data management. The Parties agree that these costs will be allocated as customer costs.
- E. Cost of developing an Integrated Resource Plan (IRP) or any subsequent planning documents for future resources will be shared proportionally based on prior fiscal year energy allocation between the Parties and included herein. The IRP will be updated every 5 years or sooner as mutually agreed upon and budgeted for by the Parties.
- F. Cost of software, equipment, services, and other associated expenses for load and resource planning occurring more frequently than every five years will be shared proportionally based on prior fiscal year energy allocation between the parties and shall be included herein.
- G. Cost of software, equipment, services, settlements, and other associated expenses for the LAPP's membership or participation in electricity markets shall be included herein with costs to be allocated as mutually agreed upon by the parties. Such electricity market costs may include but are not limited to, the California Independent System Operator (CAISO) extended day-ahead market (EDAM), the CAISO Energy Imbalance Market (EIM), the SPP Regional Transmission Organization (RTO), the SPP Markets+, and other electricity markets and market functions which may arise.
- H. In recognition of financial penalties or expenses which may be imposed on the parties by PNM, CAISO, SPP or other electric market entities due to LAPP's participation in the electric markets, such financial penalties or expenses which are directly attributable to load forecasting errors or load deviations exceeding +/-5% and that have a measurable financial effect on the Resource Accounting Pool shall be included herein with costs to be allocated as mutually agreed upon by the parties.

- I. In recognition of compliance cost associated with special contract requirements, contract clauses, and other clauses under this contract, if such costs arise solely at the direction of DOE/NNSA and are solely to the benefit of DOE/NNSA, then the parties agree that such costs shall be allocated 100% to DOE/NNSA.

Exhibit 4: Method for the Cost Determination of DOE Distribution Facilities

General

This exhibit identifies the method utilized for determination of the Facilities Charge to be assessed to the County for the County's use of distribution facilities which are now or in the future may be installed by the DOE.

The Parties agree to evaluate the feasibility of transferring these assets to the County on as needed basis.

Method

The Parties agree that the County will be assessed \$2,046 monthly for use of DOE distribution facilities. Whenever any facilities are added or deleted from the facilities described below, the Parties will determine a new monthly assessment.

Duct and cable between TA-03 Substation and County (TC1&2 and LC1&2)

Distribution line to serve Elk Ridge Trailer Court

Exhibit 5: San Juan Generating Station and Mine Reclamation

General

The San Juan Generating Station (SJGS) is an 1,848 MW coal-fired facility located in northern New Mexico within San Juan County. The four units at SJGS were placed into service between 1973 and 1982. The SJGS was an Approved Resource under the 1985 Electric Coordination Agreement (DE-AC04-85AL26078). In December 2017, Units 2 and 3 were retired but their decommissioning and demolition (D&D) was deferred. Units 1 and 4 remained operational until September 29, 2022.

PNM retained Burns and McDonnell Engineering Company to develop a statement of work for the decommissioning and demolition of the SJGS. SJGS Decommissioning Study Project No. 137089 dated July 14, 2022, is included herein as the source document that identified the SOW and cost estimate for the D&D of SJGS. With the SJGS D&D schedule, the asset liabilities extend beyond the term of the 1985 ECA (DE-AC04-85AL26078) into the term of this agreement.

In August 2012, the County entered into the San Juan Generation Station Reclamation Trust Agreement with the Bank of Albuquerque as Trustee for the San Juan Coal Company (SJCC) for participating in the San Juan Project. The trust agreement is included herein as it identifies the terms and conditions for the participant (or the County). The purpose of this Agreement is to provide funding for the payment to SJCC of certain coal mine reclamation costs, in accordance with the County's obligations as set out in the Funding Agreement. Most of the mine reclamation activities should be completed by 2030 but may go beyond the 10-year contract term of this agreement. All expenses associated with the SJGS D&D, mine reclamation, and miscellaneous costs are included herein until all obligations are fulfilled. The County shall keep the LAPP apprised of all activities and costs. If additional funding is required, then the Operating Committee will vote before approval by the appropriate contracting authority.

A. SJGS D&D Costs

The Los Alamos County currently has approximately \$4.2 Million for SJGS D&D. The SJGS D&D is estimated to end in 2035-2040 when there may be an opportunity to finally decommission the Shumway Arroyo. The SJGS partners also entered the Sierra Club Consent Decree that requires the plant to maintain and operate a water collection and treatment system through 2040.

B. Mine Reclamation Costs

The County has approximately \$3.37 Million in a Trust Fund for mine reclamation activities. The trust fund is paid to the current trustee (San Juan Westmorland) for all mine reclamation activities. Any remaining funds will be released back to the participants once all obligations have been satisfied and the observation period is complete, which may take up to 10 years after the reclamation activities are complete. The costs for mine reclamation activities may increase depending on inflation so it may require additional funds to be added through a cash injection to the Trust Fund.

C. Miscellaneous Costs

In addition to SJGS D&D and mine reclamation, there are also long-term costs for engineering and oversight until the County is released from its SJGS obligation. This service is currently provided by PNM. It costs approximately \$12,000 per year. There will also be long-term legal costs for potential

disputes, etc. The SJGS partners are required to pay property taxes and insurance which is not included as a D&D expense.

DEFINITIONS

In addition to the terms defined in the contract, the following terms are defined for purposes of this contract:

- *Approved Resources* means the electric utility resources contributed by each Party pursuant to this contract and utilized by the Operating Committee pursuant to the Operating Procedures.
- *Capacity* means the instantaneous load-serving capability of power supply resources as name plate capacity for intermittent power supply resources, both as mutually agreed upon by the Parties.
- *Carbon-Free* means electricity generation that either does not use fossil fuels or does not emit carbon.
- *Carbon-Neutral* means the County will be a carbon-neutral electrical energy provider when the electricity distributed to Los Alamos County consumers is generated or purchased from sources that in their normal operation cause no net release of carbon dioxide into the atmosphere. No net release of carbon dioxide means that purchases or generation of carbon-based electrical energy, necessary when carbon-free supplies are not practically available to supply Los Alamos County consumers, will be fully offset from previous sales of surplus carbon-free electricity to other entities.
- *Contract Authorities* means a County or DOE/NNSA representative(s) who has legal authority to enter contracts or incur obligations for their respective agency.
- *Contracting Officer* means a person with the authority to enter into, administer, and/or terminate contracts and make related determinations and findings.
- *Contracting Officer Representative* means a government employee formally designated to act as an authorized representative of a contracting officer for specified functions that do not include actions that could change the scope, price, terms, or conditions of a contract (e.g., technical monitoring).
- *County Authority* means the Board of Public Utilities and the County Council or their duly authorized representative for purposes of this contract.
- *Los Alamos County consumers* means those customers scheduled in the Los Alamos County Code of Ordinances Section 40-121; this does not include Los Alamos National Laboratory (LANL).
- *Los Alamos Power Pool (LAPP)* means the loads and power supply resources that serve the Los Alamos Service Area.
- *Los Alamos Service Area* means that area within and adjacent to the geographic boundary of Los Alamos County receiving service from the electric systems of either the County or DOE/NNSA.
- *Long-Term Capacity Resources* means the power supply resources and their associated capacity for each month of the Resource Planning Horizon as mutually agreed upon by the Parties.
- *Manager of Operations* means a person responsible to the Operating Committee and having authority to act on its behalf regarding matters in those areas that are specified within the Approved Operating Procedures.

- *Minimum Long-Term Capacity Requirements* means the highest monthly amount of the LAPP Monthly Demand Projections in all months of the Resource Planning Horizon plus a planning reserve margin mutually agreed upon by the parties.
- *Monthly Demand Projections* means a forecast of monthly demands for the LAPP for each month of the Resource Planning Horizon derived from forecasts submitted annually by each party prior to the end of the current Pool Fiscal Year plus mutually agreed upon losses.
- *Operating Committee* means those persons designated by the Contracting Officer and the County Authority to have responsibility for the coordinated operation of the Approved Resources and the Resource Accounting Pool in accordance with Operating Procedures.
- *Operating Procedures* means the set of procedures developed and approved by both Parties which identifies respective duties and obligations for the administration, budget, operations and planning for activities approved by the Contracting Officer and the County Authority for the coordinated operation of the Approved Resources and the Resource Accounting Pool.
- *Party or Parties* refers to the Incorporated County of Los Alamos and Department of Energy/National Nuclear Security Administrative as an individual entity or collectively known as “the Parties”.
- *Pool Fiscal Year* means a twelve-month period from July 1 through June 30.
- *Prudent Utility Practice* means the practices, methods, and acts (including the practices, methods, and acts engaged in or approved by a significant portion of the electric power generation industry, CAISO, WECC and/or NERC) for similar facilities that, at a particular time, in the exercise of reasonable judgment in light of the facts known or that should reasonably have been known at the time a decision was made, would have been expected to accomplish the desired result in a manner consistent with law, regulation, permits, codes, standards, reliability, safety, environmental protection, economy, and expedition. Prudent Utility Practice(s) are not necessarily defined as the optimal standard practice method or act to the exclusion of others, but rather refer to a range of actions reasonable under the circumstances.
- *Renewable Energy Certificates or RECs* means the electronic certificates which relate to each megawatt hour of generation delivered from the Project to the Delivery Point or the Solar Charging Point, as applicable, at any time during the Term of this Agreement, that are produced, documented, or classified by WREGIS according to their ability to meet renewable portfolio standards requirements in the State of New Mexico.
- *Renewable Attribute* means all available environmental characteristics, environmental claims, environmental credits, environmental benefits, environmental emissions reductions, environmental offsets, environmental allowances and environmental allocations, existing now or in the future, howsoever characterized, denominated, measured or entitled, attributable to the energy output of a Project. Renewable Attributes include but are not limited to: (a) any avoided emissions of pollutants to the air, soil or water including but not limited to sulfur oxides (Sox), nitrogen oxides (NO), carbon monoxide (CO), particulate matter and other pollutants; (b) any avoided emissions of carbon dioxide (CO₂), methane (CH₄) and other greenhouse gases that have been or may be determined by the United Nations Intergovernmental Panel on Climate Change to contribute to the actual or potential threat of altering the Earth’s climate by trapping heat in the atmosphere; (c) all set-aside allowances and/or allocations from emissions trading

programs; and (d) all renewable energy credits, certificates, green tags, registrations, recordation or other memorialization of whatever type or sort, representing any of the above.

- *Resource Accounting Pool* means that accounting method wherein costs of the consolidated County and DOE/NNSA Los Alamos Power Pool operations are recorded and apportioned between the Parties pursuant to this contract.
- *Resource Planning Horizon* means a rolling five-year period following the current Pool Fiscal Year for capacity and energy planning.
- *Short-Term Capacity Resources* means the portion of Approved Resources beyond those resources defined as Long-Term Capacity Resources that may be operationally available from time to time. The Short-Term Capacity Resources include variable amounts that may be available on a month-by-month basis as well as amounts of purchased power from third Party suppliers on a short-term contractual basis of 12 months or less. Short-Term Capacity Resources generally will be utilized to meet specific short-term operational needs.
- *Special Purpose Approved Resources (SPAR)* means the electric utility facilities and power contracts that have been incorporated into the ECA primarily to meet the special needs of one of the Parties and utilized by the Operating Committee pursuant to the Operating Procedures.
- *Scheduling Agent Services* means those facilities and County personnel that provide: (1) continuous real-time monitoring of the loads and resources related to supplying the power requirements of LANL, the County, and joint requirements of Sandia National Laboratory/Kirtland Air Force Base (SNL/KAFB); (2) supplemental short-term purchases to cover projected resource deficits; (3) short-term sales of capacity, energy and renewable attribute excesses; (4) schedules for transmission deliveries for all power transactions; (5) hour-by-hour records as well as assistance in the month end accounting and validation of monthly statements related to transmission services and short-term power transactions as may be necessary to support the Resource Accounting Pool; (6) adjustment of deliveries in the event of transmission or power supply emergencies to the extent practical to ensure continuity of service; and (7) assurance that power supply resources are scheduled and operated in a manner that minimizes costs without compromising service reliability.

OPERATING PROCEDURES
PREPARED PURSUANT TO THE TERMS OF
THE ELECTRIC COORDINATION AGREEMENT

between the
UNITED STATES DEPARTMENT OF ENERGY/
NATIONAL NUCLEAR SECURITY ADMINISTRATION

And the
INCORPORATED COUNTY OF LOS ALAMOS

(Contract No. 89233126CNA000436)

The United States Department of Energy/National Nuclear Security Administration (DOE/NNSA) and the Incorporated County of Los Alamos (the County or LAC), (each a Party and collectively referred to as the Parties) established these operating procedures (Operating Procedures) pursuant to that certain Electric Coordination Agreement between the Department of Energy/National Nuclear Security Administration and the Incorporated County of Los Alamos, Contract Number 89233126CNA000436 (the ECA) and the incorporated performance work statement (Performance Work Statement), as may be amended from time to time. Any terms not defined specifically within the body of these Operating Procedures shall have the meaning ascribed to them in the Performance Work Statement. The Operating Procedures are categorized as follows: Administrative Procedures, Budget and Accounting Procedures, Operations Procedures, and Planning Procedures.

The Operating Procedures shall become effective upon the last signed date shown below.

U.S. DEPARTMENT OF ENERGY
NNSA

INCORPORATED COUNTY OF LOS
ALAMOS

Contracting Officer

Chair of the Board of Public Utilities

Date

Date

Chair of the County Council

Date

Contents

Contents	ii
Section A Administrative Procedures	1
A1 Operating Committee	1
A2 Manager of Operations and Other Approved Pool Personnel	5
A3 Operating Procedure Changes.....	6
A4 Retention of Operating Reports and Records	7
Section B Budget and Accounting Procedures	10
B1 Capital Budget.....	10
B2 Operating Budget.....	12
B3 Billing and Payment.....	14
B4 Adjustments for Prior Period Invoiced Corrections	15
B5 Timing of Expenditures.....	16
B6 Pool Operations Accounts	17
B7 Special Purpose Approved Resources	18
B8 Customer Related Costs	21
Section C Operations Procedures.....	23
C1 Annual Operating Plan for Approved Resources	23
C2 Operating Schedules and Reports	25
C3 Operating Reserves	26
C4 Transmission Facility Records and Operational Data	27
C5 Transmission System Operation and Maintenance	28
C6 Coordination of Relays and Protective Equipment	30
C7 Metering.....	31
C8 Communication Equipment.....	36
C9 Planned Maintenance Outages of Pool Resources and Service Interruption.....	37
C10 System Operation and Load Shedding	38
C11 Electric SCADA Maintenance and Security Coordination.....	39
C12 SNL/KAFB Scheduling Agent Services	41
C13 Load Serving Entity Functions by County for NNSA	46
Section D Planning Procedures.....	47
D1 Planning Studies.....	47
D2 Participation in Electrical Industry Organizations	48

Section A Administrative Procedures

A1 Operating Committee

A1.1 Policies & Procedures

A1.1.1 Establishment of the Operating Committee

The parties hereby agree to establish an Operating Committee, which shall, pursuant to policies and directions in the Operating Procedures, accomplish planning, resource scheduling, and accounting procedures for the cooperative operation of the Approved Resources.

A1.1.2 Duties and Responsibilities

The Operating Committee's duties and responsibilities include general monitoring and control over the planning and operation of the Approved Resources and the Resource Accounting Pool. The Operating Committee shall approve the appointment of a Manager of Operations pursuant to the Operating Procedures. Specific duties and responsibilities of the Operating Committee, some of which may be delegated to the Manager of Operations, shall include, but not be limited to, the following.

- a. Coordinate capacity and energy requirements of the various users within the Los Alamos Service Area to assure optimum utilization of the Approved Resources.
- b. Plan and schedule use of Approved Resources to assure that user requirements are satisfied in a reliable and efficient manner.
- c. Maintain the Resource Accounting Pool for the purpose of determining the appropriate allocation of costs to the parties. A separate checking account and accounting system shall be established by the County for the collection and disbursement of all funds related to Approved Resources. All determinations of the Operating Committee shall be subject to periodic audit by the Contracting Officer and County Authority or their respective designees.
- d. On an annual basis, complete for review and approval by the Contracting Officer and County Authority a detailed 24-month budget forecast of all cost components that comprise the Resource Accounting Pool.
- e. On an annual basis, conduct reviews and studies, and recommend necessary modifications of the Operating Procedures for review and approval by the Contracting Officer and the County Authority.
- f. Develop and periodically update a service load shedding plan pursuant to Section 3 (a) (2) Priorities.
- g. Refer issues that cannot be resolved to the Contracting Officer and the County Authority. During the period of resolution, the Manager of Operations will proceed according to the Operating Procedures.
- h. Plan for the DOE/NNSA's decision on whether it intends to exercise its option to extend the ECA by 10 years. At least three years before the end of the 10-year ECA term on July 31, 2036, and concurrently with notification from Sandia National Laboratory/Kirtland Airforce Base (SNL/KAFB) to extend their 30 MW of PV plus 20 MW / 80 MWh of battery energy storage for 10 years, the Operating Committee shall:

- Plan for the DOE/NNSA exercising the extension of the ECA by evaluating and preparing for all resource needs and ECA modifications.
- Plan for the DOE/NNSA not exercising the extension of the ECA by evaluating and preparing for the expiration of the ECA on July 31, 2036.

A1.1.3 Operating Committee Members

The Operating Committee shall be composed of representatives designated by the County (by and through the County Utilities Manager) and the DOE/NNSA COR. The Operating Committee will be composed of equal representations from each Party, and the number of Operating Committee members may vary from time to time. Membership will be reviewed annually. Each Party will designate a voting member including an alternate who will represent their respective Parties. For purposes of voting on Operating Committee matters, DOE/NNSA and the County shall each have one vote. In the case of a disagreement the parties shall work together until such disagreement is resolved.

A1.1.4 Minutes

The County shall prepare minutes of Operating Committee Meetings. Distribution shall be made to all members of the Operating Committee no later than seven days before the subsequent Operating Committee Meeting.

A1.1.5 Meeting Frequency

The Operating Committee shall normally meet every six weeks but may meet more or less frequently when otherwise warranted. A meeting date shall be set by the Operating Committee during the next meeting unless otherwise agreed upon.

A1.1.6 Running the Meeting

The Manager of Operations shall normally conduct all Operating Committee meetings.

A1.1.7 Distribution of the Agenda

Whenever possible, items requiring committee vote shall be distributed to all members of the Operating Committee no later than seven days before the meeting where such action is expected to be taken. If the vote is for a new approved resource, all pertinent documentation shall be provided to the Operating Committee at least a week prior to the next meeting.

A1.1.8 Third-Party Agreements

DOE/NNSA and County involvement with third parties is pursuant to the terms and conditions of the third-party agreements that are identified below, unless otherwise amended in writing.

A1.1.8.1 PNM/County Open Access Transmission Tariff (OATT) Service Agreements

- Network Integration Transmission Service Agreement (NITSA)
- Network Operating Agreement (NOA)

A1.1.8.2 Tri-State G&T/County Interconnection Agreement

- Service Schedule A - Emergency Assistance
- Service Schedule B - Economy Energy Interchange
- Service Schedule C - Banked Energy
- Service Schedule D - Reciprocal Wheeling Service
- Service Schedule E - Scheduled Outage Assistance

- f. Operating Procedure I - PNM/Tri-State/LAC
- g. Transmission Service Agreement (Spills & Coyote substations) for Hydro Wheeling

A1.1.8.3 Other Agreements

- a. Nora/County Wheeling Agreement
- b. Jemez/County Wheeling Agreement
- c. Western Electricity Coordinating Council/NNSAL and LAC Agreement (WECC)
- d. WAPA/LAC Firm Electric Service Agreement
- e. WAPA/LAC Firm Transmission Agreement
- f. WAPA/DOE Firm Electric Service Agreement
- g. Lincoln Electric System/LAC LRS Participation Agreement
- h. Basin Electric Cooperative/LAC Displacement Agreement
- i. PNM/DOE Electric Service Agreement (WAPA Transmission Service)
- j. WAPA BA Services Agreement
- k. WAPA Generator Imbalance Agreement
- l. WAPA De-minimus Entity Agreement (possibly)
- m. San Juan Project Participation Agreement
- n. San Juan Restructuring Agreement
- o. San Juan Mine Reclamation & Trust Funds Agreement
- p. San Juan Decommissioning Agreement
- q. USACE Memorandum of Agreement between USACE & LAC for Operation and Maintenance of Hydro
- r. El Vado, Memorandum of Agreement between USBOR, MRGCD and LAC for Operation and Maintenance of Hydro
- s. WSPP Master Agreement with County
- t. Miscellaneous Short-Term Agreements
- u. LAC/PNM Marketing-excess energy sales agreement
- v. Colorado River Electric Distributors Association (CREDA)
- w. LAC/WAPA/PNM Operating Procedure #1
- x. Southwest Regional Transmission Association (SRTA)
- y. Regional Transmission Organizations (RTO's)
- z. Short-Term Energy Purchase/Sales Agreements
- aa. WAPA/LAC Scheduling and Merchant Desk Agreement for SNL/KAFB
- bb. WAPA/NNSA Interagency Agreement for Purchase of Renewable Energy
- cc. Utah Associated Municipal Power Systems
- dd. Foxtail Flats PPA and ESA

A1.1.9 Contract Representatives

The Parties may designate representatives (Contract Representatives) and such Contract Representatives from the Parties shall have authority and responsibility to represent their respective Party's interest in matters related to the above referenced agreements. The Manager of

Operations may be delegated as the Contract Representative by DOE/NNSA or County for operational matters related to the various contracts.

- a. The Contract Representative(s) for matters related to the agreements or organizations listed above shall carry out their respective duties and obligations pursuant to the Approved Operating Procedures described in Section B Budget and Accounting Procedures, Section C Operations Procedures, and Section D Planning Procedures.
- b. The Contract Representative(s) for matters related to the agreements or organizations listed above shall be responsible to keep the Operating Committee informed on matters under deliberation.
- c. The Contract Representative(s) for matters related to the agreements shall be responsible to maintain a record of the minutes of each meeting and/or any procedures, practices or action established.
- d. The Contract Representative(s) for matters related to the agreements or organizations listed above shall inform the Operating Committee of items that could alter cost responsibility, alter contractual commitments, or impact service reliability for the Los Alamos Power Pool (LAPP).

A1.2 Approvals

Reserved.

A1.3 Attachments

Reserved.

A2 Manager of Operations and Other Approved Pool Personnel

A2.1 Policies & Procedures

A2.1.1 Selection and Appointment of the Manager of Operations

The County shall be responsible for recruiting potential candidates for the position of Manager of Operations for interview by representatives of both Parties to the Operating Committee. Such representatives of the Parties shall recommend the preferred candidates to the Operating Committee. The Manager of Operations will be a County employee who will report to and receive direction from the Operating Committee.

A2.1.2 Vacancy

If the position of the Manager of Operations is vacant, the County (by and through the County Utilities Manager), with concurrence of the Operating Committee, shall appoint an Acting Manager of Operations on an interim basis until recruitment and selection is completed in accordance with Section A2.1.1 above.

A2.1.3 Performance Evaluation Inputs

The members of the Operating Committee may individually provide the County with specific written recommendations to be included in the Manager of Operation's annual performance appraisal. The County (by and through the County Utilities Manager) shall then make annual performance evaluations, concurrent with that of the County's performance evaluation process of the Manager of Operations.

A2.1.4 Annual Review of LAPP Personnel Requirements

The Manager of Operations shall annually conduct a review of LAPP personnel requirements as part of the annual budget process and, should a need for changes arise, propose changes to the Operating Committee for their consideration and possible recommendation to the Contracting Officer and County Authority. The following are the job titles and number of full-time employees (FTE) for each approved pool position:

- a. Manager of Operations (1 FTE)
- b. Power System Supervisor (1 FTE)
- c. Sr., Apprentice/Trainee, or Power System Operators (6 FTE)
- d. Resource Coordinators (2 FTE)
- e. Sr. or Data Analyst (1 FTE)

The Manager of Operations shall maintain a listing of all operating procedures and guidelines that have been established.

A2.2 Approvals

Reserved.

A2.3 Attachments

Reserved.

A3 Operating Procedure Changes

A3.1 Policies & Procedures

A3.1.1 Review and Revision of the Operating Procedures

The Manager of Operations shall review every three years or as necessary the practicality and appropriateness of the Operating Procedures and, where revisions to, deletions from or additions to the Operating Procedures are viewed to be beneficial, recommend changes to the Operating Committee. The Manager of Operations shall be responsible for preparation of revisions to or the establishment of Operating Procedures to the Operating Committee for their review and approval. In addition, changes may be recommended whenever deemed necessary by the Manager of Operations or members of the Operating Committee.

A3.2 Approvals

All proposed changes to the Approved Operating Procedures are to be submitted to the County Authority and the Contracting Officer for their review and approval.

A3.3 Attachments

Reserved.

A4 Retention of Operating Reports and Records

A4.1 Policies & Procedures

A4.1.1 Resource Pool Filing System

The Manager of Operations shall establish a Resource Pool filing system. All records related to the Resource Pool will be retained in accordance with state, federal or industry records and information management (RIM) requirements applicable to each organization within the Pool. Any other records not specified in this agreement shall fall under the New Mexico Administrative Code (NMAC) record retention and disposition schedules.

A4.1.2 Filing of Maintenance and Test Reports

Maintenance and test reports shall be retained by the owner of the related facility. The owners of such Pool Facilities shall make available copies upon request of the maintenance and test reports for designated facilities to the Manager of Operations. If information in such files is readily accessible by the Manager of Operations, portions of such files may serve in place of files that the Manager of Operations would otherwise maintain. If such files are not readily accessible by the Manager of Operations, the Manager of Operations shall specify information on DOE/NNSA and County owned Pool Resources that is required and DOE/NNSA's contractor and the County shall provide such information on a continuing basis for inclusion in the files of the Manager of Operations.

A4.2 Approvals

The Manager of Operations shall review and approve the proposed filing system as well as verify annually that the records are being maintained in an acceptable manner and report to the Operating Committee.

A4.3 Attachments

Resource Pool File Retention Schedule, revised March 2026.

	TYPE OF RECORD	RECORD SERIES	RECORD TITLE	RETENTION	VALUE
A)	DOE/NNSA INVOICES/BILLS (To be stored in their entirety with the following documents included :) • DOE/NNSA/LAC monthly settlement sheets • Invoices from power suppliers • Invoices for transmission services provided by others • Payments for power sales • Payments for transmission services • Invoices from PNM	1.21.2.301	Accounts Payable	Destroy six years from date audit report released.	FISCAL

	TYPE OF RECORD	RECORD SERIES	RECORD TITLE	RETENTION	VALUE
B)	ALL OTHER INVOICES (at LAC, official invoice records are maintained by the County's enterprise reporting system)	1.21.2.303	Accounts Receivable	Destroy six years from date audit report released	FISCAL
C)	DEBT SERVICE ON APPROVED RESOURCES Including but not limited to the following: - Debt service schedules - Records of payments - Interest income	1.21.2.341	Investments	Destroy six years from date file closed.	FISCAL
D)	ECA BUDGETS Including but not limited to the following: - Annual operating budgets for all Approved Resources - Capital budget items	1.21.2.326	Annual Budget	Permanent	FISCAL
E)	APPROVAL OF CAPITAL BUDGET ITEMS FOR COUNTY OWNED RESOURCES <i>Note:</i> These must be approved through the Board of Public Utilities and, if over \$300,000.00, through LA County Council. Approvals of these capital budget items are documented in meeting minutes, which are kept permanently.	1.21.2.326 1.21.2.452	Annual Budget Meetings	Permanent	ADMINISTRATIVE
F)	DISPATCH AND POWER SCHEDULING OPERATING REPORTS (Including but not limited to the following: - Corrected copies of daily schedule - Daily power factor report (by hour) - Daily load component summary (by hour) - Written daily log - Disturbance reports) - Miscellaneous reports	1.21.2.116	Reports - General	Destroy two years from date file created	ADMINISTRATIVE

	TYPE OF RECORD	RECORD SERIES	RECORD TITLE	RETENTION	VALUE
G)	HYDRO FACILITY – OPERATIONS DOCUMENTS (including but not limited to the following: • Monthly operation reports • Written daily logs • Maintenance records)	1.21.2.116	Reports - General	Destroy two years from date file created	ADMINISTRATIVE
H)	INTERCONNECTION AGREEMENTS (i.e. WECC, etc.)	1.21.2.116	Reports - General	Destroy two years from date file created	ADMINISTRATIVE
I)	RESOURCE STUDIES AND PLANNING DOCUMENTS	1.21.2.116	Reports - General	Destroy two years from date file created	ADMINISTRATIVE
J)	DOE/NNSA/LAC OPERATING COMMITTEE MINUTES	1.21.2.452	MEETINGS	PERMANENT	HISTORICAL
K)	DOE/NNSA OWNED FACILITIES		To be developed and retained by DOE/NNSA		

Section B Budget and Accounting Procedures

B1 Capital Budget

B1.1 Policies & Procedures

B1.1.1 Operating Committee Review and Approval of Budgets

The Operating Procedures require the preparation and submittal to the Operating Committee of certain annual budgets, operating plans and other reports for the review and approval by the Operating Committee and/or the Contracting Officer and County Authority.

B1.1.2 Schedule of Power Pool Reports

The Manager of Operations shall maintain a schedule of required Pool reports, which shall be updated quarterly and presented to the Operating Committee.

B1.1.3 Review Time for Reports

All reports requiring Operating Committee vote shall be dated and provided to each member of the Operating Committee at least 10 days prior to the Operating Committee meeting, unless otherwise agreed.

B1.1.4 Report Approval Timeline

Within 45 days of the date presented to the Operating Committee, the Operating Committee shall either formally accept or reject annual budgets, operating plans and other reports submitted for Operating Committee vote. If rejected, the Operating Committee shall specify the desired course of action.

B1.1.5 Development and Presentation of the 24-Month Budget

The County (by and through the County Deputy Utility Manager – Finance & Administration) shall develop and present a detailed 24-month Budget including capital and operating expenditures to the Operating Committee by April 1st of each year.

The capital expenditures budget (Capital Budget) shall reflect all equipment purchases for single items of \$250,000 or more, except as otherwise provided in the DOE/NNSA and County Coordination Agreement. Items less than \$250,000 shall be shown in the operating budget (Operating Budget) and expensed pursuant to the ECA Performance Work Statement, Section b (4) Classification of Expenditures.

B1.1.6 Capital Budget for Debt Service

The service life, method of capitalization and amortization, repayment schedule and current budget year recovery, if any, shall be specified as part of the Capital Budget.

B1.1.7 LANL Capital Budget Requests Deadline

DOE/NNSA will ensure that LANL provides the County (by and through the County Deputy Utility Manager – Finance & Administration) with Capital Budget requests for DOE/NNSA Approved Resources by January 15 annually.

B1.1.8 Capital Budget Demand Expenses

Capital Budget items which are controlled by the operating agent of generating resources for which neither DOE/NNSA nor County is the operating agent shall be passed through as demand expenses.

B1.1.9 Spending on Non-Budgeted Items

Only money for items covered by the Capital Budget shall be expended except as necessary during an emergency, forced outage or to avoid possible equipment damage or to minimize the risk of injury.

B1.1.10 Quarterly Review of the Capital Budget

The County (by and through the County Deputy Utility Manager – Finance & Administration) shall review the Capital Budget at least quarterly and prepare an amended budget if warranted by changes in circumstances.

B1.2 Approvals

Once the annual budgets, operating plans and other reports are approved by the Operating Committee then it will be submitted to the County Authority and the Contracting Officer for their review and approval, as needed.

B1.3 Attachments

Reserved.

B2 Operating Budget

B2.1 Policies & Procedures

B2.1.1 24-Month Budget

The County (by and through the County Deputy Utility Manager – Finance & Administration) shall develop and present a detailed 24-month Budget including Capital and Operating Expenditures to the Operating Committee by April 1st each year. Miscellaneous Operating Expenditures of more than \$100,000 shall be detailed on a supplemental schedule to allow monitoring and administration of costs. The planned use of outside personnel, equipment and services shall be separately identified.

B2.1.2 DOE/NNSA Load Forecast Deadline

DOE/NNSA will provide the County with a load forecast by month for development of the Operating Budget by January 15 annually.

B2.1.3 Budget Reflects Operating Schedule

The Budget shall reflect the planned operating schedule of Procedure C1, *Annual Operating Plan for Approved Resources*.

B2.1.4 DOE/NNSA Delivery of Approved Resources Operating Budget

DOE/NNSA will ensure that LANL provides the County (by and through the County Deputy Utility Manager – Finance & Administration) with Operating Budget requests for DOE/NNSA owned facilities by January 15 annually for DOE/NNSA's Approved Resources.

B2.1.5 Unauthorized Expenses

Once the Operating Budget is approved, only such funding categories as specifically provided for expenditure in the approved Budget are authorized except in the case of situations where personnel safety, system service integrity or risk of equipment damage may result.

B2.1.6 Application of Prudent Utility Practices

It is recognized that the Operating Budget represents an approved plan of operations, and it is not to be used to inhibit prudent utility operation. The Manager of Operations in actual operations is expected to make decisions as appropriate to assure system reliability and minimize overall operating costs in a prudent manner. The Manager of Operations to the maximum extent possible shall make decisions that are consistent with prudent utility practices as have been, or may be, established by the Western Electricity Coordination Council, North American Electric Reliability Corporation, or the Federal Energy Regulatory Commission or successors thereto.

B2.1.7 Budget-to-Actual Quarterly Reporting

Actual operating results are to be compared against budgeted results on a year-to-date line-item basis no less than quarterly, and the County (by and through the County Deputy Utility Manager – Finance & Administration) shall provide to the Operating Committee a written explanation for significant variations (plus/minus 10% actual versus budget and over \$100,000).

B2.1.8 Review of Budget Variances

Significant departures from the Operating Budget as defined in item 1.5. shall be subject to a prudence review by the Operating Committee and reported to the Contracting Officer and County Authority if found to result from imprudent operations.

B2.1.9 Notice of Potential Budget Variances

The Manager of Operations shall inform the County (by and through the County's Deputy Utility Manager – Finance & Administration) of circumstances which may cause significant variances to the Operating Budget.

B2.1.10 Budget Review and Adjustment

The County (by and through the Deputy Utility Manager – Finance & Administration) shall review the Operating Budget at least quarterly and prepare an amended Operating Budget if warranted by changes in circumstances.

B2.2 Approvals

2.1. Once the Operating Committee has accepted the budget, or any revision thereof resulting in a net increase, it must be submitted to the County Authority and the Contracting Officer for their review and approval.

B2.3 Attachments

Reserved.

B3 Billing and Payment

B3.1 Policies & Procedures

B3.1.1 Cost Allocation

Resource Accounting Pool costs will be allocated in accordance with Section B - Services and Prices/Costs of the ECA.

B3.1.2 Responsibility for Invoice Format and Preparation

The County (by and through the County's Deputy Utility Manager – Finance & Administration) will be responsible for development of invoice format and preparation of bills.

B3.1.3 Review and Approval of Invoices

The Manager of Operations shall review all invoices related to his enumerated duties and approve such invoices for billing and payment.

B3.1.4 Handling of Invoice Questions and Issues

In the event of a question regarding portions of any invoice, the Party receiving such bill shall furnish the County (by and through the Deputy Utility Manager – Finance & Administration) a written statement of the issue including all relevant information to clearly define the dollar amount at issue. The County (by and through the County's Deputy Utility Manager – Finance & Administration) shall review the item under question and attempt to resolve the question. If the County (by and through the County's Deputy Utility Manager – Finance & Administration) is not able to resolve the question in a manner that is acceptable to the Parties, within 45 days of receipt of the written statement, he/she shall provide relevant information to all members of the Operating Committee for review and resolution at the next regular scheduled Operating Committee meeting. If the Operating Committee is unable to resolve the question, it shall be referred to the Contracting Officer by the aggrieved party for resolution in accordance with the FAR 22.233-1, *Disputes*, of the DOE/NNSA and ECA. This procedure is intended as an optional means for expeditiously resolving issues and is not intended to preclude either party from their right to direct use of the Contract Disputes Clause.

B3.1.4.1 Notification of Dispute Determination

By whichever of the above manners the dispute is resolved, the County (by and through the County's Deputy Utility Manager – Finance & Administration) shall notify the aggrieved party in writing of the final determination in the matter. Copies of such correspondence shall be sent to all members of the Operating Committee, the Contracting Officer and the County Authority, and all Parties concerned in the dispute, and shall be appended to the minutes of the next regular Operating Committee Minutes.

B3.1.5 Record of Disputes

The County (by and through the County's Deputy Utility Manager – Finance & Administration) shall maintain a record of outstanding billing disputes and their status.

B3.2 Approvals

Reserved.

B3.3 Attachments

Reserved.

B4 Adjustments for Prior Period Invoiced Corrections

B4.1 Policies & Procedures

B4.1.1 Responsibility for Calculation of Invoice Adjustments

The County (by and through the County's Deputy Utility Manager – Finance & Administration) will be responsible for the calculation of adjustments to the current month invoice for changes in prior months invoiced amounts.

B4.1.2 Adjustments Applied to Appropriate Billing Parameters and Month(s)

Adjustments associated with changes in prior months invoiced amounts shall be allocated to the Parties using the appropriate billing parameters from the month the charges were first invoiced.

B4.1.3 Clarity of Adjustments

The current month's invoice shall include sufficient detail to show the determination of prior month adjustments.

B4.1.4 Review and Approval of Invoice Adjustments

The Manager of Operations shall review all invoiced adjustments as part of his/her duties under Procedure B3, *Billing and Payment*.

B4.2 Approvals

Reserved.

B4.3 Attachments

Reserved.

B5 Timing of Expenditures

B5.1 Policies & Procedures

B5.1.1 Expenditures Which Benefit Over Months

The Parties recognize that the timing of expenditures could have significant impact on the allocation of costs. While costs included in capacity charges are spread evenly over the year, and most energy charges are included in the settlement sheets in the months they benefit, other costs occur periodically which benefit a longer period of time than the current month

B5.1.2 Averaging Expenditures Across Months

To eliminate the possibility of timing expenditures to benefit either party, operations expenditures that are expected to benefit more than the current month shall be included in the Resource Pool using an average allocator that corresponds to the months that will receive a benefit.

B5.1.3 Rolling 12-Month Demand Allocator

Capital expenditures less than \$250,000 shall be allocated based on a rolling twelve-month demand allocator. This rolling allocator shall be computed as the average allocator for the current and previous eleven months.

Examples of operations expenditures benefiting periods greater than the current month shall include, but are not limited to, falling water charges, prepayments of transmission services and payments for professional services.

B5.2 Approvals

All proposed allocation methods should be submitted to the Operating Committee for their review and approval as part of the annual budget process or updates thereof.

B5.3 Attachments

Reserved.

B6 Pool Operations Accounts

B6.1 Policies & Procedures

B6.1.1 Separate Checking Account for the Resource Accounting Pool

The County shall maintain a separate checking account for Pool revenues and the County's Pool expenses.

B6.1.2 Handling of Earnings

The net earnings on this separate checking account shall be included in the capacity charge computation for County owned resources.

B6.1.3 Reconciliation of Audited General Ledger

Reconciliation - Within eleven months after the end of the County's fiscal year, the County will prepare a reconciliation of its audited general ledger to the costs included in the settlement sheets for the fiscal year.

B6.2 Approvals

Reserved.

B6.3 Attachments

Reserved.

B7 Special Purpose Approved Resources

B7.1 Policies & Procedures

B7.1.1 Technical Area-3 Combustion Gas Turbine Generator

B7.1.1.1 CGTG is a SPAR

The Technical Area-3 Combustion Gas Turbine Generator (CGTG) is owned by DOE/NNSA and operated by LANL. It is classified as a Special Purpose Approved Resource (SPAR) and its operation is considered by the Manager of Operations to be either Authorized or Unauthorized, as described in Sections B7.1.1.2 and B7.1.1.3, respectively.

This procedure is designed to include the CGTG in the resource mix available to serve the DOE/NNSA's load, and the LAPP's load and regional utility network needs on an "as required" basis. DOE/NNSA's load can be served by the CGTG after all LAPP approved resources have been used to serve LAPP load. Energy Credits will be included in the Resource Accounting Pool only when the CGTG is Authorized and scheduled to serve LAPP load or regional utility needs by the Manager of Operations or designee.

B7.1.1.2 CGTG Authorized Operation

CGTG Authorized operations shall include, but not necessarily be limited to, periods of operation for: a) serving LAPP load requirements; b) Balancing Authority requested operation; and c) training, rating, operational and equipment acceptance tests as required to comply with Western Electricity Coordination Council (WECC) requirements. All such operation under any one of the aforementioned conditions shall be classified as "Authorized Operation".

B7.1.1.3 CGTG Unauthorized Operation

CGTG Unauthorized Operations shall include the use of generation to supply only DOE/NNSA's load. To avoid excess inadvertent power and sales risk in the markets, the County and the O&M Contractor will coordinate the scheduling of the TA-3 CGTG on a month ahead, day ahead and real time operations basis. Such Operations shall be classified as "Unauthorized Operation". If such Unauthorized Operation of the TA-3 CGTG has a measurable financial effect on the Resource Accounting Pool, then the Operating Committee shall determine a mutually agreeable accounting practice for resolving such events.

B7.1.1.4 CGTG Cost Recovery

Cost Recovery for the TA-3 Combustion Gas Turbine Generator shall be performed as follows.

B7.1.1.4.1 CGTG Energy Credit

If the CGTG generates energy from Authorized Operation, then the DOE/NNSA shall receive a credit equal to the actual cost of the natural gas fuel consumed by the CGTG during Authorized Operation, and a fixed fee of \$26.15 per megawatt-hour (MWh) (2023) to cover operations and maintenance and capital costs (O&MC). The fixed O&MC cost will be reviewed and updated annually by DOE/NNSA and adjusted as part of the annual budget submittal.

If the CGTG generates energy from Unauthorized Operation, then the energy credit will be equal to one MWh of reduction in DOE/NNSA's load for each MWh of net generation. This credit shall be in lieu of O&MC cost described above.

B7.1.1.4.2 CGTG Incidental Third-Party Sales

The TA-3 CT unit is not intended for third party sales under normal conditions; however, during network emergencies the unit may be utilized under section 1.1.2. Revenues from TA-3 CGTG operations in response to authorized operations shall be determined by applicable agreements and/or tariffs. Costs (in accordance with section 1.1.3.1) and revenue shall be accounted for and shared by the Parties following the ECA accounting procedures.

B7.1.1.4.3 CGTG Ancillary Transmission Service Charges

Network transmission tariffs require that certain ancillary services be charged for load-serving generators connected to the transmission network. Applicable ancillary services are priced under the PNM NITSA tariff and billed to the County as part of the monthly transmission services invoice. Additional ancillary fees associated with the TA-3 CGTG will be treated as common transmission costs. Such charges attributable to third-party sales to the extent practical shall be identified and recovered from the third-party user.

B7.1.1.4.4 CGTG Metering

Net electric output of the TA-3 CGTG shall be metered with time-of-use kW/kWh meters with a minimum of 60-day storage capability using 60-minute clock-hour demand intervals. Interval-by-interval metering data shall be provided to the Manager of Operations and the authorized metering agent for billing purposes. The hourly output of the TA-3 CGTG shall be combined with the total net imports and other local generation to determine the LAPP monthly demand and energy usage.

Fuel used for Authorized Generation will be directly metered and adjusted to eliminate fuel used for all other equipment.

B7.1.1.5 Quick Start Emergency Generators

B7.1.1.5.1 SPAR-CR Emergency Generators

DOE/NNSA and/or the County may install back-up or emergency generators on their distribution systems to provide emergency service in the event of a power supply failure. If the emergency generators are connected to the power grid using appropriate synchronizing and system protection devices; they may qualify as Special Purpose Approved Resources-Contingency Reserve (SPAR-CR). Starting and stopping of a SPAR-CR unit must be under the direct control of the LAPP Power System Operators.

B7.1.1.5.2 SPAR-CR Energy Credits

The owner of a SPAR-CR will receive an energy credit equal to the energy provided. Operation for testing and training will be performed as necessary by the owner; however, only a one-to-one energy credit will be received for non-contingency reserve operation. No capacity credit, fuel expense, or other operating or maintenance expenses will be incurred by the LAPP related to SPAR-CRs.

B7.1.1.5.3 SPAR-CR Metering

Each SPAR-CR shall be equipped with time-of use kWh/kW meters which can be always monitored by the LAPP Power Operations Center (POC). The output of each SPAR-CR shall be added to the hourly load calculation for the LAPP monthly invoice. Each SPAR-CR, which now includes the WETF Emergency Diesel Generator and the TA-3 Steam Plant Emergency Diesel Generator, shall be initially certified by the Manager of Operations.

B7.1.1.5.4 SPAR-CR Notifications

The owner of a SPAR-CR unit will notify the LAPP Power Operations Center when it plans to operate a unit for training and testing purposes and when a unit is unavailable for operation to enable the Power System Operators to adjust the resource schedule accordingly.

B7.1.1.6 Withdrawal of a SPAR-CR

The owner of a SPAR-CR may withdraw its units from LAPP by providing a 60-day advance written notice of its intent to the Manager of Operations.

B7.2 Approvals

Reserved.

B7.3 Attachments

Reserved

B8 Customer Related Costs

B8.1 Policies & Procedures

B8.1.1 Definition of Customer Related Costs

“Customer related costs” are costs for: 1. NNSA contractor to perform work to support County-owned facilities or County customers, as described below, or 2. County crews or contractor to perform work to support Los Alamos National Laboratory (LANL) or their customers, as described below.

B8.1.2 DOE/NNSA Customer Related Work Process

Certain County-owned facilities or their customers are connected to or are in close proximity to DOE/NNSA owned utility facilities. From time to time those NNSA owned utility facilities may need to be modified to accommodate upgrades, repairs, new tie-in or replacements to County facilities. Due to security and access issues, such modifications usually must be done by an NNSA contractor. To accomplish such modifications, the County Utilities Manager should formally request a quote for such work from the DOE/NNSA Contracting Officer Representative (COR) and/or Facilities Operations Director for Utilities and Institutional Facilities (FOD). The COR and/or FOD shall provide a written quote to include an estimate of the cost of the work as well as a not to exceed amount. Once accepted by the County, the work may commence. Upon completion of the work, the COR and/or FOD shall present a bill to the County’s Utilities Manager.

B8.1.3 County Customer Related Work Process

Similarly, LANL or their customers may need utilities work done by County crews or contractors from time to time. For such work the COR and/or FOD should formally request a quote for such work from the County’s Utilities Manager. The Utilities Manager shall provide a written quote, including a not to exceed amount. Once accepted by the COR and/or FOD, the work may commence. Upon completion of the work, the Utilities Manager shall present a bill to the COR and/or FOD.

B8.1.4 Approval of Cost Increases

The Parties shall make every effort to prepare a reasonable quote and to complete the work efficiently. If during the work the scope or conditions significantly change such that the project cost may exceed the not to exceed amount, the party performing the work shall notify their counterpart in writing, by preparing and delivering a revised quote. The other party must accept the revised estimate before the cost incurred exceeds the original not to exceed amount. Once the work has been completed, the party performing the work shall deliver a bill to their counterpart within 60 days.

B8.1.5 Credit Adjustments

The County will add credit adjustments as needed for DOE/NNSA and/or their customers to the monthly invoice and the parties will review these credit adjustments monthly.

B8.1.6 Payment

Payment for work done under this operating procedure should be done as an adjustment to the monthly invoice under the Electric Coordination Agreement. The party being billed shall be responsible for proper accounting for the transaction in their respective financial records. Bills

delivered by the 10th of the month shall be included in the invoice for the previous month, to be delivered by the 15th.

B8.2 Approvals

Reserved.

B8.3 Attachments

Reserved.

Section C Operations Procedures

C1 Annual Operating Plan for Approved Resources

C1.1 Policies & Procedures

C1.1.1 Load Forecasts and Short-Term Resources and Services

Each party shall provide load forecasts of both demand and energy for electrical loads by January 15th for the ensuing ten years 1) for use in the next 24-month Operating Budget, 2) for use in LAPP resource planning studies and 3) to supply ten-year load data for PNM's operational and ten-year planning purposes pursuant to the NITSA/NOA requirements. The County shall have contractual responsibility for acquisition and transportation of short-term resources and other services required to LAPP load requirements and to dispose of short-term excess energy. DOE/NNSA shall have contractual responsibility for acquisition and transportation of emergency and economy energy purchase transactions related to the operation of DOE/NNSA generation assets, DOE/NNSA owned transmission and DOE/NNSA's WAPA allocation. DOE/NNSA shall normally have contractual responsibility for acquisition and transportation of short term and other services for its resources. The Manager of Operations is responsible for scheduling of all resources.

C1.1.1.1 Timely Information for Scheduling of Resources

DOE/NNSA and the County will provide information to the Manager of Operations in a timely manner for use in scheduling and dispatching all LAPP resources.

C1.1.1.2 Necessary Benefits of Resources

Neither party shall enter into arrangements for the use of other resources unless it can be demonstrated to the satisfaction of the Operating Committee that the proposed arrangements will be economically beneficial to both Parties, and they are either covered or approved in accordance with the terms of the DOE/NNSA and County Coordination agreement.

C1.1.2 Written Documentation

The Parties shall provide written documentation to the Manager of Operations for the following:

- C1.1.2.1 Load forecasts of both demand and energy for electrical loads by month for the 24 months included in each 24-month budget period. DOE/NNSA and LANL shall include a separate component for intermittent loads greater than 1 MW. Such load forecasts shall be forwarded to the Manager of Operations by January 15, of each year.
- C1.1.2.2 Hot start time requirements and LANL fuel cost.
- C1.1.2.3 Other variable cost data.
- C1.1.2.4 Proposed Maintenance Schedule
- C1.1.2.5 Other information that may be required for operating purposes including planned operation per established guidelines.

C1.1.2.6 List of all capital improvement projects to Approved Pool Resources for inclusion in the 24-month capital and operating budgets.

C1.1.2.7 Transmission line data:

- One-line switching diagrams including control devices
- Nominal and max power carrying capacity
- Minimum, normal, and max operating voltage
- Advance maintenance and outage schedules
- SVC Maintenance and outage schedules

C1.1.3 Annual Plan for Approved Resources and Market Purchases

The Manager of Operations shall prepare an annual operating plan for approved resources and market purchases as follows:

C1.1.3.1 Evaluate and prepare the proposed schedule of WAPA Resources pursuant to the terms of the WAPA/DOE/NNSA Interagency Agreement and LAC/WAPA Contract for firm electric service.

C1.1.3.2 Gather and evaluate the planned availability and maintenance schedules of Laramie River Station, the hydroelectric facilities, and the TA-3 CGTG, and the capacities of other available resources.

C1.1.3.3 Prepare a schedule of loads and resources, which identifies monthly capacity deficiencies and surpluses.

C1.1.3.4 Make proposals for short-term purchases and sales opportunities that should be contracted for in advance of the coming operating year for large blocks of capacity and/or energy.

C1.1.3.5 Revise and update the annual operating plan whenever a significant change occurs.

C1.2 APPROVALS

The above items C1.1.3.4 and C1.1.3.5 shall be formally reviewed and approved by the Operating Committee.

C1.3 ATTACHMENTS

Reserved

C2 Operating Schedules and Reports

C2.1 Policies & Procedures

C2.1.1 Preparation of Operating Schedules and Reports

The Manager of Operations shall collect and evaluate load, operational, and economic data. The Manager of Operations shall prepare operating schedules and reports to assure that the resource pool is operating in an economic and reliable manner. The Manager of Operations shall perform the following tasks.

- C2.1.1.1 Scheduling and dispatching of LAPP production resources.
- C2.1.1.2 Administer purchase and sale transactions regarding economy energy, emergency and maintenance services, transmission services, and any other services necessary to minimize cost or maximize benefits to both DOE/NNSA and the County.

C2.1.2 The Manager of Operations shall be responsible for the following tasks.

- C2.1.2.1 Preparation of an hourly schedule of the Approved Resources each day for the following day's operation, giving recognition to the Annual Operating Plan, expected loads and available resources.
- C2.1.2.2 Adjustments to the hourly schedule shall be made as appropriate to meet load requirements and to take advantage of economic opportunities.
- C2.1.2.3 Power Scheduling Software showing the actual and scheduled operations for accounting and operating purposes.
- C2.1.2.4 Preparation of monthly operating reports which summarize the previous month's operation.

C2.2 APPROVALS

- 1.1. The Operating Committee shall review and approve any changes in the established format of the operating reports.

C2.3 ATTACHMENTS

- 1.2. Reserved

C3 Operating Reserves

C3.1 Policies & Procedures

C3.1.1 WECC and NERC Membership and Compliance

The County shall maintain membership in the Western Electricity Coordinating Council (WECC) and comply with their operating criteria and those of the North American Electric Reliability Corporation (NERC).

C3.1.2 NITSA Schedules 5 & 6

The County has expanded the services offered by PNM under the NITSA to include Schedule 5 Operating Reserves and Schedule 6 Supplemental Reserves in order to meet this obligation.

C3.1.3 Interruptible Loads

The DOE/NNSA and County shall identify interruptible load, if any. The Manager of Operations shall establish guidelines as appropriate for the Power System Operators to follow during system disturbances and outages of generation and transmission resources.

C3.2 Approvals

Reserved.

C3.3 Attachments

Reserved.

C4 Transmission Facility Records and Operational Data

C4.1 Policies & Procedures

C4.1.1 Transmission and System Data File

DOE/NNSA and County shall be responsible for the maintenance and operation of their respective contribution of transmission facilities to the Resource Pool. These responsibilities will normally be carried out pursuant to contracts between DOE/NNSA or the County and area utilities. In order to assure the ready availability of system data for joint and independent studies, as well as to facilitate system operations, it is agreed that a file or files of transmission and system data shall be maintained and available for the Operating Committee.

C4.1.2 File Maintenance by the Parties

It is recognized that DOE/NNSA's management and operations contractor (M&O Contractor) will continue to maintain official files of data on DOE/NNSA owned facilities and the County will continue to maintain official files on County owned facilities.

C4.1.3 Data Request Response Time

DOE/NNSA (by and through the M&O Contractor) and County will provide current data as required within 30 days upon request by the Manager of Operations.

C4.2 Approvals

Reserved.

C4.3 Attachments

Reserved.

C5 Transmission System Operation and Maintenance

C5.1 Policies & Procedures

C5.1.1 Transmission Facilities

- C5.1.1.1 DOE/NNSA is NERC registered as a Distribution Provider (DP) but is still owner and operator for the transmission facilities.
- C5.1.1.2 DOE/NNSA and the County shall comply with NERC and WECC standards where applicable, for the safe and reliable operation of electric transmission system.
- C5.1.1.3 DOE/NNSA and the County shall be responsible for the maintenance and operation of their respective transmission facilities. Incurrence of significant costs relating to operation or maintenance of Pool transmission facilities will be reviewed and approved pursuant to the Operating Committee procedures for budgeting and planning.
- C5.1.1.4 DOE/NNSA 115 kV transmission and substation facilities are described in Attachment 1, Exhibit 1.3 of the ECA.

C5.1.2 Operating Personnel Credentials and Training

- C5.1.2.1 DOE/NNSA and the County shall staff at all times operating positions with personnel that are appropriately qualified for positions directly responsible for safe electric system operations.
 - C5.1.2.1.1 The County shall notify NNSA as necessary or as requested on any staffing vacancies or deficiencies relating to compliance with the requirements for staffing of certified and qualified personnel. The County shall continue to report on personnel shortfalls until the County is in compliance with the required level of staffing with qualified personnel.
- C5.1.2.2 DOE/NNSA (by and through its M&O Contractor) and the County shall provide training resources necessary for operating personnel to obtain and maintain operator qualifications.
 - C5.1.2.2.1 DOE/NNSA shall provide training and qualification requirements necessary for operations of NNSA electric transmission facilities.

C5.1.3 Operating Procedures

- C5.1.3.1 Operating personnel shall be provided with the responsibility and authority to implement real time actions to ensure stable and reliable operations of the electric system.
 - C5.1.3.1.1 Written operating procedures state that operating personnel have the authority to take or direct timely and appropriate real-time actions without obtaining approval from higher level personnel during normal and emergency conditions.

- C5.1.3.2 All maintenance work requiring a planned outage of transmission facilities which may impair the ability to adequately serve Resource Pool loads or reduce system reliability shall be coordinated and scheduled with the Transmission Operator, who will coordinate with County, PNM, and other affected entities as appropriate.
- C5.1.3.3 The Transmission Operator shall be responsible for administration of the load curtailment plan in accordance with general guidelines set forth in emergency operations plan and procedures developed by all Parties for their respective systems.
- C5.1.3.4 DOE/NNSA and the County shall have specific written procedures (clearance and switching) required for operating the electric transmission system in a manner, which ensures personnel safety, the safety of the general public, and the protection of property.

C5.2 Approvals

Reserved.

C5.3 Attachments

Reserved.

C6 Coordination of Relays and Protective Equipment

C6.1 Policies & Procedures

C6.1.1 Investigation of Permanent Fault Conditions

Each permanent fault condition on TC-1, TC-2, LC-1, or LC-2 shall be investigated by the Manager of Operations, LAC Deputy Utility Manager, Electrical Distribution, and/or M&O Contractor and a brief report shall be prepared and filed with the Operating Committee with a description of the sequence of relay and breaker actions that led to the fault being isolated. A determination should be made as to whether or not all affected devices performed properly, and if not, what changes should be made to assure proper clearance in the future.

C6.1.2 Maintenance of Relays and Protective Equipment

DOE/NNSA and the County shall be responsible for the maintenance and operation of their respective relays and protective equipment. Incurrence of significant costs relating to operation or maintenance of relays and protective equipment will be reviewed and approved pursuant to the Operating Committee procedures for budgeting and planning.

C6.1.3 Notification to the Operating Committee

Whenever system improvements are planned that could increase equipment duties, the facility owner shall provide a report for the Operating Committee of all affected equipment ratings and make recommendations of equipment replacement and/or revised Approved Operating Procedures as appropriate.

C6.1.4 Record Retention

Official files of data on DOE/NNSA and County owned facilities will be maintained per Operating Procedure A4 Retention of Operating Reports and Records.

C6.2 Approvals

Reserved.

C6.3 Attachments

Reserved.

C7 Metering

C7.1 Policies & Procedures

C7.1.1 Points of Interconnection with PNM

- C7.1.1.1 The points of interconnection with PNM are the ownership transfer point between DOE/NNSA and PNM pole No. 78 of the 115 kV Norton Line (NL), and the Southern Technical Area (STA) end of the 115 kV Reeves Line (RL) and SN 115kV Line at the Norton Substation.
- C7.1.1.2 The Norton (NL and SN) and STA points of interconnection as well as the TA-3 CGTG shall be equipped with billing accuracy recording kWh meters which store data by interval. Billing meters shall allow the transfer of data to a personal computer for translation and determination of coincident demands among the metering points. PNM's interconnection meters will be read monthly to determine the total electrical energy into the LAPP.
- C7.1.1.3 DOE/NNSA shall be responsible for acquisition, installation, and maintenance of back-up metering equipment located at the Norton (NL and SN) and STA points of interconnection as well as net metering of the TA-3 CGTG while PNM will provide and maintain loss compensated metering equipment at Buckman and Norton. DOE/NNSA shall also own and maintain backup metering at Buckman as necessary.
- C7.1.1.4 Metering equipment at Norton (NL and SN) and STA shall be set to record power flows in and out of the Los Alamos Service Area. The Norton meter will be loss compensated to exclude transmission line losses on PNM's 115 kV line section of the NL Line.
- C7.1.1.5 All meters listed in Exhibit A & B in C7 may be inspected with representatives of DOE/NNSA, the County and PNM given an opportunity to be present.
- Note: Manufacture's guidance for digital meters does not require calibration over the life of the meter.

C7.1.2 Internal Los Alamos System

- C7.1.2.1 All points of normal delivery from the LAPP to Los Alamos County load centers shall be equipped with billing accuracy recording demand meters with interval-by-interval storage capability (except for the monthly peak demand meters in 1.2.2 to which a Diversity factor is applied) as shown in Exhibit A in C7. See Exhibits A in C7 for delivery points.
- C7.1.2.2 Points of delivery from the LANL distribution system to Los Alamos County with estimated demand of less than 25 kW shall be equipped with kWh meters with a peak indicating demand register.
- C7.1.2.3 The DOE/NNSA shall be responsible for ownership, operation, and maintenance of all meters at points of delivery from its transmission and/or distribution system to

Los Alamos County. The Manager of Operations shall have oversight authority over all meter functions. The County shall have the right to inspect all delivery point meters and to separately read the meters and compare such meter readings to the DOE/NNSA meter readings used for billing.

- C7.1.2.4 Each Party may choose to place an identification marker (i.e. a tag) on the meters they own and operate to delineate ownership. As needed, each Party will notify the other Party when a meter is installed, removed, or replaced, and must update the list on Exhibit A.
- C7.1.2.5 Each Party will be responsible for notifying their customers on who to contact for repairs, installation, or removal of meters during normal, emergency or off hours.

For customer requests during normal business hours, please contact:

- LANL: Duty Office at 505-699-7452
- LAC: Customer Care Center 505-662-8333

For emergency or off hours repairs on a meter, please notify:

- LANL: Facility Supervisor or Duty Officer: 505-699-4075 / 505-699-7452
- LAC Police Dispatch 505-662-8222

The customer will be billed for service during the next billing cycle for any work done by the DOE/NNSA M&O contractor.

- C7.1.2.6 If time-of-day metering is not available to measure the incremental station service applicable to TA-3 generation, net generation shall be equal to 90% of gross generation.
- C7.1.2.7 Points of delivery from the LANL distribution system to LAC customers shall be defined in Exhibit A in C7. LANL shall deduct the energy and demand in accordance with Exhibit A in C7. LAC shall reimburse LANL 1.5¢/kWh for maintenance and operation expenses on the distribution system supporting these customers. Approved LAC customers served from the LANL distribution system are listed in Exhibit A attached to and made part of this procedure by reference.

C7.1.3 Meter Readings

- C7.1.3.1 Metering data shall be collected the first workday of the billing month and processed for billing and load information purposes by the 5th working day of the billing month.
- C7.1.3.2 All metering data shall be processed to determine the total LAPP load for each 60-minute time interval. The total system import from PNM's transmission system, plus the net output of all local generation sources is the LAPP load. DOE/NNSA's load shall be determined by subtracting the loss adjusted capacity and energy deliveries to Los Alamos County from the total LAPP load. The total LAPP load, the loss adjusted County load and DOE/NNSA's load, shall be calculated per Exhibit B attached to and made part of this procedure by reference.

- C7.1.3.3 The loss adjusted County load shall be determined using loss factors and, where applicable, a diversity factor, which the DOE/NNSA and County Operating Committee determines from time to time to be the proper loss and diversity factors to determine County's share of the LAPP losses inside the LAPP transmission and distribution system. Approved loss and diversity factors are listed in Exhibit A attached to and made part of this procedure by reference.
- C7.1.3.4 It is recognized that DOE/NNSA's M&O contractor will continue to maintain official files of data on DOE/NNSA owned facilities, which shall contain nameplate data on all meters, related current transformers and potential transformers. This file shall also contain information on all meter equipment settings, test reports including adjustments made, and individuals present during the tests. The meter owners shall provide all data listed above to the Manager of Operations by November 1 of each year with updates on a timely basis as changes occur.

C7.2 APPROVALS

Exhibits A & B hereto may be modified by the Operating Committee as necessary to implement the requirements of the ECA.

C7.3 ATTACHMENTS

Exhibit A LAC Delivery Point Metering.

Exhibit B LAPP Interchange Metering Points & billing Methodology.

EXHIBIT A

LAC DELIVERY POINT METERING

<u>Delivery Point</u>	<u>Voltages of Circuit Metered</u>	<u>kW & kWh Loss %</u>	<u>Diversity Factor</u>
LAC ELECTRIC			
TA-03-1682-LA-3	13,800	1.7	
TA-03-1682-S-6 LAMC	13,800	1.7	
TA-03-2598-LC1	13,800	1.7	
TA-03-2598-LC2	13,800	1.7	
TA-03-2598-TC1	13,800	1.7	
TA-03-2598-TC2	13,800	1.7	
LAC1 – Pajarito Cliffs	13,800	1.7	
LAC2 Lower LA Canyon	13,800	1.7	
Landfill Transfer Station	480	4.0	
S-18 West	13,800	1.7	
Totavi (Point of Receipt)	13,800	1.7	
White Rock SWR Unit 1	12,470	1.7	
White Rock SWR Unit 2	12,470	1.7	
LAC WATER ELECTRIC			
Community Booster/S-Site Booster #1	13,800	1.7	
Otowi Well #2	480	4.0	
Otowi Well #4	4,160	1.7	
Pajarito Well #1	480	4.0	
Pajarito Well #1 Booster	480	4.0	
Pajarito Well #1 Chlorinator Bldg	480	4.0	
Pajarito Well #2	4,160	1.7	
Pajarito Well #2 Booster	480	4.0	
Pajarito Well #3	13,800	1.7	
Pajarito Well #4	120	4.0	
Pajarito Well #5	4,160	1.7	
Pajarito Well #3 Booster	480	4.0	
S-Site Booster #2	480	4.0	
LANL RETAIL CUSTOMERS			
Atomic City Transit Center	240	4.0	
AT&T Mobile	240	4.0	0.33
Bandelier – Ponderosa Campground	240	4.0	0.33
Bandelier @ TA-33	13,800	1.7	
Bandelier – TA-49 Fire Cache	240	4.0	0.33
Bandelier – TA-49 Interagency Fire Center	240	4.0	0.33
Bandelier @ Entrance	120	4.0	0.33
Bandelier – Tsankawi	240	4.0	0.33
Century Link	240	4.0	0.33
CommNet Four Corners	240	4.0	0.33
Elk Ridge Trailer Court	13,800	1.7	
LA Transit Mix	480	4.0	
NMDOT - SF County Traffic Signal	240	4.0	0.33
National Radio Astronomy @ TA-33	240	4.0	0.33
T-Mobile	240	4.0	0.33
Verizon	240	4.0	0.33

Note: The loss factors shown in Exhibit A attached hereto were developed in a Report on Revenue Metering Loss Adjustment Factors dated February 24, 1995 and approved by the Operating Committee.

EXHIBIT B

LAPP INTERCHANGE METERING POINTS & BILLING METHODOLOGY

LAPP Interchange Metering

<u>Metering Point</u>	<u>Voltage of Circuit Metered</u>	<u>kW &kWh Loss%</u>
Norton (Norton to ETA)	115 KV	N/A
STA (Buckman to STA)	115 KV	N/A
Buckman to PNM	12.5 KV	TLC or 1%

LAPP Interchange Energy = (Norton IN + STA IN) less (Norton OUT + STA OUT + Buckman + transmission losses to NT-Rio Grande)

Billing Methodology

Total Billing Energy (between DOE/NNSA & LAC) = +/- RL Line measured at STA +/- NL line measured at Norton – Buckman load measured at the low side of transformer (adjusted to include 115/12.5kV transformer losses to be calculated real-time) – NL line losses (to be calculated real time) between Norton and the dead-end structure on the east side of the Rio Grande River crossing + (Hydro Schedule –Hydro Actual) + Load side generation)

Where:

SVC energy losses = 730 HR x 250 kW/hr = 182,500 kWh monthly
SVC demand loss = 250 kW per month

LAPP Peak Demand (1) = The highest coincident demand for a 60-minute period as measured by the interchange revenue meters
= PNM's Monthly Transmission System Peak Load (see Section 1.46 of the Tariff or its successor Section) is defined as the maximum firm usage of PNM's transmission system in a calendar month. PNM's Monthly Transmission System Load (see Section 34.3 of the Tariff) is determined by taking PNM's Transmission System Peak minus the coincident peak usage of all firm Point-to-Point Transmission Service customers pursuant to Part II of the Tariff, plus the reserved capability of all firm Point-to-Point Transmission Service Customers pursuant to Part II of the Tariff.
For purposes of this Third Revised Service Agreement, PNM's Monthly Transmission System Load shall be equal to the algebraic sum of the following quantities at the time of hourly coincident peak each month of: (i) PNM's Native Load, (ii) plus PNM's Network Integration Transmission Service customers' loads pursuant to Part III of the Tariff, (iii) plus PNM's bilateral transmission contract customers usage (Pre- Open Access Transmission Tariff firm transmission agreements), and (iv) the reserved capability of PNM's Point-to-Point Transmission Service Customers pursuant to Part II of the Tariff.

DOE/NNSA Peak Demand = LAPP Peak Demand less the LAC loss adjusted metered demand coincident with the LAPP Peak Demand

DOE/NNSA Energy = Total Billing Energy less the metered LAC Energy use (Loss adjusted)

NOTE:

- 1) In the case of multiple peaks with its associated demands of equal value, the first occurrence and the associated time shall be deemed the peak demand for the month.
- 2) If the SCADA peak is unavailable for a period of time for which schedules indicate a peak have occurred; then the recorded interval data from kWh meters shall be used to determine the LAPP peak demand.

C8 Communication Equipment

C8.1 Policies & Procedures

C8.1.1 Maintenance of Communications Equipment

The Operating Committee shall oversee the development, procurement, installation, and maintenance of the communication equipment necessary to transmit information from each point of interconnection and each generating resource to the Los Alamos Dispatch Center as well as to Tri-State G&T, NORA, Jemez Mountain Electric Cooperative and PNM.

C8.1.2 Communications Equipment Annual Status Reports

The Manager of Operations and Utility Facility Operations Director shall report annually to the Operating Committee for their review on the operating experience, adequacy, maintenance practices and recommendations of improvements for the communication system and related equipment interfaces.

C8.2 Approvals

Reserved.

C8.3 Attachments

Reserved.

C9 Planned Maintenance Outages of Pool Resources and Service Interruption

C9.1 Policies & Procedures

C9.1.1 Scheduling Planned Maintenance Outages of Pool Resources and Service Interruptions.

- C9.1.1.1 All planned maintenance outages of Pool Resources and service interruptions planned by one party that could affect service to load of the other party or delivery of energy from Approved Resources shall be fully coordinated with the Manager of Operations, who in turn shall report to the Operating Committee for their review.
- C9.1.1.2 The Manager of Operations shall give consideration to possible temporary service arrangements, additional staffing or other practical steps that would limit the duration of the interruption and the amount of load affected.

C9.1.2 Evaluation of Service Interruptions

- C9.1.2.1 The party responsible for the facilities which caused the need for a planned or emergency service interruption that affected total supply from one or more distribution feeders, resulted in a sustained outage of a substation transformer or a generating unit, or caused the sustained loss of reactive correction equipment of 5 MVARs or more, shall file a brief report with the Manager of Operations.
- C9.1.2.2 The Manager of Operations shall maintain a file of all such outage reports.
- C9.1.2.3 The Manager of Operations shall review such reports and make specific recommendations to the Operating Committee.

C9.2 Approvals

Reports arising through Section C9.1.2.3 shall be formally reviewed and acted on appropriately by the Operating Committee.

C9.3 Attachments

Reserved.

C10 System Operation and Load Shedding

C10.1 Policies & Procedures

C10.1.1 NERC and WECC Compliance

Policy: DOE/NNSA and County are committed to comply with applicable NERC and WECC Reliability and Operating Standards and Requirements.

- C10.1.1.1 The DOE/NNSA M&O Contractor and County shall plan and implement methods of load curtailment consistent with NERC requirements and when requested by PNM as the Balancing Authority.
- C10.1.1.2 The DOE/NNSA M&O Contractor and County recognize the requirement to reduce the total system load when transmission and/or generation resources are inadequate to serve the system load.
- C10.1.1.3 Each Party shall develop and maintain a manual load shedding plan as needed by the Planning Coordinator (PNM) for its loads and generators.
- C10.1.1.4 The DOE/NNSA M&O Contractor and County will work together to coordinate and implement manual load shedding using the current LANL Utility Operating Instructions (UOI) and County Dispatch Operating Procedures.

C10.1.2 Reporting on Load Shedding

In the event load shedding procedures are implemented, the LANL Utilities Facilities Operations Director (FOD) and County shall submit a report to Operating Committee for review at the next scheduled Operating Committee meeting. The report will identify the amount, duration of load curtailments, and the reasons for implementation of the curtailment. This report shall comment on the degree of compliance of DOE/NNSA and County.

C10.1.3 Load Shedding Percentages

The percentage of load shedding required of each Party is approximately 80% for the Laboratory and approximately 20% for the County.

C10.2 Approvals

Reserved.

C10.3 Attachments

Reserved.

C11 Electric SCADA Maintenance and Security Coordination

C11.1 Policies & Procedures

C11.1.1 Critical Infrastructure Protection (CIP) Compliance

- C11.1.1.1 DOE/NNSA is registered with NERC as a Distribution Provider (DP) and owns and operates the LANL 115kV system and associated controls, which includes the electric Supervisory, Control and Data Acquisition (SCADA) system.
- C11.1.1.2 DOE/NNSA, or designee, shall develop and maintain policies and procedures for compliance with applicable NERC Requirements. This includes the NERC Critical Infrastructure Protection (CIP) Standards.
- C11.1.1.3 DOE/NNSA shall be responsible for compliance with these procedures for critical infrastructure assets owned by the DOE/NNSA which includes the Primary and Backup Control Centers, the Primary and Backup SCADA server rooms, the Physical Access Control System (PACS) and the DOE/NNSA Substation Bulk Electric System (BES) Cyber Systems.
- C11.1.1.4 The County shall provide evidence to NNSA, or designee, as required by DOE/NNSA NERC CIP procedures as it pertains to LAC-owned equipment. NNSA, or designee, shall validate NERC compliance by the County.
- C11.1.1.5 DOE/NNSA, or designee, shall maintain evidence files for NERC CIP compliance and is responsible for submittal of documentation to WECC.
- C11.1.1.6 The County shall be accountable to DOE/NNSA for compliance with the DOE/NNSA NERC CIP procedures and herein.

C11.1.2 Electric SCADA Assets

- C11.1.2.1 DOE/NNSA, or designee, owns and maintains the electric Supervisory Control and Data Acquisition (SCADA) system and associated software licenses and applications, servers, and equipment.
- C11.1.2.2 The County shall comply with DOE/NNSA CIP policies and procedures for connection of County equipment to the SCADA system.
- C11.1.2.3 DOE/NNSA, or designee, and the County shall own and maintain their respective electric SCADA Remote Terminal Units (RTU's). Each will maintain an inventory of their RTUs.
- C11.1.2.4 DOE/NNSA, or designee, shall maintain a baseline of the electric SCADA system, its current patches, revisions, and operating configurations, and shall provide such information to the Operating Committee as requested.
- C11.1.2.5 DOE/NNSA, or designee, shall develop an electric SCADA configuration change control procedure to document patches, revisions and operating configurations for electric SCADA control, analog and monitoring functions. DOE/NNSA and the County shall review and provide input to this procedure at least annually.

- C11.1.2.6 DOE/NNSA, or designee, and the County shall comply with the configuration change control procedure for their respective equipment connected to the SCADA.
- C11.1.2.7 DOE/NNSA shall coordinate and provide advance notice to LAC for any SCADA work that requires LAC staff support. DOE/NNSA shall plan and schedule their work that affects the operations of LAC facilities so that plant outages and customer outages are mutually agreed upon. DOE/NNSA shall provide timely SCADA support to LAC when there is a SCADA system failure. County and DOE/NNSA SCADA personnel will work jointly to resolve any communications problems.

C11.1.3 Communications

- C11.1.3.1 DOE/NNSA, or designee, shall maintain the electric SCADA CPU communications (e.g., Synchronous Optical Network (SONET) Ring) used for electric SCADA RTU communications. The County shall maintain its own communications associated with the electric SCADA CPUs and its RTUs.
- C11.1.3.2 DOE/NNSA, or designee, shall maintain the diagram for the SCADA CPU, SONET, and RTU communications delineating ownership.

C11.2 Approvals

Reserved.

C11.3 Attachments

Reserved.

C12 SNL/KAFB Scheduling Agent Services

C12.1 Policies & Procedures

C12.1.1 Written Guidelines

Each month the Los Alamos County (LAC) Manager of Operations is responsible to issue written guidelines to direct the hour-by-hour operations of the LAC Power System Operators. Copies of such written guidelines shall be included in the Operating Committee meeting handouts and submitted to Western Area Power Administration (WAPA) and the SNL/KAFB for their review and comment at their discretion.

C12.1.2 Power Scheduler Responsibilities for Hourly Load Profiles

The LAC Power Scheduler shall have responsibility to prepare and submit the hourly load profile information to Public Service Company of New Mexico (PNM). This information shall be developed from the most recent PNM SCADA data on interchange deliveries into SNL/KAFB and/or the PNM Profiler historical Actual Net Interchange information for similar days for SNL/KAFB. Adjustments may be made to reflect the anticipated impact on hourly loads from predicted changes in ambient temperatures. Additionally, the LAC Power Scheduler may recognize the anticipated load impact from projected SNL/KAFB operational changes, whenever such information is provided by the designated SNL/KAFB utility representatives. It shall be the designated SNL/KAFB utility representative's responsibility to advise the LAC Power scheduler of anticipated load changes of two (2) MW or more at least 48 hours in advance. If unanticipated load changes of two (2) MW or more occur, it shall be their responsibility to advise the LAC Power Scheduler as soon as practical.

C12.1.3 Power Scheduler Responsibilities for Short-Term Power

Prior to each operating season, the LAC Power Scheduler shall have responsibility to project the short-term power needs and/or surplus power that is projected for the upcoming operating season and make recommendations to WAPA for possible block energy transactions that might be made for the next operating season. As used herein, operating seasons shall mean WAPA's winter season (October-March) and summer season (April-September). Subject to the prior concurrence of the SNL/KAFB utility representative who may need to coordinate with others in NNSA Headquarters, WAPA may enter into additional seasonal transactions to address the projected needs and/or surpluses.

Alternatively, WAPA may advise the LAC Power Scheduler to handle the projected needs and/or surpluses through LAC month-ahead transactions. To facilitate the development of the following season's schedule, to the extent needed, conference calls will be held to obtain input from SNL, KAFB and LAC.

C12.1.4 Projecting Power Needs or Surplus

Prior to each operating month, the LAC Power System Supervisor shall have responsibility to project the short-term power needs and/or surplus power that is projected for the upcoming month and make recommendations to WAPA through the Operating Committee for possible energy transactions that might be made for the next month. LAC may enter into additional monthly transactions to address the projected needs and/or surpluses. Notification of scheduled monthly transactions shall be provided by e-mail to WAPA and NNSA SNL/KAFB utility representative. To the maximum extent practical monthly purchases and sales shall be scheduled on a combined basis for KAFB/SNL, LANL and LAC.

C12.1.5 Handling of Power Needs or Surplus

The LAC Power Scheduler may handle the projected needs and/or surpluses through LAC daily and/or hourly transactions. To the maximum extent practical weekly purchases and sales shall be scheduled on a combined basis for SNL/KAFB, LANL and LAC.

C12.1.6 Combined Operations

To the maximum extent practical, real-time operations shall be conducted on a combined basis for SNL/KAFB, LANL and LAC. Resource transactions responsibility and revenues shall be accounted for on an after-the-fact optimal basis.

C12.1.7 WAPA Hydropower Scheduling

Prior to each month, the LAC Power Scheduler shall have responsibility to prepare and submit the required hour by hour schedule for the KAFB allocation of WAPA hydroelectric power.

C12.1.8 Monitoring of Metering

LAC will monitor SNL/KAFB loads from Public Service Company of New Mexico's (PNM) real-time metering using the Inter-control Center Communications Protocol between LAC and PNM.

C12.1.9 Separate Handling of SNL/KAFB Scheduling

The LAC Power Scheduler shall develop and maintain a separate Power Scheduler for SNL/KAFB as an extension to the LAC Power Scheduler (Power Scheduling Software).

C12.1.10 SNL/KAFB PNM NITSA

WAPA will continue to contract with PNM for a NITSA/NOA to deliver power to SNL/KAFB. The administration of WAPA's NITSA/NOA is described below.

C12.1.10.1 Operate on WAPA's behalf its scheduling agent responsibilities required by the First Revised Service Agreement for Network Integration Transmission Service Agreement (NITSA) between PNM and WAPA and the First Revised Network Operating Agreement (NOA) between WAPA and PNM In accordance with an Operating Procedure executed among PNM, WAPA and LAC.

C12.1.10.2 All necessary NITSA ancillary services from PNM for the KAFB/SNL load, including spinning and non-spinning reserves and reactive supply, shall be purchased under the WAPA NITSA/NOA pertaining to KAFB/SNL. Operations oversight and monthly cost validation related to the ancillary services obtained shall be the responsibility of LAC.

C12.1.10.3 The return of energy for transmission losses shall be scheduled normally at either 1 MW or 2 MW each hour as necessary to satisfy the return of losses to PNM.

C12.1.10.4 If SNL/KAFB has excess power and LAC/LANL requires additional power, such power shall be made available to LAC/LANL on a first priority basis at a transaction price equal to the lower of actual cost or 95% of the Platts Four Corners Index (PFCI) price.

C12.1.10.5 If LAC/LANL has excess power and SNL/KAFB requires additional power, such power shall be made available to SNL/KAFB on a first priority basis at a LAPP market value transaction price.

C12.1.10.6 Excess SNL/KAFB power that is not assigned to meet LAC/LANL needs will be available for the LAC to sell to CRSP on a first priority basis before offering it to third Parties. Consistent with established LAC practices if neither LAC/LANL nor CRSP can utilize the excess, LAC will attempt to sell excess power hourly at a negotiated price or default to the PNM/LAC sales agreement or any successor agreement then in effect.

C12.1.11 Tagging

The normal practice shall be to require the suppliers to provide transaction tags to PNM for all resource transactions related to SNL/KAFB. It shall be the LAC power scheduler's responsibility to work with the block power suppliers and advise them of any split of power schedules to entities other than SNL/KAFB, e.g. portion to go to PNM for losses, or surpluses provided to LAC, and to verify that all required tags have been properly provided by the suppliers. If and when tags are not properly provided by the supplier, the LAC Power Scheduler shall prepare and submit the transactions tags to PNM for all resource transactions related to KAFB/SNL power supply needs and surplus power sales.

C12.1.12 Handling of Imbalance Penalties

In the event that the combined operations incur any Schedule 4, Imbalance penalties, written documentation as to the cause, cost responsibility and recommendations for future avoidance of similar penalties shall be prepared by the Power Scheduler and submitted to the Operating Committee, WAPA and the NNSA SNL/KAFB utility representative for review and possible action. Monetary penalties shall be reviewed by the Operating Committee and if, in their sole discretion, such penalties cannot be clearly attributable to the errors of either party, or if the penalties should reasonably have been avoided by the Power Schedulers, then the penalties shall be shared by the LAC, LANL and SNL/KAFB based on SNL/KAFB's proportionate share of the combined monthly energy for the operating month(s) during which the penalty relate.

C12.1.13 Purchasing-Selling Entity

LAC shall function as the Purchasing-Selling Entity (PSE) for the combined LAC-SNL/KAFB load-resource pool pursuant to a delegation letter to be signed by authorized representatives of SNL/KAFB and LAC. SNL/KAFB shall have the opportunity to review all compliance documentation generated by LAC.

C12.1.14 Manpower Requirements

C12.1.14.1 Scheduling agent services for SNL/KAFB are provided by the same staff listed under Operating Procedure A2, section 1.1.4. The Power System Operators are County employees with direct supervision provided by the LAC Power System Supervisor. The Operating Committee shall be responsible for approving any necessary changes in the number of Power System Operators required to support scheduling agent services for SNL/KAFB.

C12.1.15 Cost Allocation

C12.1.15.1 SNL/KAFB shall pay a portion of the total expenses of the combined operation and coordination of the Approved Resources, include funding and operating the load dispatch center and the employment of a Manager of Operations. This SNL/KAFB portion shall be calculated monthly by the following two-step process. First, all of the Scheduling Agent Services costs will be totaled. The portion allocable to SNL/KAFB will be determined by the ratio of (i) the total energy use by SNL/KAFB (Metered data from PNM) to (ii) the combined LAC/LANL (Metered ANI provided by LANL) and SNL/KAFB energy use for the billing month, multiplied by the total cost. The SNL/KAFB allocable costs determined by this process shall be billed directly to the Western Area Power Administration. Second, all remaining Scheduling Agent Services costs will be included in the monthly LAC/LANL settlement sheet and allocated 100% demand.

C12.1.16 Billing & Payment

C12.1.16.1 Billing: LAC will submit an estimated monthly invoice to WAPA with a copy to SNL and KAFB utility representative by the end of each month for all estimated Scheduling Agent Services expected to be rendered during that month for SNL/KAFB, plus the net of SNL/KAFB estimated supplemental power purchases for the current month and actual sales for the prior month.

WAPA will issue its estimated invoice for the prior month to SNL and KAFB utility representatives for the NITSA, SLCA/IP Allocation, and WRP including the estimated invoice from LAC (as described herein) by the second (2nd) day of each month.

Estimated and actual costs of dispatch, purchases and sales will be reconciled on the next month's invoice.

C12.1.16.2 Payment: WAPA will pay any amount due to LAC, based on the estimated invoice by the twentieth (20th) day of the following month. Payment will be electronically transferred by WAPA into LAC's designated account. In the event that the revenue from sales of excess SNL/KAFB power exceeds the estimated monthly costs for the Scheduling Agent Services and any supplemental purchases, such net amount will be paid by electronic transfer into WAPA's designated account by LAC within seventy-two (72) hours of receipt of such sales revenue.

Pursuant to the Interagency Agreement (87-SLC-0029) between KAFB and WAPA and the Base Support Agreement (FB4469-00286-610) between NNSA and KAFB, KAFB will pay WAPA for the services rendered by LAC, as well as for the NITSA, SLCA/IP Allocation, and WRP services no later than fifteen (15) days following receipt of invoice.

C12.1.17 Term

C12.1.17.1 This Operating Procedure shall become effective on August 1, 2026, and shall remain in effect through July 31, 2036, unless terminated upon one (1) year advance written notice given by either Party to the other Party.

C12.2 Approvals

Reserved.

C12.3 Attachments

Reserved.

C13 Load Serving Entity Functions by County for NNSA

C13.1 Policies & Procedures

C13.1.1 County Responsibilities

County will respond to directives communicated through/from Balancing Authority PNM. County will also notify DOE/NNSA and its M&O Contractor of any directives.

C13.1.2 PNM Responsibilities

PNM provides Intermittency services via the Energy Imbalance Market. PNM will provide directives during energy emergencies if the EIM is insufficient.

C13.1.3 Interruptible Demands and Direct Control Load Management

Interruptible Demands and Direct Control Load Management (DCLM) Data: NERC Reference Standard MOD-031-3 Energy and Demand Data R1. County will provide upon request energy and demand data to planning coordinator (PNM), for interruptible demands and DCLM to Transmission Operators, Balancing Authorities on request within 30 calendar days. Evidence required by County: Provide list of interruptible demands to NNSA by January 31 of each year to ensure they are available if requested. If there are no interruptible demands, County shall provide documentation stating so.

C13.1.4

Normal Operations Planning: County shall coordinate LASA's current-day, next-day, and seasonal operations with the Balancing Authority and Transmission Service Provider. Evidence required from County: Next Day load and seasonal operations forecast is transmitted by County to Balancing Authority prior to the upcoming month. County shall provide documentation to NNSA by January 31 each year.

C13.2 Approvals

Reserved.

C13.3 Attachments

Reserved.

Section D Planning Procedures

D1 Planning Studies

D1.1 Policies & Procedures

D1.1.1 Commissioning of Studies for Reliability and Resource Adequacy

The Operating Committee shall commission studies, as necessary, to assess the reliability and adequacy of the LAPP. A listing of typical studies follows.

- a. Transmission line and generation outage conditions
- b. Reactive Power Correction
- c. Fault Current Studies
- d. WECC & NERC Compliance
- e. Integrated Resource Plan (Power Supply Study)
- f. Long term power requirements
- g. Feasibility of adding new approved resources
- h. Gap analysis as appropriate

D1.1.2 Commissioning of Studies for Potential Resource Additions

The Operating Committee shall commission studies to assess potential resource additions to meet future load and reliability requirements as indicated by the results of the studies performed in Section 1.1 above.

D1.2 Approvals

D1.2.1 Commissioned Studies

The Operating Committee shall select a person or firm to prepare “commissioned” studies and appoint a Project Manager to represent the interest of the LAPP to carry-out commissioned studies.

D1.2.2 Submittal of Reports

All formal reports and studies shall be submitted to the Operating Committee for review and approval.

D1.3 Attachments

Reserved.

D2 Participation in Electrical Industry Organizations

D2.1 Policies & Procedures

D2.1.1 Professional Organizations Membership

The County will continue to maintain memberships in the following organizations and their successors, as needed for compliance, business and regulatory purposes.

- a. American Public Power Association (APPA)
- b. Utah Associated Municipal Power Systems (UAMPS)
- c. Western Electricity Coordinating Council (WECC)
- d. WSPP
- e. Colorado River Electrical Distributors Association (CREDA)
- f. Vendor “user groups”, transmission organizations, and associations, as necessary, to carry out the responsibilities of the job and maintain a current knowledge base

D2.1.2 Professional Organizations Meetings Attendance

The Manager of Operations, or his designated representative, shall represent LAPP at meetings of the above-listed organizations.

D2.1.3 Evaluation of Continued Membership

The Manager of Operations shall evaluate continued memberships in these or other organizations and make recommendations to the Operating Committee for any changes recommended.

D2.1.4 Evaluation of New Membership

The Manager of Operations shall evaluate the benefit of becoming a member of other industry planning, marketing, and operating groups and if beneficial, recommend pursuing membership to the Operating Committee.

D2.2 Approvals

D2.2.1 New Memberships Review and Approval

The Operating Committee shall review and approve the recommendations for new memberships.

D2.2.2 Funding Approval

Funding for the above must be contained in an approved budget before Operating Committee can expend funds for the above matter.

D2.3 Attachments

Reserved.

Show Comments

Hide Comments

U.S. Department of Energy
National Nuclear Security Administration
REPORTING REQUIREMENTS CHECKLIST

Submit by Email

Program/Project Name: Identification Number:

Participant Name: Address:

City: State: Zip Code: Phone Number:

PLANNING AND REPORTING REQUIREMENTS

Report Name	Frequency	Copies	Address	Report Name	Frequency	Copies	Address
A. General Management				E. Scientific and Technical Information (STI) DOE F 241.1 available at http://www.osi.gov			
☐ Management Plan (Requires COR Approval)				☐ Technical Progress Report (Annual Accomplishment Report)			
☐ Status Report				☐ Draft for Review			
☐ Summary Report				☐ Final for Approval			
B. Schedule / Labor / Cost				☐ Conference Report			
☐ Milestone Schedule / Plan				☐ Final Technical Report			
☐ Labor Plan				☐ Draft of Review			
☐ Facilities Capital Cost of Money Factors Comp.				☐ Final for Approval			
☐ Contract Facilities Capital and Cost of Money				☐ Software			
☐ Cost Plan				Other			
☐ Milestone Schedule / Status				F. Other Reports (Not Science and Technical Information, SIT)			
☐ Labor Management Report				☐ Draft for Review			
☐ Cost Management Report				☐ Final for Approval			
C. Exception Reports				Other			
☐ Conference Record				G. Miscellaneous Other Reports			
☐ Hot Line Report				Small Disadvantage Subcontracting Plan Reports available at eSRS website .			
D. Performance Measurement				☐ Individual Subcontracting Report (formerly SF294)			
☐ Management Control System Description				☐ Summary Subcontracting Report (formerly SF295)			
☐ WBS Dictionary				Government Property Reports (41 CFR 102-36.295) available at DOE Forms website .			
☐ Index				☐ DOE F 4300.3 Semi-Annual Report of DOE Owned Plant and Capital Equipment			
☐ Element Definition				☐ Property Information Database Report			
Cost Performance Reports				Work Environment, Health & Safety Plan (10 CFR 851)			
☐ Format 1 - WBS				☐ Initial Submission			
☐ Format 2 - Function				☐ Updates			
☐ Format 3 - Baseline							
Financial Incentives							
☐ Statement of Income and Expense							
☐ Balance Sheet							
☐ Statement of Changes in Financial Position							

Additional Reports not listed above

Report Name	Frequency	Copies	Address	Report Name	Frequency	Copies	Address
Quarterly Power Pool Meeting Notes	Q	1	A, B, C	Other			
Monthly Invoices and Billing	M	1	A, B, C	Other			
Planning Studies	F	1	A, B, C	Other			
Operating Procedures	A	1	A, B, C	Other			
Other				Other			
Other				Other			
Other				Other			
Other				Other			
Other				Other			
Other				Other			
Other				Other			
Other				Other			
Add Row				Delete Row			

Addresses

Notes: Address Code "E" = Front page of report required only. Address Code "F" = Copy of transmission page of document which was submitted to COR required.

A.

Organization: Attn: Address:

City: State: Zip Code: email: Fax Number:

B.

Organization: Attn: Address:

City: State: Zip Code: email: Fax Number:

C.

Organization: Attn: Address:

City: State: Zip Code: email: Fax Number:

D.

Organization: Attn: Address:

City: State: Zip Code: email: Fax Number:

Show Comments

Hide Comments

U.S. Department of Energy
National Nuclear Security Administration
REPORTING REQUIREMENTS CHECKLIST

Submit by Email

Program/Project Name: Electrical Power Services for LANL Identification Number: 89233126CNA000436

Frequency Codes:

A - As Required	BM - Bimonthly	S - Semi-Annually
C - Change to Contractual Agreement	M - Monthly	X - With Proposal / Bid / Application or with Significant Changes
F - Final (end of effort)	O - Once After Award	Y - Yearly or Upon Renewal of Contractual Agreement / Revision of Task Assignment
D - Daily	Q - Quarterly	W - Weekly

Prepared by (Program Manager / COR)	Reviewed by (Contract Specialist / Contracting Officer)

U.S. Department of Energy
National Nuclear Security Administration
REPORTING REQUIREMENTS CHECKLIST

Program/Project Name:

Electrical Power Services for LANL

Identification Number:

89233126CNA000436

PLANNING AND REPORTING REQUIREMENTS

Types of Reports and Customary Uses

The checklist identifies and communicates reporting requirements. The checklist will be completed for each contract. If necessary, special instructions may be appended to modify the checklist to adapt it to specific situations. Below are definitions of the terms used in the checklist.

A. GENERAL MANAGEMENT REPORTS

These summarize schedule, labor, and cost plans and status for rapid overview by senior managers, and provide appropriate narrative explanation of status variance from plan.

A-1 Management Plan

The "Management Plan" describes the participant's approach to performing the effort and producing the products identified in the contractual agreement, and the technical, schedule, cost, and financial management control systems to be used to manage that performance. The "Management Plan" is commonly required as part of the proposal and becomes a binding part of the contractual agreement. The content and level of detail in the "Management Plan" vary with the types of contractual agreement and the nature of the work involved; however, they must be sufficiently comprehensive to describe the planned execution, management, and results of the work. The participant may attach existing materials (e.g., company personnel management procedures) as appropriate. Figure A-1 shows an example "Management Plan" outline which should be modified and applied as appropriate to specific applications. The plan should include:

1. A brief consolidated executive summary permitting general management to quickly comprehend the most significant components of the plan. This summary should be sufficient to present a comprehensive overview of the project and should stress the logical interrelationships among the significant planned components.
2. A brief introduction including a background (e.g., legislative, scientific, sociological, and historical) that demonstrates the participant's understanding of the problems, both management and technical, associated with the proposed effort.
3. An overall description of planned accomplishments, including technical, schedule, cost, and financial results, and how they interrelate. When required, the "Work Breakdown Structure Dictionary" and the "Management Control Systems Description" normally required under CSCSC will be included in this section.
4. A description of the management systems employed to control cost and schedule performance, including a discussion of the organizational components responsible for cost and schedule management, and an explanation of planning, budgeting, accounting, and analytical procedures and systems.
5. A description of the technical support systems and controls employed to enable and control the planned technical results, including systems engineering, configuration management, quality assurance, safety engineering, environmental engineering, data processing, and any other systems, as applicable.
6. A description of the administrative support system's and controls employed to facilitate execution of the contract. The description should include an overview of those systems that support general corporate efforts but which are not dedicated to specific project activities.
7. For loans and loan guarantees, a description of the financial support systems and controls employed to ensure accomplishment of planned financial results, including income, expenses, cash, inventory, receivables, fixed assets, payables, current and long-term liabilities, equity, and any other applicable items.

A-2 Status Report

The "Status Report" is the participant project manager's concise narrative assessment of the status of the work being performed under the contractual agreement. DOE management uses the report to monitor status and to provide early recognition of potential problem areas. The report highlights changes to objectives, changes to technical approach, task variances from baseline in excess of stipulated thresholds by reporting element, causative factors, and actions taken or proposed to resolve them, as well as factors with potential for causing significant variances in the future. Task progress may also be highlighted. The report next identifies open items requiring action by DOE or the participant. The report also provides a summary assessment of the current situation, including a forecast of the near future and the expected impact on project accomplishment. The report may be accompanied by attachments. For contracts, the report includes, as attachments, funding status, funding by time period, and a cost change reconciliation.

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U.S. Department of Energy
National Nuclear Security Administration
REPORTING REQUIREMENTS CHECKLIST

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Program/Project Name:

Electrical Power Services for LANL

Identification Number:

89233126CNA000436

A-3 Summary Report

A summary presentation of integrated cost, labor, and schedule information for rapid analysis and trend forecasting. Most data are presented graphically.

B. SCHEDULE/LABOR/COST**B-1 Milestone Schedule Plan/Status Report**

A dual-purpose format to establish a baseline schedule and then indicate performance status for each reporting element identified in the award instrument.

B-2 Labor Plan

A baseline plan to allocate direct labor to each reporting element required by the contractual agreement.

B-3 Facilities Capital Cost of Money Factors Computation

The purpose of this form is to (a) accumulate total facilities capital net book values allocated to each business unit for the participant cost accounting period and (b) convert those values to facilities capital cost of money factors applicable to each overhead or general and administrative expense allocation base employed within a business unit.

B-4 Contract Facilities Capital and Cost of Money

The purpose of this form is to compute the estimated facilities capital to be employed for a specific contract proposal. An intermediate step is to compute the estimated facilities capital cost of money, using the Facilities Capital Cost of Money Factors developed on Form(s) CASB-CMF. This procedure is intended to be fully compatible with Cost Accounting Standard 414, "Cost of Money as an Element of the Cost of Facilities Capital", and extend those criteria and techniques to prospective periods for forward pricing purposes. Measurement of the amount of facilities capital employed is discussed in FAR 31.205-10.

B-5 Cost Plan

This establishes the plan for accruing total costs for the life of the contractual agreement.

B-6 Milestone Schedule Plan/Status Report

A dual-purpose format to establish a baseline schedule and indicate performance status for each reporting element identified in the award instrument.

B-7 Labor Management Report

A periodic report of the status of actual and projected labor expenditures and their variances from the approved "Labor Plan" for a contractual agreement.

B-8 Cost Management Report

A periodic report of the status of actual and estimated accrued costs and their variances from the current approved "Cost Plan" for a contractual agreement. The report will be used by the Government to monitor the status of the contractual agreement, verify the reasonableness of the participant's invoices, report costs accrued during the reporting period, and estimate costs to be accrued during the subsequent report period(s).

C. EXCEPTION REPORTS

These reports are used to inform DOE of any unusually significant events and document the participant's understanding of DOE/participant discussions.

C-1 Conference Record

Documents for the DOE project manager, DOE contracting officer, and the participant an understanding of significant decisions, direction or redirection, or required actions resulting from meetings with DOE representatives. It is required for any meeting, conference, or phone conversation in which a decision is made that may change the schedule, labor, cost, or technical aspects of the contractual agreement or the approved baseline plans.

U.S. Department of Energy
National Nuclear Security Administration
REPORTING REQUIREMENTS CHECKLIST

Program/Project Name:

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C-2 Hot Line Report

This is essentially an expedited "Conference Record." Identification as a "Hot Line Report" serves notice at each link in the delivery chain that speed in handling is required. Unless otherwise agreed by the parties involved, DOE is expected to take action and respond in a similarly speedy manner. These reports may be used to report a major breakthrough in research, development, or design; an event causing a significant schedule slippage or cost overrun; achievement or failure to achieve an important technical objective; or any requirement for quickly documented direction or redirection.

D. PERFORMANCE MEASUREMENT REPORTS

These provide information regarding the budgeted cost for work performed relative to the budgeted cost for work scheduled and the actual cost of work performed and provide for reporting data on performance measurement baseline maintenance and estimates at completion. Refer to DOE O 413.3-10 which EVMS for projects exceeding certain thresholds.

D-1 Management Control Systems Description

Performance measurement reports are normally required when the Cost and Schedule Control Systems Criteria of DOE 2250.1A are applied. However, the inclusion of the criteria in a solicitation or contractual agreement is not a requirement for submission of reports which are specified only by the "Reporting Requirements Checklist."

D-2 Work Breakdown Structure Dictionary

Management control systems Description and Work Breakdown Structure Dictionary are normally required of a contractor as part of "The Management Plan" when the cost and schedule control systems criteria are applied to a contract.

D-3 Cost Performance Report

A periodic report of budgeted, earned, and actual cost of work performed, and of budgeted and estimated costs at completion, with related variances by work breakdown structure element.

D-3a Work Breakdown Structure (Format 1)

Part 1-Index-The work breakdown structure index lists the preliminary work breakdown structure elements extended to the lowest level required. Specific project requirements may be added as needed. Work Breakdown Structure Dictionary Part II - Element Definition Part II describes the work breakdown structure elements contained in the Index and their relationship to design and funding documents. Specific project requirements may be added as needed.

D-3b Cost Performance Report - Functional Categories (Format 2)

A periodic report of budgeted, earned, and actual cost of work performed, and of budgeted and estimated costs at completion, with related variances, by functional organization.

D-3c Cost Performance Report - Baseline (Format 3)

This is a periodic report of revisions to the performance measurement baseline.

E. TECHNICAL-SCIENTIFIC AND TECHNICAL INFORMATION (STI)

The mission of the Office of Scientific and Technical Information (OSTI) is to advance science and sustain technological creativity by making R&D findings available and useful to Department of Energy (DOE) researchers and the American people. Ongoing strategies for accomplishing this mission. Office of Scientific and Technical Information (OSTI) requires that STI products and documents that provide findings, statistics, and analysis related to DOE research and development programs (excluding administrative documents) are appropriate for announcement to OSTI per DOE G 241.1-1A.

This information is to be submitted on the website <https://www.osti.gov/etlink/Technical Reports>, submitted on both a regular and as-required basis, are the primary means by which DOE disseminates scientific, technical, and engineering information acquired in the performance of DOE-supported efforts to the Department's researchers and program managers, and, when appropriate, the general public. This requirement shall be completed online per STI consists of information products, in any format or medium, derived from scientific and technical studies, work, or investigations that relate to research, development, demonstration, and other specialized areas such as environmental and health protection and waste management.

Program/Project Name:

Electrical Power Services for LANL

Identification Number:

89233126CNA000436

Scientific and technical information products may be unclassified unlimited, sensitive unclassified, export controlled, classified, or declassified. DOE-funded STI originates primarily from research and other activities performed by contractors for management, operation, or integration of DOE-owned/leased facilities, direct DOE-executed prime procurements, DOE-operated research activities, and financial assistance recipients, in addition to DOE employees. The definition from DOE G 241-1.1A is as follows: Scientific and Technical Information (STI).

- STI consists of information products, in any format or medium, derived from scientific and technical studies, work, or investigations that relate to
- research, development,
- demonstration,
- and other specialized areas such as environmental and health protection and waste management.
- Scientific and technical information products may be unclassified unlimited, sensitive unclassified, export controlled, classified, or declassified.

F. OTHER REPORTS (not OSTI)

This is required when program manager or contracting officer desires a technical report that does not require filing under OSTI requirements. A draft and/or a final may be required.

G. MISCELLANEOUS OTHER REPORTS

This is for any other contractual reports that the Program Manager/Contract Specialist would like to highlight.

Information of reports not addressed here are available online. The PIDS information is not a form, but report information that may be required from the contractor.

Property Information Database System (PIDS)

Non-M&O contractors are reminded that information needs to be collected on federally-owned property as well as Contractor-Acquired property used in Conjunction with Cooperative Agreements, Grants, Interagency Agreements, Non-maintenance and operation cost reimbursement contractors, and fixed-priced contracts. This report reflects reporting of Contractor's property statistics for the fiscal year. This information is made available to Congressional and other offices. This provides the means for reporting DOE and Contractor held property as follows:

- Equipment items valued \$5K to \$49,999
- Equipment valued at \$50K and above
- Sensitive items regardless of value

**EXHIBIT G PHYSICAL SECURITY
SECURITY REQUIREMENTS
TABLE OF CONTENTS**

<u>No.</u>	<u>Clause Title</u>	<u>Page</u>
G1.0	Definitions and Acronyms (Jan 2023)	2
G2.0	Security Requirements (Jan 2023)	2
2.1	DEAR Clauses Incorporated By Reference	2
2.2	DOE Directives Incorporated by Reference	3
2.3	Goal of Zero Security Incidents	4
G3.0	General Security (Jan 2023)	4
3.1	Work site, Security Area, Badge and Data Information	5
3.2	Integrated Safeguards and Security Management (ISSM)	5
3.3	Safeguards, Security and Counterintelligence Awareness	6
3.4	Security Training	6
3.5	Security Stop Work	7
3.6	Reporting Security Incidents	7
3.7	Workplace Violence	8
G4.0	Physical Security (Oct 2020)	8
4.1	Prohibited Articles	8
4.2	Escorting	9
4.3	Security Areas	10
4.4	Acknowledgement / Control of Vehicles On-Site	11
4.5	Enhanced Security Areas	11
4.6	Security Fences and Barriers	11
4.7	Parking on LANL Premises	11
G5.0	Personnel Security (Jan 2023)	11
5.1	Substance Abuse	12
5.2	Badges	15
5.3	Clearances (i.e., access authorizations)	17
5.4	Foreign Ownership, Control or Influence (FOCI)	19
5.5	Human Reliability Program	20
5.6	Foreign Visits and Assignments	21
G6.0	Information Security (Jan 2023)	21
6.1	Official Use Only (OUO) and TRIAD Proprietary (TPI) Information	22
6.2	Unclassified Controlled Nuclear Information (UCNI)	23
6.3	Classified Matter and Material	24
G7.0	Controlled Portable Electronic Devices / Wireless Technology (June 2022)	27
7.1	Use of Controlled Portable Electronic Devices (PEDs)	27
7.2	Approvals Required Before Commencement of Work	28
7.3	Rules for Using Authorized Controlled PEDs in Security Areas	28
7.4	Wireless Device Requirements	28
7.5	LANL and Other Government-owned Wireless Devices	28
7.6	Privately-Owned Controlled PEDs	29
7.7	Privately-owned Wireless Computing Devices	29
7.8	Connecting to Presentation Systems and Using Equipment Remote Controls	29
G8.0	Contacts (June 2022)	30
G9.0	Required Notifications (May 2015)	30
G10.0	Additional Requirements (Mar 2017)	30

G1.0 Definitions and Acronyms (Jan 2023)

Definitions and acronyms may be accessed electronically at

http://www.lanl.gov/resources/_assets/docs/Exhibit-G/exhibit-g-definitions-acronyms-green.pdf

G2.0 Security Requirements (Jan 2023)

SUBCONTRACTOR shall comply with all requirements specified in this exhibit. Regardless of the performer of the work (e.g. sub-tier or third party contractor) SUBCONTRACTOR shall ensure compliance with the provisions of this exhibit. All measures taken by CONTRACTOR to correct Subcontract Workers' non-compliance shall be at SUBCONTRACTOR'S expense, and the cost thereof, including any stipulated penalties resulting from such non-compliance, shall be deducted from payments otherwise due SUBCONTRACTOR. Additionally, when requested by CONTRACTOR, SUBCONTRACTOR shall provide such information, assistance and support as necessary to facilitate CONTRACTOR'S compliance with any DOE Directives that may be applicable to the scope of work.

Work on this subcontract shall be subject to random periodic inspections and assessment by LANL Security personnel to verify compliance with the security requirements in this Exhibit G.

2.1 DEAR Clauses Incorporated By Reference

2.1.1 The Department of Energy Acquisition Regulation (DEAR) clauses which are incorporated by reference herein shall have the same force and effect as if printed in full text.

2.1.2 Full text of the referenced clauses may be accessed electronically at
https://www.acquisition.gov/Supplemental_Regulations

2.1.3 The following verbiage alterations apply only to FAR and DEAR clauses wherever necessary to make the context of the unmodified DEAR clauses applicable to this subcontract and do not apply to DOE or NNSA Directives.

- The term "Contractor" shall mean "SUBCONTRACTOR;"
- The term "Contract" shall mean this subcontract; and
- The term "DOE", "Government," "Contracting Officer" and equivalent phrases shall mean CONTRACTOR and/or CONTRACTOR'S representative, except the terms "Government" and "Contracting Officer" do not change when a right, act, authorization, or obligation can be granted or performed only by the Government or the prime contract Contracting Officer or his duly authorized representative; or where specifically modified herein.

2.1.4 The following clauses apply as stated in the Instructions.

Clause Number	Title and Date	Instructions
DEAR 952.204-2	Security (Aug 2016)	Applies when work involves or may involve classified information, access to special nuclear materials or the provision of protective services.
DEAR 952.204-70	Classification / Declassification (Sep 1997)	Applies when work involves or may involve access to classified information.
DEAR 952.247-70	Foreign Travel (June 2010)	Applies if foreign travel may be required in order to perform subcontract work. If applicable, authorization is required from DOE prior to traveling.
DEAR 970.5204-1	Counterintelligence (Dec 2000)	Applies when DEAR 952.204-2 Security and DEAR 952.204-70 Classification / Declassification are applicable.
DEAR 970.5223-4	Workplace Substance Abuse Programs at DOE Sites (Dec 2000)	Applies to subcontracts with sites (LANL) controlled by DOE which are operated under the authority of the Atomic Energy Act of 1954.
FAR 52.204-9	Personal Identity Verification of Contractor Personnel (Jan 2011)	Applies when Subcontractor has routine physical access to a Federally-controlled facility and/or routine access to a Federally-controlled information system.

2.2 DOE Directives Incorporated by Reference

When requested by CONTRACTOR, SUBCONTRACTOR shall provide such information, assistance and support as necessary to ensure CONTRACTOR'S compliance with the following DOE/NNSA Directives, as applicable to the scope of work. SUBCONTRACTOR shall comply with the requirements of the Contractor Requirement Document (CRD) attached to a Directive when required by such CRD. The Directives are prefaced with certain conditions for applicability to the subcontract. **A referenced Directive does not become effective or operative under this subcontract unless and until the condition's precedent are met through the scope of work.** The DOE Directives referenced herein may be found at <http://www.directives.doe.gov/>. Applicable NNSA NAP documents may be provided to SUBCONTRACTOR by the Contract Administrator / Procurement Specialist (CA/PS) upon request.

Clause Number	Title	Instructions
DOE O 142.2A, Admin Chg 1, Attach. 2 CRD	Voluntary Offer Safeguards Agreement and Additional Protocol with the International Atomic Energy Agency	Applies to contracts which involve activities potentially subject to application of safeguards by the International Atomic Energy Agency (IAEA)
DOE M 142.2-1, Chg 2 Attach. 1 CRD	Manual for Implementation of the Voluntary Offer Safeguards Agreement and Additional Protocol with the IAEA.	Applies if contract involves activities associated with the IAEA Safeguards Agreement.
DOE O 142.3A, Chg 2 (MinChg), Attach. 1 CRD	Unclassified Foreign Visits and Assignments Program	Applies if contract involves foreign national access to DOE-owned or leased sites/facilities. Applies if contract involves any foreign national access to DOE information or technologies that are not releasable to the public.
DOE O 206.1 Chg 1, Attach. 1 CRD	Department of Energy Privacy Program	Applies if contract includes activities that may include collecting, processing, storing, maintaining or accessing LANL PII information or data.
DOE O 452.4C Attach. 1 CRD	Security and Control of Nuclear Explosives and Nuclear Weapons	Applies if contract includes work in support of the Nuclear Explosive and Weapon Security and Control Program.
DOE O 452.8 Attach. 1 CRD	Control of Nuclear Weapon Data	Applies if contract work requires workers to hold a clearance and have a need to know to perform in authorized government function.
DOE O 457.1A Attach. 2 CRD	Nuclear Counterterrorism	Applies if contract involves or could potentially involve accessing or generating nuclear weapon design information.
DOE O 460.2B Attach. 2 CRD	Departmental Materials Transportation & Packaging Management	Applies if contract involves transportation and packaging of hazardous or nonhazardous material.
DOE M 460.2-1A Attach. 1 CRD	Radioactive Material Transportation Practices Manual	Applies if contract involves transportation and packaging of radioactive material or radioactive waste.
DOE O 461.1C Chg 1 (MinChg) Attach. 1 CRD	Packaging and Transfer for Offsite Shipment of Materials of National Security Interest	Applies if contract includes packaging and shipment off-site of materials of national security interest.
DOE M 470.4B Chg 2 (MinChg) Attach. 1 CRD	Safeguards and Security Program	Applies when contract requires security training and/or requires a FOCI determination for access authorizations (clearances).
DOE O 470.5 Attach. 1 CRD	Insider Threat Program	Applies when contract includes activities that involve cleared workers, classified information or matter, Special Nuclear Material, nuclear weapons or parts, or when DEAR 952.204-2 is applicable.
DOE O 471.1B Attach. 1 CRD	Identification and Protection of Unclassified Controlled Nuclear Information	Applies to work activities that may generate, possess, or have access to information or matter containing UCNI.

Clause Number	Title	Instructions
DOE O 471.6 Chg 3, Attach. 1 CRD	Information Security	Applies if contract includes access to unclassified or classified information and matter controlled by statutes, regulation or NNSA policies.
DOE O 471.7, Attach. 1 CRD	Controlled Unclassified Information	Applies if contract involves activities where Controlled Unclassified Information (CUI) information and documents will be handled, used or generated.
DOE O 472.2A, Attach. 2 CRD	Personnel Security	Applies if contract work requires employees to hold a clearance and/or when official duties require access to classified information or matter, or special nuclear material or data.
DOE O 473.1A, Attach. 1 CRD	Physical Protection Program	Applies if contract includes responsibilities for operating, administering, and/or protecting DOE & NNSA safeguards and security interests.
DOE M 474.2 Chg 4 (PgChg), Attach. 1 CRD	Nuclear Material Control and Accountability	Applies if contract includes access to nuclear or special nuclear material or data.
DOE O 475.1 Attach. 2 CRD	Counterintelligence Program	Applies if contract work involves access to or use of DOE facilities, technology, personnel, unclassified sensitive information and classified matter.
DOE O 475.2B Attach. 1 CRD	Identifying Classified Information	Applies if contract work includes access to classified information, documents, or material.
DOE O 550.1, Chg 1, Attach. 1 CRD	Official Travel	Applies if contract work involves or could potentially involve official travel.
DOE O 5639.8A	Security of Foreign Intelligence Information and Sensitive Compartmented Information Facilities	Applies if contract work requires access, receipt, storage, processing and/or handling of Foreign Intelligence Information.
NAP 476.1, Admin Chg 1, Attach 1 CRD	Atomic Energy Act Control of Import and Export Activities	Applies if contract involves or could potentially involve CONTRACTOR Tier 2 specifications that reveal a specific nuclear weapon function or nuclear weapon tests and explosions.
NNSA SD 206.1, Attach. 1 CRD	Privacy Program	Applies if contract involves or could potentially involve activities to handle, collect, control, maintain, or access documents, records, federal information, information technology or information systems that contain or store Privacy Act information and PII for NNSA.
NNSA SD 471.6, Attach 1 CRD	Operations Security Program	Applies if contract involves access to data or information pertaining to; mission activities, acquisitions, supply chain, research and design, performance data, and other sensitive activities conducted on behalf of NNSA.

2.3 Goal of Zero Security Incidents

SUBCONTRACTOR and any lower-tier subcontractors shall strive to eliminate all security events, incidents, and adverse impacts to national security.

G3.0 General Security (Jan 2023)

3.1 Work site, Security Area, Badge and Data Information

WORK SITE / TA:	
	DOE owned/leased (LANL) or CONTRACTOR owned/leased facility or property
	Subcontractor owned/leased <u>and</u> DOE Owned / Leased (LANL) facility or property
	Subcontractor owned/leased only

TYPE / CATEGORY	
	Subcontract
X	Subcontract Master Task Order / Basic Agreement
	Subcontract Release
	Purchase Order (will not become a Subcontract)

ON-SITE WORK AREA DESIGNATION	
X	General Access Area / Publically Accessible (GAA)
X	Property Protection Area (PPA)
X	Limited Area (LA)
X	Protection Area (PA)
X	Material Access Area (MAA)
	SCIF, SAPF, certified Vault or Vault Type Room (VTR)

BADGE TYPE / CLEARANCE LEVEL	
X	LANL Generic Uncleared US Visitor badge
X	LANL Generic Uncleared US Visitor Escort Required badge
X	LANL Uncleared Site-specific badge
	LANL Uncleared Foreign National badge
	LANL Cleared Foreign National badge
X	Uncleared DOE badge
	L-Cleared DOE badge
	Q-Cleared DOE badge
	HRP

DATA CLASSIFICATION	
	Classified
X	UCNI
X	Controlled Unclassified (OUO, CPI, PII, ECI, AT, NNPI, RSI)
X	Unclassified / sensitive
X	Unclassified / Public Release

OPSEC PLAN	
	Required
	Not Required

3.2 Integrated Safeguards and Security Management (ISSM)

ISSM uses a five-step process to perform work securely. ISSM provides a framework to support each worker in fulfilling their security responsibilities. The following five-step process defines a systematic approach to actions taken before, during, and after work is performed. SUBCONTRACTOR shall ensure that the ISSM five-step process (or an equivalent process) is followed by all Subcontract Workers.

- (1) Define the Scope of Work.

- (2) Analyze the Security Risk.
- (3) Develop and Implement Security Controls.
- (4) Perform Work within Security Controls.
- (5) Ensure Performance.

3.3 Safeguards, Security and Counterintelligence Awareness

3.3.1 Operations Security (OPSEC) Plan

SUBCONTRACTOR shall develop (with assistance from CONTRACTOR), implement and sustain a DOE OPSEC Plan using the template provided by the Contract Administrator / Procurement Specialist. SUBCONTRACTOR'S OPSEC Plan shall be approved by CONTRACTOR before work may begin at or for LANL. A link to the OPSEC Plan template is <http://www.lanl.gov/resources/exhibit-g.php>

3.3.2 Subcontract Workers shall report all of the following situations to the Office of Counterintelligence and inform the RLM or STR/AdSTR and CA / PS.

- Professional contacts and relationships with sensitive country foreign nationals, whether they occur at one's worksite or abroad.
- All unofficial travel to any DOE sensitive country at least 30 days before departure. (Form 1743)
- All official travel to any DOE sensitive country at least 30 days before departure. Coordinate with LANL host to fill out the necessary paperwork.
- Any suspicious or provocative actions encountered while on travel.
- Suspicious or provocative actions or behaviors on the part of foreign nationals visiting or assigned to LANL.
- Substantive personal relationships with sensitive country foreign nationals (who are not lawful permanent residents), other than family members.
- Business transactions including financial transactions, partnerships, or other business interests or investments with citizens of sensitive countries who are not lawful permanent residents, whether they involve one-time interactions or ongoing financial relationships. (Small payments for things such as house cleaning or other such personal services or financial support provided to family members are not included).
- Any attempts by unauthorized persons to gain access to classified information. (Not limited to DOE sensitive country foreign nationals or foreign nationals; includes US and non-US citizens)

3.3.3 SUBCONTRACTOR shall be alert to and report any of the following to the RLM and STR/AdSTR:

- attempts by unauthorized persons to obtain information;
- unexplained / excessive use of copiers by workers;
- workers living beyond their means;
- unreported contact with foreign nationals;
- unauthorized downloads of information;
- attempts to encourage others to violate laws or security policies
- unusual foreign travel patterns of workers; and
- personal problems of workers that could affect security or fitness for duty.

3.4 Security Training

3.4.1 SUBCONTRACTOR shall ensure that all Subcontract Workers:

- become familiar with the Integrated Safeguards and Security Management (ISSM) process and its implementation requirements for the work to be performed and their security responsibilities; and
- complete required safeguards, security and cyber-security training as indicated herein.

- 3.4.2 The training matrix below identifies security training Subcontract workers may be required to complete before beginning work at or for LANL. An "X" before the name of the course indicates that such training is required under this subcontract.

SUBCONTRACTOR management shall review the security requirements indicated below with each worker. A signed official copy of the review and acceptance by the subcontract worker shall be kept on file with SUBCONTRACTOR. Each Subcontract worker's security requirements shall be reviewed with management yearly or whenever the worker's job security duties change.

A link to available web-based training can be found at <https://extrain.lanl.gov/>

Required Course	Course Title - Required For	Frequency	Estimated Time to Complete Training
General Security			
X	General Employee Training (GET) – Workers on-site >10 days in 12 month period / Live or web	Once	8 hrs.
X	Incident Reporting and Protective Actions – All / web	12 months	10 min.
	Facility Security Officer Orientation – FOCI Determination for clearances / web	Once	2 hrs.
	Annual Security Refresher (ASR) – L & Q-cleared Workers / web	12 months	1 hr.
	Comprehensive Security Briefing - L & Q-cleared Workers / web	Once	2 hrs.
X	Export Control Fundamentals – Based on SOW / web	12 months	30 min.
X	Substance Abuse Awareness – All / web	Once	30 min.
X	Beryllium General Overview – All / web	24 months	30 min.
X	DOE Insider Threat Awareness – L & Q-cleared workers / web	12 months	30 min.
Information Security			
	Protecting UCNI – workers with access to UCNI / web	Once	1 hr.
Classified Matter Protection And Control			
	Classified Matter Protection - L & Q-cleared Workers / web	Once	2 hrs.
	CMPC User Refresher – L & Q-cleared Workers / web	24 months	1 hr.
Cyber Information Security			
	Initial Information Security Briefing – All computer Users / web	Once	1 hr.
	Annual Information Security Refresher – all computer users / web	12 months	30 min.
Human Reliability Program			
	HRP Training for HRP Workers - workers / web	12 months	20 min.
Protecting Classified & Sensitive Information			
	Protecting UCNI - Users of Unclassified Controlled Nuclear Information (UCNI) / web	Once	1 hr.
Physical Security			
	Escort Responsibilities - Escorts & Vault or Vault Type Room Users, Custodians / web	12 months	30 min.
	The Outsider - Vault or Vault Type Room Users (AIS Escorts) / web	Once	1 hr.
	Vault or Vault Type Room User - Vault or Vault Type Room Users / web	12 months	10 min.
Site-Specific Training			

3.5 Security Stop Work

When any Subcontract worker observes a security related hazard or unmitigated risk, the worker has the authority and responsibility to inform any worker engaged in that work that the work be stopped.

3.6 Reporting Security Incidents

This subsection contains requirements for identifying and reporting known and potential incidents of security concern. Such incidents may involve issues associated with Personally Identifiable Information (PII), ECI, UCNI, classified matter, computer systems, nuclear materials, secure communications, personnel security occurring on-site or off-site; and physical security occurring on LANL property, Laboratory-leased property or SUBCONTRACTOR-owned property. Subcontract workers shall comply with the following requirements.

3.6.1 *Immediately* upon discovery of a potential and/or reasonably suspected incident of security concern, report such concern to the Security Incident Team (SIT) (505-665-3505) or a SPL / DSP; and inform the RLM, and STR/AdSTR. During normal business hours, notifications shall be made only in person or through secure communications (STU or STE) as required below. A non-secure telephone, non-secure fax, non-secure voice mail, or non-secure electronic mail shall not be used to report a potential incident of security concern.

3.6.1.1 The potential compromise of PII shall be reported *immediately* upon discovery to the SIT or SPL / DSP. A potential compromise of PII is considered a serious information security incident because of the possibility of significant adverse consequences to the individual whose data has been compromised.

3.6.1.2 *Immediately* report all security incidents and potential threats and vulnerabilities involving LANL data utilized by the SUBCONTRACTOR to the SIT or SPL / DSP, and then notify the appropriate ISSO or OCSR, RLM and STR/AdSTR.

3.6.1.3 After discovery of any incident involving the loss, compromise, or unauthorized disclosure of classified matter, report the incident *immediately* to the SIT or SPL / DSP, then inform the assigned OCSR, RLM and STR/AdSTR.

3.6.1.4 After discovery of any incident involving the loss, theft, diversion, or unauthorized use of nuclear material, report the incident *immediately* to Material Control & Accountability Group or the SIT or SPL / DSP.

3.6.2 Contact Requirements Outside of Normal Business Hours

For all incidents contact the Security duty officer through the Protective Force at 505-665-7708, *immediately* after discovery of a potential incident of security concern. The Security on-call duty officer may ask to meet with the SUBCONTRACTOR in person so that SUBCONTRACTOR may report such known or potential incidents of security concern, if secure communications are not available.

3.7 Workplace Violence

LANL maintains a work environment that is free from violent behavior and threats of violence. Violent behavior and threats of violence are unacceptable conduct and are prohibited. Any subcontract worker who participates in workplace violence will be barred from the LANL worksite and their employer shall be notified. Workplace violence is behavior that involves:

- hostile or aggressive physical contact with another person;
- a statement or body gesture that threatens harm to another person; or
- a course of conduct that would cause a reasonable person to believe that they are under threat of harm.

G4.0 Physical Security (Oct 2020)

4.1 Prohibited Articles

Prohibited Articles are those items never permitted on DOE property (e.g. LANL), which includes leased facilities and parking lots. SUBCONTRACTOR shall ensure that prohibited articles are not brought on to DOE property. Introducing an unauthorized prohibited article onto DOE property is a reportable security incident that may result in legal action. Prohibited articles include:

- Dangerous weapons (e.g., guns and knives), explosives, or other instruments or material likely to cause substantial injury or damage to persons or property; includes pocket, hunting or other sharp knives with blades longer than 2.5 inches;
- Non-government-owned firearms;
- Alcoholic beverages, including unopened bottles or cans;

- Controlled substances such as illegal drugs and associated paraphernalia, including medical marijuana, but not other prescription medicine; and
- Items prohibited by local, state or federal law;
- Pepper spray and/or mace;
- Privately owned Unmanned Aerial Vehicles (UAVs), drones, unmanned aircraft systems and remotely piloted aircrafts, etc.and
- Other items that may pose a safety, security or environmental hazard; as determined by LANL security professionals.

- 4.2 Escorting In addition to any facility-specific escorting requirements, SUBCONTRACTOR shall ensure that all LANL escorting requirements listed below are complied with while in a Security Area (including Property Protection Areas) whether escorting individuals or being escorted by another individual.

An Activity Security Plan (ASP) shall be developed by the LANL host when escorting in PPAs will occur outside normal operating hours. SUBCONTRACTOR shall comply with all ASP requirements.

- 4.2.1 Uncleared foreign nationals are allowed unescorted in publicly accessible Laboratory property only.

Uncleared foreign nationals are not permitted in Security Areas and only under extraordinary circumstances should an exception be requested. Uncleared foreign nationals may only be escorted into a security area if prior approval has been obtained from DOE/HQ and local security officials. This approval process takes a minimum of eight (8) weeks.

- 4.2.2 An Uncleared US citizen Subcontract worker may be authorized for escorted access into a Security Area only if such individual:

- is entering an area to conduct official LANL business that can be accomplished only in a Security Area, or
- has a skill or ability that is required and cannot be provided by another person who has the required clearance (i.e., access authorization) level.

- 4.2.3 The following Subcontractor workers shall be escorted in a Security Area:

- Uncleared US citizens;
- US citizen visitors who do not have a cleared DOE-standard badge; and
- L-cleared US citizens in a Q-Only Security Area.

- 4.2.4 All US citizens escorted into a Security Area shall wear one of the following:

- An Uncleared DOE standard badge;
- A LANL Generic Uncleared US Citizen Visitor Badge or;
- A LANL Generic Uncleared US Citizen ESCORT REQUIRED Visitor Badge.

- 4.2.5 Subcontract Workers who are being escorted shall:

- Provide a valid photo ID;
- State their country of citizenship for their escort before entering a security area;
- Log in, pursuant to the manner required by the LANL owning / tenant organization, before entering a security area or a PPA controlled by an electronic badge reader;
- Physically remain with his or her escort upon entry, during the visit and upon exit of a security area.
- Comply with all requirements outlined by the escort;
- Display a valid badge at all times.

- 4.2.6 Subcontract Workers serving as escorts have the following responsibilities:

- Complete "Escort Responsibilities" training course prior to escorting individuals;
- Be a US Citizen and possess a valid DOE badge and clearance level for the Security Area being accessed;

- Ensure the Worker being escorted has a valid photo ID prior to issuing any badge;
- Ensure each Worker being escorted is a US citizen through their statement of such status;
- Provide Worker with clear instructions on the rules of behavior and consequences for failure to comply, before granting access to facilities and/or information systems;
- Confirm that each Worker displays their assigned badge whenever in a Security Area;
- Review prohibited and controlled article restrictions with each Worker prior to escorting such Worker;
- Protect classified and unclassified controlled matter, information or discussions from unauthorized access by a Worker;
- Log in each Worker by whatever method is provided at the facility being accessed;
- Notify area occupants of the presence of an Uncleared Worker;
- Maintain control of each Worker at all times;
- Implement any facility-specific escorting requirements as required;
- Immediately notify the Requester/RLM and STR/AdSTR of any incident of security concern;
- Escort each Worker safely to the organization's designated muster area in the case of an emergency evacuation.

4.2.7 An escort shall not escort more than five (5) individuals at any one time, unless otherwise approved by CONTRACTOR in writing; by means of an approved Security Plan.

4.2.8 In cases where an individual without proper security clearance is discovered unescorted in a Security Area, SUBCONTRACTOR workers shall immediately place such individual under escort by an authorized escort and report the situation to the RLM and STR/AdSTR as soon as possible.

4.2.9 Escorting Vehicles

When vehicles are escorted through manned security posts, the escort may be in the same vehicle or a separate vehicle as the subcontract worker(s). The escort ratio for vehicles is 1:3. One escort vehicle to three escorted vehicles.

4.3 Security Areas

SUBCONTRACTOR shall comply with all requirements for designated Security Areas. In addition, SUBCONTRACTOR shall ensure that all Subcontract workers:

- Have the appropriate clearance (i.e., access authorization) for the Security Area or be properly escorted within the Security Area;
- Adhere to the posted requirements for entering any Security Area (clearance status, badge, access status, training, inspections, controlled articles, prohibited articles, etc.);
- Immediately report physical security and access control discrepancies to the SIT and RLM. Inform the STR/AdSTR. (e.g. breaches of fences or walls or attempts to circumvent security barriers);
- Use a valid badge to enter a Security Area and display the valid badge at all times photo side out, above the waist and in front of the body while in that area;
- Not introduce prohibited articles into Security Areas;
- Obtain authorization before introducing controlled articles into a Security Area;
- Cooperate with Protective Force personnel during badge checks;
- Cooperate with Protective Force personnel and the Canine Inspection Team during security inspections of vehicles, persons, and/or hand-carried items being brought into or out of a PPA or Security Area.
- Not remove or destroy any door cores or badge readers, unless the SOW in this Subcontract specifically indicates to do so;
- Not duplicate any keys issued;
- Store and protect all keys issued;

- Do not loan an assigned key to another worker without written authorization from the LANL Key Custodian;
- Return all issued keys to the responsible organization Key Custodian when no longer required and inform the RLM and STR/AdSTR of the same;
- *Immediately* report lost or stolen keys in person to the Key Custodian who issued the keys and inform the RLM and STR/AdSTR of the same;
- Adhere to all requirements for escorting individuals who are not authorized to be in a Security Area unescorted. (See Escorting, Section 4.2);
- Do not tailgate, piggyback, or vouch, nor allow another person to do so in PPAs or Security Areas.

4.4 Acknowledgement / Control of Vehicles On-Site

- If requested, SUBCONTRACTOR shall submit to the STR/AdSTR or RLM the make, year and license number of all vehicles that will be used on site.
- Vehicles driven by unbadged drivers delivering construction materials or other supplies will be permitted to enter unsecured areas only if they are under escort by authorized DOE or LANL badged personnel.
- All non-government owned commercial vehicles and heavy duty vehicles (the equivalent of a Ford F350 or larger) will be screened by the Protective Force at the truck inspection station near the intersection of East Jemez Road and NM 4. If the search does not disclose anything of concern, the driver will receive an appropriate pass that will allow entry into their LANL destination.

4.5 Enhanced Security Areas

Subcontract Workers authorized to enter a Sensitive Compartmented Information Facility (SCIF), a Special Access Program Facility (SAPF), a certified Vault or Vault Type Room (VTR), a Material Access Area (MAA), a Protected Area (PA), or Limited Area (LA) with Special Administrative Access Controls shall comply with all training and other security requirements as directed by the LANL host organization and identified in the training matrix. These areas have rigid physical security standards and robust access controls that shall be adhered to.

4.6 Security Fences and Barriers

- 4.6.1 SUBCONTRACTOR shall make arrangements through the RLM or STR/AdSTR to ensure that adequate access control is maintained at any temporary openings or penetrations of Security Area boundaries. Such work shall be arranged through the RLM or STR/AdSTR and inspected/approved by the Physical Security Team or Deployed Security Professional to ensure there are adequate access controls in place during the temporary opening and that at the end of the workday the temporary openings are repaired / replaced. The RLM or STR/AdSTR shall provide the CA appropriate documentation related to SUBCONTRACTOR compliance with this requirement.
- 4.6.2 At the end of each work day or sooner if required, SUBCONTRACTOR shall repair, replace or provide adequate barriers to preclude unauthorized entry into any Security Area through temporary openings, penetrations, holes dug or cuts in security fences, or through modified gates or other alterations of security perimeters. The repairs shall be inspected / approved by the Physical Security Team or Deployed Security Professional at the end of the work day to ensure the temporary openings are repaired / replaced properly.
- 4.6.3 SUBCONTRACTOR shall make arrangements through the RLM or STR/AdSTR to ensure that any planned placement and proximity of equipment and vehicles to security fences and security boundaries does not create an unintended bridge to a Security Area.

4.7 Parking on LANL Premises

- 4.7.1 Subcontract Workers shall park vehicles in designated parking areas only; and shall obey all posted designations and park in a safe and courteous manner.
- 4.7.2 Failure to park in designated areas and to obey posted signage shall result in a parking violation. Vehicles that are abandoned or present a safety or security concern are subject to removal at the owner's expense.

G5.0 Personnel Security (Jan 2023)

5.1 Substance Abuse

The unauthorized use of alcohol and/or illegal drugs or being under the influence of alcohol and/or illegal drugs is prohibited on the LANL site. LANL's substance abuse policy applies to all who perform work at or for Los Alamos National Laboratory as a subcontract worker, guest scientist, visitor, student or other type of worker as it relates to ensuring a work environment that is free from unauthorized or illegal use, possession or distribution of alcohol or controlled substances.

Drugs currently used in CONTRACTOR'S pre-badge and random testing panel include marijuana, cocaine, opiates, heroine, phencyclidine and amphetamines. A detailed drug testing panel including cutoff concentrations can be found at <http://www.lanl.gov/resources/assets/docs/Exhibit-G/drug-testing-panel-2010.pdf>

The use of medical marijuana is illegal under federal law and therefore is prohibited in accordance with these substance abuse requirements.

SUBCONTRACTOR shall ensure that Subcontract workers comply with all requirements of LANL's Substance Abuse Policy (SAP) which may be accessed electronically at <http://www.lanl.gov/resources/exhibit-g.php>.

For the purposes of this Exhibit, the term manager as used in the SAP means any or all of the following: STR/AdSTR, LANL manager or staff with oversight of this Subcontract, or on-site Subcontract personnel. Subcontractor workers found to be in violation of LANL's SAP may be restricted from working at the Laboratory.

SUBCONTRACTOR shall ensure that all lower-tier subcontractors meet the requirements of this section. Failure at any tier, of a SUBCONTRACTOR to comply with the requirements of this section, shall be grounds for the CONTRACTOR to bar the worker of a SUBCONTRACTOR at any tier from work on DOE/LANL property or on the subcontract.

5.1.1 Subcontract Workers shall:

- Be fit for duty and avoid behavior that compromises the health or safety of others or the security of the Lab;
- Notify Personnel Security, the RLM, STR/AdSTR and CA/PS immediately if cited, arrested or convicted of any drug or alcohol statute violation;
- Notify Personnel Security, the RLM, STR/AdSTR and CA/PS immediately if they are cited, arrested or convicted of any alcohol-related incident such as (e.g.) DUI, DWI, public intoxication, open container, minor in possession;
- Notify Personnel Security, the RLM, STR/AdSTR, and CA/PS immediately after any initiation of treatment for any drug or alcohol-related disorder (only required of workers with security clearances);
- Meet with Personnel Security or Occupational Medicine promptly when asked to perform a drug and/or alcohol test and fully cooperate with their instructions;
- Provide true and accurate records relating to their use of drugs and alcohol;
- Immediately report accidental ingestion of illegal drugs to Personnel Security, the RLM, and STR/AdSTR so the appropriate action can be taken.

5.1.2 Pre-badge Drug Testing

Subcontract workers who will obtain a standard (non-Visitor) badge such as a DOE Q, L, Un-cleared; Un-cleared Site-specific LANL; or Cleared/Un-cleared Foreign National badge, shall successfully pass a drug test no more than 60 days before obtaining a standard (non-Visitor) badge.

Subcontract workers who currently hold a standard badge but have not completed a pre-badge drug test, are required to complete the pre-badge drug test prior to working on a LANL subcontract for the first time.

Subcontract workers who currently hold a standard badge and transfer from one LANL subcontract to another without a break in service between subcontracts, are not required to complete a second pre-badge drug test.

Subcontract workers who hold a standard badge and experience a break in service for five (5) or more business days between LANL subcontracts are required to successfully pass a drug test no more than 60 days before re-obtaining a standard badge.

Subcontract workers shall not begin work on this subcontract until a pre-badge drug test is completed and passed, if applicable. The testing will be coordinated and paid for by SUBCONTRACTOR.

A drug testing laboratory used for any LANL required drug test shall be certified by the Department of Health and Human Services under the National Laboratory Certification Program. A current list of approved drug testing laboratories is published in the Federal Register which can be found at: <https://www.samhsa.gov/workplace/resources/drug-testing/certified-lab-list>

SUBCONTRACTOR shall provide records of pre-badging drug screening to CONTRACTOR upon request.

5.1.3 Random Drug Testing

All Subcontract workers who are issued standard non-Visitor badges from the LANL Badge Office, which include Q, L or Un-cleared badges, are subject to random drug testing while on the LANL site.

Subcontract workers who are subject to random drug testing under another government testing program will not be included in LANL's random testing pool.

5.1.4 Reasonable Suspicion Drug and/or Alcohol Testing

5.1.4.1 When conducting reasonable suspicion testing, CONTRACTOR may test for any drug.

5.1.4.2 Drug and/or Alcohol testing will be required if:

- A Subcontract worker is reasonably suspected of being impaired by either drugs or alcohol.
- LANL Personnel Security, LANL Occupational Medicine or LANL manager or supervisor determines that there is reasonable suspicion that the subcontract worker may have violated this procedure.
- The subcontract worker is the subject of a drug-detection dog alert and/or possesses property that has caused a drug-detection dog alert.
- A LANL manager or supervisor observes worker behavior commonly associated with alcohol or substance abuse such as unexplained chronic tiredness, tardiness, absence patterns, odor of alcohol, slurred speech, unsteady gait, etc. The manager or supervisor shall discuss the observed behavior with the worker as appropriate and make a referral to LANL Occupational Medicine for an evaluation of the worker.

5.1.4.3 Drug and/or alcohol testing may be required if:

- An incident or accident results in a serious injury or had the potential for serious injury occurs at work.
- LANL Occupational Medicine determines that unannounced, periodic testing is medically appropriate as indicated within the context of *Fitness for Duty* or *Human Reliability Program* monitoring.
- It is related to security clearances or applications for security clearances.
- When conducting occurrence testing, CONTRACTOR may test for any drug.

5.1.5 Other Testing

Drug and/or alcohol testing shall be required if:

- A non-vehicular incident or accident occurs at work that results in a serious injury or had the potential for serious injury.
- A vehicle accident that results in or had the potential for injury while driving any government-owned vehicle (including motorized equipment) on or off Laboratory property; or while driving any private vehicle (including rental

vehicles) within the boundaries of a Laboratory Technical Area (other than downtown Los Alamos). [Note: LANL Personnel Security will determine whether to require testing under these circumstances]

- It is necessary when related to security clearances or applications for security clearances.

5.1.6 Testing Conduct

CONTRACTOR'S Personnel Security organization has oversight of all drug and alcohol testing on-site at LANL for random, reasonable suspicion and other testing. All drug collections and alcohol testing are conducted in accordance with 49 CFR Part 40 and 10 CFR Part 707. All testing (except pre-badge drug testing) will be conducted and paid for by the CONTRACTOR.

5.1.7 Confirmed Positive Drug and/or Alcohol Test

The Requester or STR/AdSTR and LANL manager shall take the following actions if a Subcontract worker has a confirmed positive drug test:

- Immediately stop the worker from performing any additional work on site;
- Immediately notify Subcontract worker's management that the worker's badge is being pulled;
- Ask the worker to report back to his/her employer because his/her assignment is being terminated when a drug test is confirmed positive;
- Ask the worker to call a relative or friend to take him/her home when an alcohol test is confirmed positive;
- Confiscate the worker's badge and return it to Personnel Security;
- Consult with LANL Occupational Medicine to determine whether the worker should have a medical evaluation prior to driving;
- If alcohol related, instruct worker to report to LANL Occupational Medicine the next work day, prior to performing any work duties, for a Fitness for Duty evaluation unless the assignment is terminated.
- Coordinate with the CA/PS to ensure proper notifications are made regarding test results and any changes to the subcontract worker's assignment.

5.1.8 Failure to Show or Refusal of Drug and/or Alcohol Test

- If a Subcontract worker fails to show up for a test after being contacted, such failure shall be treated in the same manner as a confirmed positive.
- If a Subcontract worker refuses to be tested, such refusal shall be reported and treated as a confirmed positive.
- Failure to cooperate and submit to a drug/alcohol test shall be grounds for the CONTRACTOR to bar the worker from the LANL site and work on the subcontract.

5.1.9 Detection Dogs may be used:

- On all Laboratory property (DOE-owned, leased or rented property for LANL) including, but not limited to parking lots.
- In and around worker's privately-owned vehicles parked on Laboratory property.
- In and around work areas.
- In and around desks, lockers and other containers assigned to workers.

5.1.9.1 If illegal drugs are found on a Subcontract worker's person by using detection dogs, the Requester or STR/AdSTR and LANL manager shall take action as outlined in Subsection 5.1.6.

5.1.9.2 If illegal drugs are not found, but the detection dogs alert to the scent of illegal drugs in private property owned by a worker or in a work area, desk, locker or other container assigned to a certain employee and no illegal drugs are actually found, the LANL Physical Security Team shall notify the subcontract worker's LANL manager of a drug-detection dog alert. Additional action may be taken if

behavior is observed by the LANL manager that may pose an immediate threat to the health and safety of the worker or others or a potential threat to security.

5.1.10 Off-site Behavior

The unlawful manufacture, distribution, dispensing, possession, use, transfer or sale of controlled substances is prohibited regardless of whether this occurs at the workplace, on Laboratory business, or on an individual's private time or property. These and other violations of this substance abuse policy are considered connected to work with or at LANL and may result in the termination of a Subcontract worker's permission to work on DOE / LANL property or on the subcontract, regardless of whether or not the misconduct occurs during work hours or on Laboratory premises.

5.2 Badges

SUBCONTRACTOR shall ensure compliance with the badge requirements outlined in the following subsections. Any individual performing work under this subcontract shall obtain a DOE or LANL badge. (Subcontract workers, Guests and Affiliates)

All badges issued by the LANL Badge Office are accountable. SUBCONTRACTOR shall ensure that every badge issued under this subcontract is returned to the LANL Badge Office.

SUBCONTRACTOR shall also timely report any lost or stolen badges to the LANL Badge Office. Failure to return DOE security and site-specific (LANL) badges will result in denial of future badging services to the badge holder.

5.2.1 General Badging Requirements

5.2.1.1 A Subcontract Worker who is submitted for a standard DOE-Cleared or Uncleared badge or a LANL-Only Site-specific badge shall provide Real ID approved proof of U.S. citizenship to the LANL Badge Office at the time of badging. The following applies regardless of the length of time that a Subcontract Worker will be on site.

5.2.1.2 Proof of citizenship includes an original photo identification card, such as a current and valid state driver's license or passport and an original of one of the following five secondary evidence documents:

- For a Subcontract worker born in the U.S., a birth certificate filed for record shortly after birth and certified with the registrar's signature is required. A delayed birth certificate (one created when a record was filed more than one year after the date of birth) is acceptable if it shows that the report of birth was supported by acceptable secondary evidence of birth. All documents submitted as evidence shall be original or certified.
- For a Subcontract worker claiming citizenship by naturalization, a Certificate of Naturalization showing the individual's name is required. (*Form N550 or N570*)
- For a Subcontract worker claiming citizenship acquired by birth abroad to a US citizen, one of the following (showing the worker's name) is required: Certificate of Citizenship issued by the Immigration and Naturalization Service; Consular Report of Birth Abroad of a Citizen of the United States of America (*Form FS240*); or Certificate of Birth (*Form FS 545 or DS 1350*).
- A current US passport.
- A record of Military Processing-Armed Forces of the US (*DD Form 1966*) provided it reflects that the worker is a US citizen.

5.2.1.3 A Subcontract Worker who is a US citizen, does not currently hold a DOE badge and meets applicable requirements, shall be issued a DOE Uncleared badge or LANL-Only Site-specific badge.

5.2.1.4 A Subcontract Worker who is either a Cleared or an Uncleared foreign national shall be badged in accordance with current DOE and LANL policies. The Subcontract worker shall wear a photo badge whenever on DOE property (i.e. LANL) or LANL-leased premises.

5.2.1.5 Individuals who falsely certify their citizenship will be removed from the Laboratory and will be denied future access to LANL. This will be reported to the

appropriate LANL organizations for investigation and other external organizations as necessary.

5.2.2 Obtaining a Badge

5.2.2.1 Worker (US Citizen) Requirements

- A Subcontract worker shall obtain either a DOE or a LANL badge before performing any work at LANL.
- A Subcontract worker shall present identification as required by the Badge Office before being issued a badge.

5.2.2.2 Official Visitor (US Citizen) Requirements

- An Official Visitor shall obtain a badge in accordance with this document;
- An Official Visitor shall wear a badge issued by the LANL Badge Office whenever on Laboratory Property;
- Uncleared Official Visitors will be required to sign a "*Statement of U.S. Citizenship*" form at the LANL Badge Office affirming their U.S. citizenship;
- Uncleared Official Visitors shall receive a briefing that covers safety and security requirements relevant to the work they will be performing;
- Uncleared Official Visitors who falsely certify their citizenship will be removed from the Laboratory and will be denied future access to LANL. This breach will also be reported to the appropriate LANL organizations.

5.2.2.3 Cleared Foreign National (Worker or Official Visitor) Requirements

A cleared foreign national, in conjunction with his or her Laboratory Host, shall contact the LANL Personnel Security Office to receive a cleared foreign national badge.

5.2.2.4 Uncleared Foreign National (Worker or Official Visitor) Requirements

An Uncleared foreign national, in conjunction with his or her Laboratory Host, shall contact the Foreign Visits & Assignment Team before performing work or other activities at LANL; and contact the LANL Personnel Security Office to receive an Uncleared foreign national badge.

5.2.3 Subcontract Workers shall:

- Complete training required by Personnel Security before receiving a badge (see Section 3.4.2 for training details);
- Wear the badge, photo-side out, above the waist, on the front side of the body, at all times while on DOE-owned property (LANL) or on CONTRACTOR leased or rented premises;
- Remove the badge and protect it from public view when leaving DOE-owned property or CONTRACTOR leased or rented premises;
- Present the badge whenever requested by Protective Force personnel, LANL host, or the Personnel Security Group;
- Not allow other individuals to use their badge under any circumstances;
- Minimize the number of instances of temporary badge issuance and replacement of lost badges;
- Ensure the badge is never photocopied;
- Return an issued badge to the Badge Office (via the RLM or STR/AdSTR as appropriate) following termination of employment, badge expiration, end of assignment, or completion of a visit. Subcontract Workers are not permitted to retain badges for any reason.
- Failure to return DOE security and LANL site-specific badges will result in denial of future badging services to the badge holder.

5.2.4 Badge Expiration Dates

5.2.4.1 Badges may be issued for the term of the subcontract. However, a

SUBCONTRACTOR shall only request a badge for the period of time in which a Subcontract Worker will be utilized on this subcontract.

5.2.4.2 SUBCONTRACTOR shall abide by the following end date requirements:

- When a Subcontract Worker is working multiple subcontracts all outside of Security Areas, the earliest end date among the subcontracts will be the badge end date.
- When a Subcontract Worker holds a clearance (i.e., access authorization) under multiple subcontracts, the badge end date is based on the subcontract that is designated as the "primary" subcontract.
- When a Subcontract Worker holding a clearance (i.e., access authorization) is performing work under multiple subcontracts held by a Subcontractor that has received a favorable FOCI determination, the earliest end-date among those subcontracts is used. A new badge will need to be requested if there is any work to be performed that extends beyond the earliest end-date within a Security Area.

5.2.4.3 If a subcontract is going to be extended, SUBCONTRACTOR shall renew a Subcontract Worker's badge within 30 days prior to its expiration.

5.2.5 Lost or Stolen Badge(s)

5.2.5.1 Lost or stolen badges shall be reported to the LANL Badge Office within 24 hours or the next business day after discovery of the loss, whichever is soonest. The RLM or STR/AdSTR shall also be notified. The individual badge holder shall go to the LANL Badge Office and complete a written affidavit (*Form 1672*) *Notification of Permanent Inactivation of Badge* in order to obtain a replacement badge.

5.2.5.2 In addition to 5.2.5.1, if a badge is stolen, the individual badge holder shall report the theft to the Security Incident Team (SIT) and inform the STR/AdSTR or CA/PS by the next business day of discovery of the loss.

5.3 Clearances (i.e., access authorizations)

SUBCONTRACTOR shall follow all clearance requirements outlined below and shall not permit any individual to have access to classified information; except when access to classified information is determined by proper clearance and the need-to-know.

The requirements for securing eligible personnel and proper personnel security clearances (i.e., access authorizations) for "L" and "Q" work and for complying with other security regulations and procedures shall not be considered cause for an extension of time for performance of the subcontract work or for extra payments under the subcontract. However, the cost of processing DOE "Q" or "L" access authorizations will be borne by the Government.

5.3.1 Requesting an Initial Clearance

SUBCONTRACTOR shall ensure that Subcontract Workers:

- Provide information required to request a clearance, including, but not limited to, proof of citizenship, Personal Identification Verification (PIV) documents, fingerprints, residence, work, education, military history, and personal references, as well as specific information regarding any legal, financial, mental health or loyalty issues;
- Have had a complete a background investigation and testing for illegal drugs;
- Verify the Subcontract Worker's record is active in the system, correct and complete through the RLM or STR/AdSTR, including employer and subcontract number and that the worker is working on a FOCI approved contract;
- Complete a *Clearance Request/Recertification/Suitability Form* (DOE F 472.1C) signed by a LANL RLM.
- Complete an online (e-QIP) *Questionnaire for National Security Positions QNSP* (SF-86) and attendant clearance documents when requested by the Personnel Security Office.
- Meet with Clearance Processing Security Specialist and/or provide written responses to additional requests for information from Clearance Processing.

5.3.2 Clearance Processing Critical Reporting Elements

SUBCONTRACTOR shall ensure that subcontract workers holding a cleared DOE-standard badge, report any of the following events to Clearance Processing, the RLM and STR/AdSTR within **one (1)** working day of the occurrence unless otherwise stated:

- All arrests, criminal charges (including charges that are dismissed) or detentions by Federal, state, or other law enforcement authorities for violations of the law (other than traffic violations for which only a fine of \$300 or less was imposed), within or outside of the US, unless the traffic violations were drug or alcohol related;
- Personal or business-related filing for bankruptcy;
- Any use of an illegal drug, or use of a legal drug in a manner that deviates from approved medical direction;
- Garnishment of wages;
- Legal action effected for name change;
- Change in citizenship;
- Employment by, representation of, or other business-related association with a foreign or foreign-owned interest or foreign national;
- Any hospitalization for mental illness; treatment of drug abuse; or treatment for alcohol abuse;
- Any matters of potential counter-intelligence interest, including but not limited to approaches by individuals seeking unauthorized access to classified information or matter or SNM. If such an approach or contact is made while on foreign travel, workers should notify a Department of State official at the local US Embassy or Consulate;
- Termination of employment - also notify the RLM and STR/AdSTR;
- When the clearance holder or applicant is transferred from one company subcontract to another company's subcontract with LANL;
- Change in duties resulting in a clearance no longer being required;
- Leave of absence or extended leave not requiring access to classified information or matter, or SNM for 90 consecutive working days;
- Leave for foreign travel, employment, assignment, education, or residence for more than three months, not involving official US Government business even if employment continues with the subcontractor.

5.3.3 Security Termination Requirements for Departing Subcontract Workers

Cleared Subcontract workers who are terminating work under a LANL Subcontract at the Laboratory for any reason shall meet all the federal and local requirements for departing workers.

Subcontract workers shall complete all clearance-related departure requirements. Some termination procedures are mandated by federal law. Failing to comply with the requirements can hinder or prevent a worker's future efforts to obtain a security clearance or badging services at LANL. Failure of a Cleared worker to follow proper termination procedures is also reported to NNSA/DOE by LANL Personnel Security.

Clearance-related requirements for departing Subcontract workers include the following:

- **Termination Briefing** - the Subcontract worker shall attend a termination briefing conducted by LANL Personnel Security or SUBCONTRACTOR management; and submit a completed *Safeguards and Security Clearance Termination Briefing Form* to Personnel Security.
- **Security Termination Statement** - the Subcontract worker shall sign and submit a *Security Termination Statement* (DOE Form 5631.29) to LANL Personnel Security.
- **Surrender DOE Access Credentials** - the Subcontract Worker shall surrender his or her security badge to the LANL Badge Office, while coordinating with the RLM and STR/AdSTR.

For each event listed below, the required action shall be carried out within **two (2) working days** of the Event described in the first column of the table.

Event	Do Termination Briefing & Form, and Submit DOE Form 5631.29	Return These Badges
Subcontract Worker's employment terminated	Individual Subcontract Worker	Subcontract Worker's badge, whether Cleared or Uncleared, including expired
Subcontract Worker transferred from subcontract	Individual Subcontract Worker	Subcontract Worker's badge, whether Cleared or Uncleared, including expired
Clearance no longer required	All Subcontract Workers	All Cleared "L" or "Q" badges, including expired
Subcontractor's FOCI approval withdrawn or terminated	All Subcontract Workers	All Cleared "L" or "Q" badges, including expired
Subcontract completed or terminated	All Subcontract Workers	All badges, whether Cleared or Uncleared, including expired

- SUBCONTRACTOR shall ensure that any Subcontract Worker who holds a clearance and is no longer working on this subcontract, follows the security clearance termination process outlined above.
- SUBCONTRACTOR shall notify Personnel Security, the RLM, STR/AdSTR and CA/PS of any Event that changes the status of a worker's need for a badge.

5.3.4 Clearance Renewals or Reinvestigations

SUBCONTRACTOR shall ensure that a Subcontract Worker whose clearance is being renewed or reinvestigated:

- Completes the reinvestigation e-QIP package every 5 years for Q clearance holders or every 10 years for L clearance holders.
- Completes the LANL Annual Security Refresher Training before the effective date of the training expiring and access is therefore denied.

5.4 Foreign Ownership, Control or Influence (FOCI)

FOCI determinations are required for a SUBCONTRACTOR, its owners, and lower-tier subcontractors, if a subcontract requires Q or L-cleared access authorizations. Before a Subcontract Worker may be Q or L-cleared, his/her company shall undergo a FOCI certification. A separate FOCI determination is required for a prime subcontractor and any lower-tier subcontractor.

SUBCONTRACTOR'S Key Management Personnel shall have an active clearance or a clearance request in process before a favorable FOCI determination can be returned. As a part of the FOCI determination process, SUBCONTRACTOR'S Facility Security Professional (FSO) and any additional workers with security responsibilities shall complete the self-study course indicated under Section 3.4.2.

SUBCONTRACTOR shall submit their FOCI packages / information online at this website: <https://foci.anl.gov/>. A favorable FOCI determination shall be rendered prior to LANL granting a facility clearance requiring access authorizations. Questions related to FOCI should be addressed through the RLM or STR/AdSTR to the Personnel Security POC.

5.4.1 SUBCONTRACTOR shall ensure that the following notifications are immediately provided to the Personnel Security POC and the RLM or STR/AdSTR.

- Written notification of a change in the extent and nature of FOCI that affects the information in the FOCI determination;
- Immediately provide written notification and supporting documentation relevant to changes that would affect the information in a subcontractor's or any tier parents' most recent DOE FOCI submission(s).

5.4.2 SUBCONTRACTOR shall complete and submit a new FOCI package at least every five years or at the request of CONTRACTOR, to the Personnel Security POC.

5.4.3 SUBCONTRACTOR shall certify annually to the Personnel Security POC and inform the

RLM or STR/AdSTR and the CA/PS that:

- No significant changes have occurred in the extent and nature of FOCI that would affect the answers to the questions provided in its FOCI representations;
- No changes have occurred in the organization's ownership;
- No changes have occurred in the organization's officers, directors, and executive personnel.

5.4.4 CONTRACTOR may terminate this subcontract for default if SUBCONTRACTOR either fails to meet obligations imposed by this section, or creates a FOCI situation in order to avoid performance or a termination for default. CONTRACTOR may terminate this subcontract for convenience if SUBCONTRACTOR becomes subject to FOCI and for reasons other than avoidance of performance of the subcontract, cannot, or chooses not to avoid or mitigate the FOCI problem.

5.5 Human Reliability Program

SUBCONTRACTOR shall comply with all requirements of the Human Reliability Program (HRP) if they have workers who take part in the program.

5.5.1 SUBCONTRACTOR shall ensure that Subcontract Workers who are HRP certified shall:

- Hold an active "Q" DOE security clearance;
- Submit to testing for illegal drugs;
- Submit to testing for alcohol abuse;
- Submit to random polygraph examinations;
- Complete medical and psychological evaluations which require a polygraph examination;
- Complete Part 2 of the QNSP annually;
- Complete initial and annual HRP training (see Section 3.4.2 for details)

5.5.2 SUBCONTRACTOR shall ensure that Subcontract Workers shall be enrolled in HRP if their work responsibilities involve:

- Access to Category I SNM or transportation or protection of Category I quantities of SNM;
- Nuclear explosive duties or responsibility for working with, protecting, or transporting nuclear explosives, nuclear devices or selected components;
- Access to information concerning vulnerabilities in protective systems when transporting nuclear explosives, nuclear devices, selected components or Category I quantities of SNM; or
- The potential to significantly impact national security or cause unacceptable damage to national security.

5.5.3 Removal from HRP

5.5.3.1 A RLM who has a reasonable belief that an HRP-certified Subcontract Worker is not reliable, based on either a safety or security concern, shall immediately remove the Subcontract Worker from HRP duties pending a formal determination of the individual's reliability.

5.5.3.2 Subcontract Workers may be placed on a temporary removal for a safety or security concern by a supervisor / manager, LANL oversight manager or the HRP management official.

A safety concern means any condition, practice, or violation that causes a substantial probability of physical harm, property loss, and/or environmental impact.

A security concern means the presence of information regarding an individual applying for or holding an HRP position that may be considered derogatory. Such information may include, but is not limited to:

- Observable phenomena, such as direct observation of the use or possession of illegal drugs or alcohol; detection of alcohol odor on the breath;

- The physical symptoms of being under the influence of drugs or alcohol;
- A pattern of abnormal conduct or erratic behavior;
- Indications of deceitful or delinquent behavior;
- Irresponsibility in performing assigned duties;
- Failure to comply with work directives, hostility or aggression toward fellow workers or authority;
- Uncontrolled anger, violation of safety or security procedures, repeated absenteeism; or
- Irresponsibility in performing assigned duties.

5.5.3.3 An HRP-certified individual who is removed completely or placed on temporary removal is prohibited from entering any Material Access Areas and shall immediately stop performing HRP duties.

5.6 Foreign Visits and Assignments

5.6.1 Foreign National Approval

Access to the LANL site and/or to LANL data is restricted to U.S. Citizens only, unless prior approval for access by foreign nationals has been provided to SUBCONTRACTOR by the Subcontract Administrator in writing.

This requirement applies to both on-site work and remote access to data, by SUBCONTRACTOR and lower-tier subcontractors.

For the purposes of this requirement, Foreign National means “a person without U.S. citizenship or nationality” including Lawful Permanent Residents, also known as “Permanent resident aliens” or “Green Card holders”.

5.6.2 On-Site work

All foreign national Subcontract workers and any lower-tier subcontractors are required to obtain approval to work on a LANL subcontract off-site and/or on-site, from the LANL Foreign Visits and Assignments office PRIOR to their arrival at the Laboratory; or work begins off-site. This requirement includes any Laboratory business conducted at the LANL site and/or off-site.

Foreign national Subcontract Workers shall be issued a security badge before performing work at LANL. They will be required to present a valid passport and visa documentation before a badge will be fabricated and issued. The individual who is hosting a foreign national on-site shall be a CONTRACTOR employee and a US citizen.

5.6.3 Off-site work

Approval for a foreign national to work off-site on a LANL project is not required if all of the following conditions are met: 1) all work performed by a foreign national is conducted entirely off-site AND 2) the research results from this Subcontract are open, non-sensitive and can or will be published in open literature intended for public release. If either of the above criteria is not met, approval for a foreign national to work on a LANL project off-site must be obtained prior to commencing work on this Subcontract as outlined in Section 5.6.1.

G6.0 Information Security (Jan 2023)

Access to LANL data is restricted to U.S. Citizens only, unless prior approval for access by foreign nationals has been provided to SUBCONTRACTOR by the Subcontract Administrator in writing. To initiate approval, SUBCONTRACTOR shall provide information requested by CONTRACTOR about any foreign national worker of SUBCONTRACTOR or of lower-tier subcontractors who require access to the LANL site or LANL Data. Foreign national workers with a business need to access LANL systems or data remotely (i.e. off-site visits, including videoconferencing) are required to obtain approvals.

Subcontract Workers shall not disclose LANL data collected, created, processed, transmitted, stored or disseminated by SUBCONTRACTOR in performance of this subcontract, unless each case of such disclosure is specifically approved by the LANL Data Owner and the CA/PS.

Subcontract Workers shall ensure LANL data utilized in the performance of this subcontract is not used for any other purpose that has not been specifically approved by the LANL Data Owner.

6.1 Official Use Only (OUO) and TRIAD Proprietary (TPI) Information

OUO and TPI information is unclassified with the potential to damage government, commercial or private interests if disseminated to persons who do not have a need-to-know the information to perform their jobs or other DOE-authorized activities. The TPI designation includes any information relating to the business, operations and programs of LANL not generally known by persons not employed at LANL.

Personal Identifiable Information (PII) is a type of OUO. PII is any information collected or maintained by DOE or CONTRACTOR about an individual, including but not limited to education, medical history, financial transactions and employment history; and information that can be used to distinguish an individual's identity.

SUBCONTRACTOR shall protect OUO and TPI information from unauthorized dissemination (e.g. to persons who do not require the information to perform work under this subcontract) and shall follow all requirements for OUO and CPI documents specified below.

CONTRACTOR shall impose an administrative penalty under this subcontract if:

- OUO information from a document marked as containing OUO information is intentionally released to a person who does not need to know the information to perform their job.
- A document marked as containing OUO information is intentionally or negligently release to a person who does not need to know the information to perform their job.
- A document that is known to contain OUO information is intentionally not marked.
- A document that is known to not contain OUO information is intentionally marked as containing such information.

6.1.1 Access

No security clearance is required for access to OUO or TPI. Access to OUO and TPI information shall only be provided to those persons who have a need to know.

If OUO information is Export Control Information (ECI) access is restricted to US persons, defined as citizens and Lawful Permanent Residents. Access to ECI (including parts, tools, material and equipment fabricated from ECI specifications and drawings) by non-Permanent Resident Alien foreign nationals is prohibited.

If OUO information is Applied Technology (AT) it is subject to access restrictions established by the DOE Program Office. The associated LANL program manager can determine access authorizations for Laboratory workers.

6.1.2 Storing

OUO and CPI information shall be stored in a locked room or locked receptacle (e.g. desk, file cabinet, safe). OUO and TPI information stored on a computer shall meet all LANL password, authentication, encryption, or file access control requirements to protect the files from unauthorized access.

6.1.3 Reproduction / Printing

All copies of LANL OUO and TPI (including 3-D print prototypes) must be protected, accessed, stored, marked, transmitted and destroyed in the same manner as the originals.

OUO and TPI shall be reproduced to the minimum extent possible.

6.1.4 Transmitting

E-mail messages that contain OUO or TPI information shall indicate OUO or TPI in the first line, before the body of the text. OUO or TPI disseminated over networks outside of LANL should be password protected or encrypted with NIST-validated encryption software (e.g., Entrust®).

PII information that is disseminated over networks outside of LANL shall be encrypted with NIST-validated encryption software.

In the case of hard copies being sent outside of LANL - OUO or CPI shall be placed in a sealed, opaque envelope marked with the recipient's name, a return address and the words "To Be Opened by Addressee Only". For interoffice mail within LANL, OUO or CPI shall be placed in a sealed, opaque envelope with the recipient's address and the words "To be Opened by Addressee Only" on the front of the envelope.

6.1.5 Destroying

Users are not required to destroy electronic media that contains OUO or CPI. However, disks should be overwritten using approved software before they are thrown away. Hard copy OUO or CPI documentation shall be destroyed by using an approved shredder (strips no more than ¼ inch wide).

6.1.6 Export Controlled Information Restrictions

The work to be performed under this subcontract includes LANL technical data; the export of which is restricted by the Arms Export Control Act (22 U.S.C. §2751, et seq.), the Atomic Energy Act of 1954, as amended (42 U.S.C. §2011) or the Export Administration Act of 1979, as amended (50 U.S.C. §2401, et seq.). Violations of these laws may result in severe administrative, civil, or criminal penalties. Further dissemination must be pre-approved by Los Alamos National Laboratory.

6.2 Unclassified Controlled Nuclear Information (UCNI)

UCNI is certain unclassified but sensitive government information where unauthorized dissemination is prohibited. UCNI is intended to be viewed only by those individuals with a need-to-know to perform their official duties or DOE-authorized activities. SUBCONTRACTOR shall protect such information from unauthorized dissemination and shall follow all requirements for UCNI documents specified below. Subcontract workers with routine access to UCNI shall be briefed periodically on their responsibilities for protecting UCNI.

6.2.1 Access

No security clearance is required for access to UCNI; however, access is permitted only to those authorized for routine or special access and those who have a need-to-know. UCNI stored on a computer shall be restricted (passwords, authentication, file access control encryption and offline storage) to only those who have a need-to-know. UCNI processed on non-Government owned computers shall have prior LANL OCIO written approval.

6.2.2 Storing

When using UCNI, physical control shall be maintained over the material to prevent unauthorized access to the information. When not in use UCNI matter shall be stored in a locked room or receptacle (e.g. desk, file cabinet, bookcase or safe). The locked receptacle shall have controls that limit access to only approved workers. UCNI stored on a computer shall meet all LANL password, authentication, encryption or file access control requirements. UCNI stored on non-Government owned computers shall have prior LANL OCIO written approval.

6.2.3 Reproduction / Printing

- Reproduced copies of documents or media that contain UCNI (including 3-D print prototypes) must be protected, accessed, stored, marked, transmitted and destroyed in the same manner as required for the originals.
- Copy machine malfunctions occurring while UCNI documents are being reproduced shall be cleared with all paper paths checked for UCNI material.
- Copies shall be kept to the minimum required.

6.2.4 Transmitting

Ensure that UCNI is marked correctly prior to transmitting it over any media. Only a qualified LANL Reviewing Official can identify and mark UCNI. Contact the LANL Classification Group through the RLM or STR/AdSTR for assistance.

When transmitting UCNI over telecommunication circuits (including telephone, fax, radio, e-mail or Internet) encryption algorithms that comply with all applicable Federal laws, regulations, and standards for the protection of UCNI shall be used.

Transmission of UCNI including voice, video telecommunications, or presentations over open phone lines is prohibited. A Secure Terminal Equipment (STE) line is required. All cellular devices, including LANL-issued smart phones such as Blackberries must be turned off completely when in proximity to UCNI discussions.

UCNI documents shall be transmitted using a fax machine that employs encryption. When transmitted via fax or e-mail outside LANL, UCNI shall be encrypted with NIST-validated encryption software. E-mails with UCNI attachments are considered transmittal documents and shall be marked and encrypted as such.

If mailing outside of LANL, an opaque envelope shall be used and the outer packaging shall not indicate that the content within is UCNI. For interoffice mail, an interoffice envelope shall be used and mailed through standard interoffice mail, but do not indicate that the content is UCNI. When using e-mail, UCNI shall be encrypted with NIST-validated encryption software such as Entrust®.

6.2.5 Destroying

- Destruction of material containing UCNI requires removal of the properties that make the material UCNI.
- Hard copy UCNI documents are to be destroyed by shredding in an approved shredder (cross-cut particles no larger than ¼ inch wide and 2 inches long).
- SUBCONTRACTOR shall coordinate with a LANL Reviewing Official (through the RLM or STR/AdSTR) after destruction to verify that all UCNI has been removed prior to disposing of the material.

6.2.6 Noncompliance Consequences

SUBCONTRACTOR'S failure to comply with the requirements pertaining to UCNI may result in the imposition of a civil and/or criminal penalty for each violation.

6.3 Classified Matter and Material

Disclosure of any classified information relating to the work or services hereunder to any person not entitled to receive it, or failure to safeguard any classified information, may subject the SUBCONTRACTOR, its agents, employees or lower-tier subcontractors to criminal liability under the laws of the United States (i.e., Atomic Energy Act of 1954, as amended, 42 U.S.C 2001 et seq.; 18 U.S.C. 793 and 794; and Executive Order 12958).

6.3.1 General Responsibilities

- 6.3.1.1 SUBCONTRACTOR shall ensure compliance with all requirements for accessing, storing, generating, marking, reproducing, receiving, transmitting, and accounting for classified matter documents and materials.
- 6.3.1.2 SUBCONTRACTOR shall employ need-to-know controls, safeguard all classified information and protect against sabotage, espionage, loss or theft of the classified documents and material in SUBCONTRACTOR'S possession in connection with the performance of work under this subcontract.
- 6.3.1.3 Except as otherwise expressly provided in this subcontract, SUBCONTRACTOR shall, upon completion or termination of this subcontract, transmit to CONTRACTOR all classified matter in the possession of all Subcontract Workers.

6.3.2 Classified Matter Responsibilities

Subcontract Workers shall:

- Complete required CMPC training, before receiving access to classified matter;
- Protect classified matter from unauthorized physical, visual or aural access;
- Ensure classified matter in use shall be constantly attended by, or under the control of, a person possessing the proper access authorization and need-to-know.
- Conduct classified discussions and classified work only in Security Areas;

- Conduct classified discussions or classified work that involves Top Secret (TS) information only in a Security Area specifically approved for TS;
- Discuss, release, or transmit Classified Matter only to those individuals possessing the required clearance and need-to-know;
- Ensure that Classified Matter is attended or stored in an approved security container;
- Ensure when classified information is discussed, ensure that the classification level and category and any applicable caveats are stated before the discussion begins.
- Immediately report any issues concerning missing classified matter, emergency situations, controlling or transmitting classified matter to the SIT, DSP or SPL and LANL RLM.

6.3.3 Determining Need-to-Know

Any Subcontract Worker who has been granted access to classified matter shall determine another worker's clearance and need-to-know before granting access to that matter. Need-to-know shall be established by:

- determining what matter will be accessed; and
- determining whether the recipient requires access to this matter to perform his / her official duties through current relationships, tasks, duties and assignments or confirmation by a LANL RLM.

6.3.4 Clearance requirements for access to classified matter:

Category & Level of Classified Matter	Q Cleared	L Cleared
Confidential National Security Information	Permitted	Permitted
Confidential Formerly Restricted Data	Permitted	Permitted
Confidential Restricted Data	Permitted	Permitted
Secret National Security Information	Permitted	Permitted
Secret Formerly Restricted Data	Permitted	Permitted
Secret Restricted Data	Permitted	Excluded
Top Secret National Security Information	Permitted	Excluded
Top Secret Formerly Restricted Data	Permitted	Excluded
Top Secret Restricted Data	Permitted	Excluded
Sigmas 14 & 15 granted by UCSC or alternate		

6.3.5 Training Requirements for Classified Matter Users

All Subcontract Workers who access, generate, handle, store or process classified matter shall take the following training: (See Section 3.4.2 for details)

Course Title	Frequency
Classified Matter Protection	Once
CMPC User Refresher Training	24 months

Specific training is required for any Subcontract worker who will be working with Sigma 14, 15 or 20 classified matter. These workers shall take the following training as it applies to their job duties within the scope of work: (See Section 3.4.2 for details)

Course Title	Frequency
Sigma 14 Awareness	12 months
Sigma 15 Awareness	12 months
Sigma 20 Awareness	12 months

6.3.6 Marking Classified Matter

Properly marking classified matter is complicated and situation specific. If a Subcontract Worker is going to be working with classified documents, the RLM or STR/AdSTR shall arrange for the Subcontract Worker to take the appropriate training in this area.

6.3.7 Storing Classified Matter

When storing Classified Matter, Subcontract Workers shall:

- Store classified matter that is not in use in an approved security container.
- Return all classified matter to the LANL RLM or other authorized personnel if a Subcontract Worker will be on leave for more than 90 days, no longer needs to use the classified matter, or terminates employment.
- Protect Classified Matter that is pending Derivative Classifier review at the highest potential or possible classification level and category.
- Ensure combinations on containers on LANL property are changed as required.
- Secure security containers before leaving such containers unattended.
- Perform end-of-day checks to ensure proper storage of Classified Matter.

6.3.8 Requirements for Storage of Classified Matter

6.3.8.1 Secret and Confidential matter shall be stored in: a locked GSA-approved safe within a Security Area; or in a certified Vault or Vault Type Room within a Security Area.

6.3.8.2 Top Secret (TS) matter shall be stored in: a locked GSA-approved safe in a Security Area with supplemental controls approved by the LANL Physical Security Team; or in a certified Vault or Vault Type Room approved for TS by the LANL Physical Security Team.

6.3.9 Receiving or Transmitting Classified Matter

6.3.9.1 Classified mail shall be delivered to a primary or alternate CMC at the designated classified mail stop with the inner envelope unopened. All incoming classified mail shall be examined for evidence of tampering, incorrect addressing, improper marking, improper transmission and incorrect packaging.

6.3.9.2 Prior to sending classified matter, Subcontract workers shall verify the intended recipient's clearance or access authorization, any required program or special access approvals, need-to-know for the matter being transmitted, and approved classified mail address. Workers shall ensure the classified matter is marked in accordance with LANL procedures.

6.3.10 Destroying Classified Matter

6.3.10.1 Subcontract Workers shall destroy unneeded (e.g. multiple copies) or obsolete classified matter and classified was as soon as practical. Classified matter covered by any current moratoriums or court orders shall not be destroyed. Record copies of documents, whether electronic or paper-based shall only be destroyed in accordance with established Laboratory records retention requirements and procedures.

6.3.10.2 Classified matter shall be destroyed using only approved destruction equipment located within a Limited Area or higher. Classified matter shall be destroyed beyond recognition to prevent reconstruction. Acceptable methods for destroying classified matter include shredding, pulping, melting, mutilation, chemical decomposition, or pulverizing.

6.3.11 Classified Scanning

6.3.11.1 SUBCONTRACTOR shall comply with enhanced security requirements for document scanning activities to prevent compromising classified information. Scanners include secure copiers connected to secure networks, secure copiers connected to secure desktop systems, secure scanners connected to automated information systems, and secure multi-function scanners.

6.3.11.2 System Accreditation

All classified equipment shall be accredited before processing classified information. The LANL Cyber Security Office shall approve the use of all non-government owned equipment prior to processing classified information.

6.3.11.3 Operator Training

Secure scanner operators shall complete all required training including:

- Annual Security Refresher Training
- Classified Matter Protection
- Computer Security Annual Refresher
- Classified Computer Security Briefing
- Sigma 15 training, if applicable
- Read Section 3.4 “Reproducing Classified Matter” and Attachment A “Rules of Use and Operating Instructions” in the Classified Matter Protection and Control Handbook, P204-2.

G7.0 Controlled Portable Electronic Devices / Wireless Technology (June 2022)

LANL’s level of control on wireless computing devices and on other controlled portable articles depends on the type of device, who owns it (Government or non-Government), where it will be located and how it will be used. Microphone, camera, storage and transmit/wireless capabilities restrict where a device may be carried or used without additional approval or authorization.

7.1 Use of Controlled Portable Electronic Devices (PEDs)

Controlled PEDs are easily portable, stand-alone devices that can store, read, write, record or transmit data or information. Certain controlled PEDs can read and/or write nonvolatile information and plug into a computer. They are not stand-alone devices like other types of controlled PEDs.

Controlled PEDs do not require approval for use in General Access Areas (GAAs) and Property Protection Areas (PPAs). Connection to the LANL Visitor Network does not require prior approval.

Controlled PEDs are not permitted in Secure Spaces. SUBCONTRACTOR shall ensure that controlled PEDs are not brought into a Secure Space. Additional LANL site-specific requirements may exist and shall be followed as appropriate.

Controlled PEDs include:

- Cell phones, smart phones, cordless phones, Blackberry devices, two-way pagers, two-way radios;
 - *Instant Messaging, including text messages shall not be used for discussion of, or creation of records for official LANL business.*
- Smart watch, fitness trackers with Bluetooth, USB or other connect/transmit capabilities;
- Recording equipment (audio, video, optical, or data);
- Copiers or scanners with hard drives;
- Radio frequency (RF) transmitting equipment (including ankle monitoring devices), Infrared (IR) or other wireless transmission capabilities;
- Electronic equipment with a data exchange port capable of being connected to automatic information system equipment;
- Portable computers, including but not limited to: laptops, tablet computers, personal digital assistant (PDAs), palm-top computers, Blackberry devices, Notebooks, iPhones or iPads and watches;
- Portable electronic reading, web-browsing and data collection devices with WiFi or USB connectivity, including but not limited to: Kindles, iPads, Nextbook Tablets, Nook eReaders, Sony Digital Readers or iPods;
- Any device with a capability to connect to computers or use wireless communications;
- All types of Cameras - video, still, digital, film, tablet computers or in cell phones. If the use of cameras - either inside or outside of a Security Area is deemed mission essential - then use of cameras shall be authorized via coordination with the STR/AdSTR, the RLM and the Physical Security Team prior to the use of such cameras. (*Form 1897PA*) A Subcontract worker using a non-government owned camera on Laboratory property shall possess a valid DOE/LANL badge.
- CD / DVD write drives

- External hard drives
- Flash memory (i.e. PC cards, SD memory cards)
- USB memory devices (i.e. thumb drives, memory sticks, jump drives)
- Medically necessary devices prescribed by a medical professional used for medical, disability or health reasons (e.g., motorized wheelchairs, hearing aids, heart pacemakers, glucose monitors).
 - [Form 1897MED](#), *Medical Personal Electronic Device (MedPED)*, must be completed and approved prior to being brought into a Limited Area or Secure Space.

7.2 Approvals Required Before Commencement of Work

- 7.2.1 Prior to connecting to a LANL-owned system (other than the Visitor network), approval shall be obtained from the Cyber Information Security Office. The RLM or STR/AdSTR shall also be informed.
- 7.2.2 Subcontractors using wireless technology in locations that are not designated as a GAA or PPA, are required to obtain certification and approval from the Cyber Information Security Office prior to engaging wireless technology. The RLM or STR/AdSTR shall also be informed. A LANL "Wireless System Security Plan" may be required.
- 7.2.3 Violations of this requirement may constitute a security infraction and may result in administrative actions up to and including exclusion of a Subcontract Worker from LANL and/or from working on this subcontract.

7.3 Rules for Using Authorized Controlled PEDs in Security Areas

Authorized controlled PEDs with audio recording or data transmitting capabilities in Security Areas shall be turned off (for UCNI), batteries removed (for classified) or placed in an approved Radio Frequency container whenever:

- A classified or UCNI discussion or phone call is taking place within audible range;
- Classified or UCNI computer processing is taking place in the immediate area of the device;
- Classified or UCNI faxing is taking place within the immediate area of the device; and
- Classified or UCNI copying is taking place on a digital copier in the immediate area of the device.

It is the responsibility of subcontract workers to be cognizant of classified or UCNI activities that may be occurring in adjacent work areas. Workers shall confirm that no classified or UCNI activities area taking place in the immediate vicinity prior to using the authorized controlled article.

7.4 Wireless Device Requirements

- 7.4.1 The use of devices with wireless connectivity such as computing, cellular and printing devices with "Bluetooth" technology, or wireless networking protocol in locations other than a GAA or PPA) are prohibited at LANL, including all LANL property and leased space. Wireless devices cannot be connected to LANL computing assets or networks, except for the Visitor's network. Such capabilities shall be disabled unless the activity has been approved by the LANL Cyber Information Security Office. It is the user's responsibility to know what devices they possess, the capabilities of those devices and to ensure that wireless capabilities have been disabled.
- 7.4.2 The use of wireless networking, Bluetooth and cell phone technologies is allowed in LANL GAAs, PPAs, public areas of the Bradbury Science Museum, the Otowi Cafeteria and public access areas outside buildings such as roadways, sidewalks and parking lots.
- 7.4.3 The use of wireless networking is not restricted in non-LANL occupied areas of LANL-leased properties such as Canyon Complex, White Rock Training Center, the Research Park and Central Park Square.
- 7.4.4 These wireless device requirements do not apply to the wireless computing capability used by SUBCONTRATOR delivery and shipping workers in the LANL receiving area outside of a building.

7.5 LANL and Other Government-owned Wireless Devices

- 7.5.1 Government-owned cell or satellite phones are not allowed in Secure Spaces or higher Security areas.
- 7.5.2 All LANL and government-issued cellular devices including smart phones such as Blackberries shall be turned off completely when in proximity to UCNI activity. Batteries must be removed when in proximity to classified activity.
- 7.5.3 LANL-issued Blackberry devices, applications and accessories are not allowed in LANL locations designated as a Secure Space. No Blackberry devices are allowed in Vault Type Rooms, SCIFs or SAPFs.
- 7.5.4 Government-owned computing-controlled articles (e.g., laptops, palmtop computers and PDAs) shall follow access control requirements such as username and password.
- 7.5.5 Government-owned computing-controlled articles shall use anti-virus software to detect malicious activity where the capability exists.
- 7.5.6 Government-owned unclassified controlled articles are not permitted to connect to any LANL computer or network or store LANL sensitive data without approval from LANL management.
- 7.6 Privately-Owned Controlled PEDs
 - 7.6.1 Privately-owned Controlled PEDs are prohibited in Secure Spaces and higher security areas.
 - 7.6.2 Privately-owned cellular devices including smart phones such as Blackberries shall be turned off completely when in proximity to UCNI activity. Batteries must be removed when in proximity to Classified activity.
 - 7.6.3 Privately-owned Controlled PEDs may not be connected to any classified or unclassified LANL-owned information system or network (except the Visitor's network) without written approval and may not be used to store any sensitive or classified government information without written approval. (*Form 1897*)
 - 7.6.4 Privately-owned Controlled PEDs shall not store or process government controlled unclassified information; unless formal approval has been granted and full disc encryption is utilized.
 - 7.6.5 When privately-owned vehicles are allowed to enter a Limited Area, controlled PEDs that are attached to the vehicle (i.e. built-in cell phones, On Star and CB radios) shall be turned off if capable and left in the vehicle. Additional restrictions may apply in some areas and Subcontract workers shall follow local controls.
- 7.7 Privately-owned Wireless Computing Devices
 - 7.7.1 LANL Cyber Information Security Office approval is required if computing devices will be in a Security Area or connected to the LANL network. (*Form 1897*)
 - 7.7.2 LANL management approval is required before connecting a privately-owned computing device to a LANL network. (*Form 1897*)
 - 7.7.3 Privately-owned wireless computing devices shall be authorized prior to connecting to any LANL wireless computing resource.
- 7.8 Connecting to Presentation Systems and Using Equipment Remote Controls
 - 7.8.1 Privately-owned controlled PEDs may be connected to stand-alone presentation equipment and stand-alone systems in PPAs provided:
 - 7.8.1.1 The information system shall not contain any sensitive information that the controlled article owner does not have authorization to access.
 - 7.8.2 LANL allows RF and Infrared (IR) remote controls on unclassified presentation equipment (audio, video, etc.) in unclassified workspace without restrictions.
 - 7.8.3 LANL does not allow RF and IR remote controls on classified computers.
 - 7.8.4 IR and RF remote controls are permitted to control projectors.

G8.0 Contacts (June 2022)

Name	Telephone	Email
Security After-hours On-call Officer cell phone	505-699-4094	
Security After-hours On-call Duty Officer pager	505-949-0156	
Badge Office	505-667-6901	badge@lanl.gov
Chief Information Office (CIO)	505-606-2263	
Chief Information Office on-call pager	505-664-6282	
Classification Group	505-667-5011	
Classified Matter Protection & Control	505-665-1802	cmpe@lanl.gov
Clearance Processing	505-667-7253	clearance@lanl.gov
Counterintelligence Program	505-665-6090	ocihelp@lanl.gov
(Cyber) Information Security Help Desk	505-665-1795	cybersecurity@lanl.gov
Emergency Management & Response	505-667-6211	
Export Control	505-665-2194	export@lanl.gov
Fire, Bomb Threat, etc.	911	
Foreign Ownership Control & Influence		foci@lanl.gov
Foreign Visits and Assignments	505-665-1572	foreignvisits@lanl.gov
Fraud, Waste and Abuse	505-665-6159	
Immigration Services	505-667-8650	
Lock and Key Program	505-606-5397	
Material Control & Accountability Group	505-667-5886	
Network Operations Center (NOC)	505-667-7423	noc@lanl.gov
Personnel Security	505-665-6565	
Physical Protection Operations Control	505-667-4949	sec-pssops@lanl.gov
Protective Force Operations	505-665-0000	
Protective Force After Hours Reporting (Central Alarm Station)	505-665-7708	
Protective Force After Hours Shift Commander	505-665-1279	
Safety Help Desk	505-665-7233	safety@lanl.gov
Security Help Desk	505-665-2002	security@lanl.gov
Security Incident Team (SIT)	505-665-3505	
Wireless Point of Contact		wirelesssecurity@lanl.gov

G9.0 Required Notifications (May 2015)

SUBCONTRACTOR shall notify the Requester, STR/AdSTR and the Contract Administrator /Procurement Specialist immediately, whenever a change in the scope of the work to be performed has been identified or requested. The Requester or STR/AdSTR shall then notify the appropriate security expert so that any security modifications can be made to the approved Exhibit G in response to the change in the scope of work.

G10.0 Additional Requirements (Mar 2017)

10.1 SUBCONTRACTOR shall comply with safeguards and security requirements for TA-55 as outlined below and instructed by the LANL Host.

The following items are not permitted at TA-55 Areas without prior written authorization from the TA-55 Security Team and concurrence by the RLM or STR/AdSTR. These items include:

- Media (e.g. CDs, DVDs, USB flash drives, external hard drives, etc);
- Recording equipment (audio, video, optical or data);
- Radio frequency, Infrared or Bluetooth transmitting equipment (e.g. two-way radios, two-way pagers, etc.)
- Electronic equipment with a data exchange port capable of being connected to information system equipment (e.g. iPods, USB flash drive, etc.)
- Privately-owned computers (e.g. palm-tops, laptops, PDAs, etc.)
- Cameras (film or digital, video or still, tablet computers). If the use of cameras, either inside or outside of a security area is deemed mission essential, it must be authorized via coordination among the STR/AdSTR, the RLM, the TA-55 Security Team, and the Physical Security Team prior to the use of such cameras.

TA-55 does not issue Generic Visitor Badges. All individuals who enter TA-55 workspace must have a LANL or DOE issued badge.

Escorts shall maintain visual contact with all escorted personnel at all times. One individual may escort no more than five persons, except in PF-4 where the ration is four individuals to one escort. While in PF-4, Subcontract workers must also comply with the Safeguards two-person rule.

When entry to PF-4 is required, each escort shall accompany Subcontract workers to the TA-55 Access Control Office where a PF-4 specific entry ticket will be issued.

Vehicle Access:

- With proper authorization, only Government and Subcontractor vehicles are allowed entry into the TA-55 Protected Area (PA);
- Private vehicles are not allowed entry;
- Vehicles requiring entry through the West Vehicle Access (WVA) shall be approved prior to entering;
- Only the driver and LANL escort are allowed to enter the PA inside a vehicle. All other personnel shall enter the PA via the East Control Facility (ECF).

10.2 SUBCONTRACT workers shall comply with the following site-specific requirements for TA-15 and TA-16 while working in those areas.

- Report to either the TA-15 or TA-16 Access Control Office to check in prior to beginning work and to check out after work in those areas;
- Lock personal or company vehicles when left unattended;
- Report all suspected thefts to the LANL Deployed Security Representative for the organization where the work is being performed.

10.3 If any of the following activities or situations are tied to the scope of work for a specific Release under this Basic Agreement, additional security provisions will be added to the Release against this Agreement:

- Work in a SCIF or SAPF: LANL Host will provide required additional training requirements and instructions.
- Work in a Vault Type Room: additional training listed under 3.4.2, as well as instructions from LANL Host.
- Access to Classified data, information, or discussions: LANL host will provide additional instructions and training requirements.

Attachment G1

EXHIBIT G PHYSICAL SECURITY SECURITY REQUIREMENTS

Vendor Name (if Applicable): *

SR/PR/CRS/ESR No. *

Exhibit G dated: *

REQUIRED REVIEWS AND APPROVALS

Reviewed By:

Name of DSP or SPL

Signature

Date



County of Los Alamos

Staff Report

August 19, 2026

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.: 7.b.

Index (Council Goals):

Presenters: Ben Olbrich, Deputy Utility Manager-Power Supply

Legislative File: 19438-26

Title

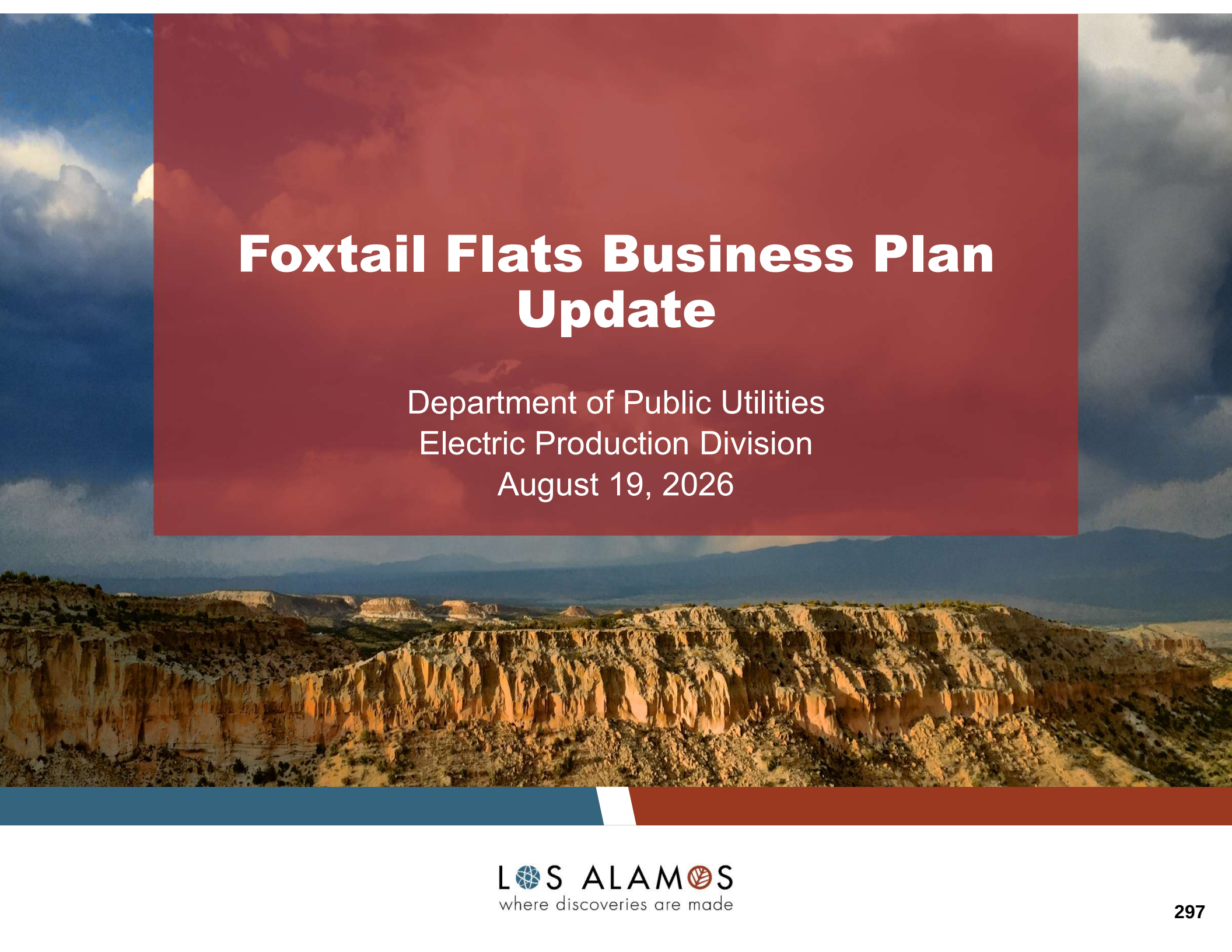
Foxtail Flats Business Plan Update

Body

This is an update to the February 5, 2025 presentation to BPU on what planning DPU staff has performed to address the financial impacts of excess solar power and energy from the Foxtail Flats solar and storage projects.

Attachments

A - Foxtail Flats Business Plan Update



Foxtail Flats Business Plan Update

Department of Public Utilities
Electric Production Division
August 19, 2026

The County contracted for Foxtail Flats PV and BESS to reach LAC and DOE carbon free electricity goals

2

- Foxtail Flats is a big step towards the ultimate goals
 - LAC Carbon neutral goal by 2040
 - At the time of contracting, the DOE had a 50% carbon free electricity by 2030 goal
- Available long-term generation alternatives all cost more than PV today (they also cost more at contract signing)
 - Nuclear and gas turbines \$100+/MWh
 - Los Alamos County PV \$90+/MWh
 - Geothermal \$80+/MWh
- Foxtail Flats PV + BESS was calculated at a combined cost of \$74.79 as presented to BPU and Council during the consideration for approval meetings

Foxtail Flats provides cost certainty with fixed prices for 20 years

3

- Solar Power Purchase Agreement (PPA)
 - 170 MW (megawatts) solar for 20 years at \$37.88 / MWh (megawatt hours), no price escalator
 - Take-or-pay, no added cost to curtail. Developer switched from Production Tax Credit (PTC) to Investment Tax Credit (ITC) approach
- BESS (Battery Energy Storage System) Energy Storage Agreement (ESA)
 - 80 MW / 320 MWh of BESS for 20 years at \$13.50 / kW-month (kilowatt-month), no price escalator
 - 100% of capacity available for all 20 years
 - Can fully charge and discharge once per day

We went into Foxtail Flats knowing that it is oversized

4

- With the full 170 MW available and an average LAC+LANL+SNL/KAFB load of 110 MW, there will be times that Foxtail Flats generation exceeds load
- Planned to sell 50 MW to a power marketer to eliminate this excess power, but that deal fell through, and DPU is planning for what to do with the excess power
- This presentation provides the options for the excess power

Foxtail Flats generates more day energy than LAC + LANL + SNL/KAFB can use

5

- FY28 forecast: 56,000 MWh/year excess solar during the day, or \$2.12 million/year to buy the excess solar
- The 50 MW sale would have eliminated all excess



ATTACHMENT A

We have options for the 50 MW

6

1. We can sell it to the CAISO EDAM
2. We can sell it to another party through a contract
3. We can get more energy storage and use it to store the excess for use at night
4. We can use as much PV as possible to serve LAC+LANL+SNL/KAFB load and sell the rest to the CAISO EDAM or another party
5. A mix of options 2 through 4; sell less than 50 MW to another party, use what PV we can, get more storage if its economical and sell the rest to EDAM

Pros and cons of selling it to the CAISO EDAM

7

- Price uncertainty as it is exposed to market price variations
- Allows for more generation diversity. Foxtail Flats will supply most of the load during the day; a Foxtail outage would have a severe impact on resource sufficiency
- Provides room for dispatchable and higher capacity resources that have value over intermittent resources
- Price uncertainty for the part being sold to market

Pros and cons of selling it to another party

8

- Provides price certainty. A fixed price for a known term eliminates the cost risk of selling the excess power to the market
- Allows for more generation diversity. Foxtail Flats will supply most of the load during the day; a Foxtail outage would have a severe impact on resource sufficiency
- Provides room for dispatchable and higher capacity resources that have value over intermittent resources

Pros and cons of more storage

9

- Increases the cost unless dramatic storage cost drops occur quickly, which is possible but not probable
- In the winter months the PV will be insufficient to supply the load and charge the storage – additional market purchases will be needed to maximize use of the storage
- Increases the potential market sales value as storage has a higher assigned capacity than PV

Pros and cons of using as much PV as possible and selling the rest

10

- Lowers the combined cost of PV +BESS
 - From an estimated \$75/MWh to \$60/MWh
 - More PV at \$37.88/MWh with the same amount of BESS at \$111/MWh lowers the average cost
- Allows more power scheduling flexibility; use it when we can and sell it when we can't

Pros and cons of a mix of the options

11

- Less PV+BESS cost reduction than using as much PV as possible
- Allows more power scheduling flexibility; use it when we can and sell it when we can't
- Gets some of the benefits of generation diversity and dispatchable resources
- Additional storage will increase the cost unless dramatic storage cost drops occur quickly, which is possible but not probable

DPU staff's current actions

12

- Looking at all options
- Evaluating how the EDAM sales would work and what the costs could be
- Looking for a buyer for 10-50 MW
- Exploring opportunities for additional storage
- Planning to use as much PV as possible in FY28

Thank you! Questions?

Ben Olbrich

**Deputy Utility Manager -
Power Supply**

Office: 505.662-8410

Mobile: 505.235.4420

ben.olbrich@losalamosnm.gov





County of Los Alamos

Staff Report

August 19, 2026

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.: 8.g.1.

Index (Council Goals): DPU FY26 - 3.0 Be a Customer Service Oriented Organization that is Approachable, Communicative, Efficient, and Transparent

Presenters: Cristella Valdez, Assistant County Attorney

Legislative File: 21572-26b

Title

Open Meetings Act and Inspection of Public Records Presentation

Body

Presentation includes an overview of the New Mexico Open Meetings Act and Inspection of Public Records Act. BPU members will learn about the requirements of the Acts including: the process to properly provide meeting notices to the public, rolling quorums, and the right to inspect public records.

Attachments

- A - OMA Training Presentation
- B - Resolution No. 26-01 Open Meetings Act
- C - 2026 BPU Meeting Calendar

NMSA 1978
§§10-15-1 TO 10-15-4

AND

§§14-2-1 TO 14-2-12

NEW MEXICO OPEN MEETINGS ACT & INSPECTION OF PUBLIC RECORDS ACT

KNOWN AS THE “SUNSHINE LAWS”

- All persons are entitled to the greatest possible information regarding the affairs of government and the official acts of those who represent them.
- The formation of public policy or the conduct of business by vote shall not be conducted in closed meetings.
- All meetings of a quorum of members of any board or commission, held for the purpose of formulating public policy, discussing public business, or taking any action within the authority of the commission are declared to be public meetings open to the public at all times, except as otherwise provided by law. See §10-15-1(B)
- Under IPRA, the law requires open access to almost all public records in state and local government, with few exceptions.

OMA - REQUIREMENTS FOR A PUBLIC MEETING

Notice

- No less than ten (10) days before meeting (per LAC Resolution 26-01)
- Adoption of Calendar

Agenda

- Available at least seventy-two (72) hours prior to meeting
- Must identify the business to be discussed or transacted

Minutes

- Must include the date, time and place of the meeting, the names of members in attendance and those absent, the substance of the proposals considered and a record of any decisions and votes taken that show how each member voted.
- All minutes are open to public inspection.
- Draft minutes shall be prepared within ten working days after the meeting and shall be approved, amended or disapproved at the next meeting where a quorum is present.

PUBLIC MEETING & PUBLIC BUSINESS

WHAT IS A “PUBLIC MEETING”?

WHAT IS AN “OPEN MEETING” ?

“All meetings of a quorum of members of any board, commission, administrative adjudicatory body or other policymaking body of any state agency or any agency or authority of any county, municipality, district or political subdivision, held for the purpose of formulating public policy, including the development of personnel policy, rules, regulations or ordinances, discussing public business or taking any action within the authority of or the delegated authority of any board, commission or other policymaking body are declared to be public meetings open to the public at all times, except as otherwise provided in the constitution of New Mexico or the Open Meetings Act [Chapter 10, Article 15 NMSA 1978]. ...”

NMSA 1978, Section 10-15-1.B.

QUORUM

WHAT CONSTITUTES A QUORUM OF THE BPU?

THREE MEMBERS SHALL CONSTITUTE A QUORUM FOR THE BUSINESS OF THE BOARD.

BPU ACTIONS MAY BE TAKEN AND CONSIDERED VALID ONLY IF A QUORUM HAS BEEN ESTABLISHED AT THE MEETING.

THE BOARD SHALL MEET AT LEAST ONCE A MONTH.

THE MEETINGS AND RECORDS SHALL BE PUBLIC.

BOARD OF PUBLIC UTILITIES POWERS AND DUTIES

Chapter 40 UTILITIES

ARTICLE II Administration

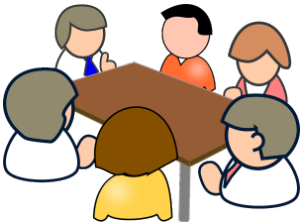
Power and duties, shall include: Jurisdiction and control over the utility systems owned by the county.

Section 40-45 The board of public utilities shall propose the public policy of the department and those other policies unique to each utility system. Policies shall be adopted by the board at public hearings and shall become effective upon approval by the council.

The BPU will be appointed by the council. The ideal representation will include residents from a diversity of geographical areas. The total number of members will equal five (5) persons.

OMA - “ROLLING” OR “WALKING” QUORUMS PROHIBITED

- A quorum may exist, for purposes of the Act, even when members are not physically present together at the same time and place.



- **Example:** 3 members of a 5-member Board discussing public business in a series of telephone or email conversations. Such discussion is a meeting of a quorum. The use of a rolling quorum to discuss public business or take action is a violation of the Act because it constitutes a meeting of a quorum of the Board outside a properly noticed public meeting.



NOTICE

WHAT IS THE REQUIRED NOTICE FOR MEETINGS OF THE BPU?

COUNTY NOTICE REQUIREMENTS FOR OPEN MEETINGS

- **OMA** - “Any meetings at which the discussion or adoption of any proposed resolution, rule, regulation or formal action occurs and at which a majority or quorum of the body is in attendance, and any closed meetings, shall be held only after reasonable notice to the public. **The affected body shall determine at least annually in a public meeting what notice for a public meeting is reasonable when applied to that body.** That notice shall include broadcast stations licensed by the federal communications commission and newspapers of general circulation that have provided a written request for such notice.” NMSA 1978, § 10-15-1(D)(2024).
- **BPU Meetings:** The BPU meets at least monthly. All meetings of the BPU are subject to and will comply with the New Mexico Open Meetings Act, NMSA 1978, Section 10-15-1 to 10-15- 4, and will adhere to the requirements outlined in the County's Resolution adopted annually pursuant to Section 10-15-1(D) of the New Mexico Open Meetings Act.”
- Current County Resolution is **Resolution No. 26-01**



AGENDA

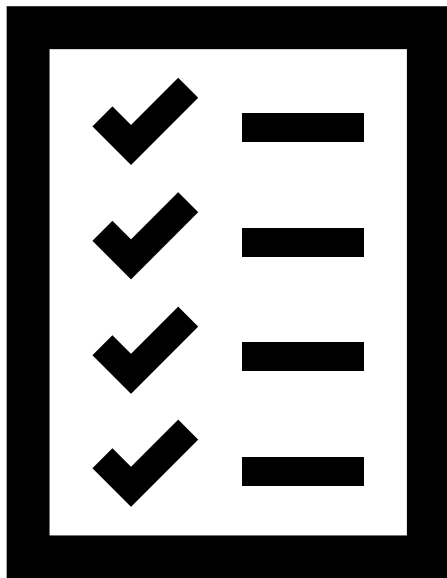
THERE MUST BE A PUBLISHED AGENDA FOR ALL BPU MEETINGS

WHAT IS REQUIRED FOR A MEETING AGENDA?

“Meeting notices shall include an agenda containing a list of specific items of business to be discussed or transacted at the meeting or information on how the public may obtain a copy of such an agenda. Except in the case of an emergency or in the case of a public body that ordinarily meets more frequently than once per week, at least seventy-two hours prior to the meeting, the agenda shall be available to the public and posted on the public body’s web site, if one is maintained.” A public body that ordinarily meets more frequently than once per week shall post a draft agenda at least seventy-two hours prior to the meeting and a final agenda at least thirty-six hours prior to the meeting. Except for emergency matters, a public body shall take action only on items appearing on the agenda.”

NMSA 1978, Section 10-15-1 (F) (2024)

OMA - MEETING MUST FOLLOW THE PUBLISHED AGENDA



- Only items or topics listed on the published agenda, may be discussed by the BPU

POSTING OF AGENDAS

- “Agendas for all board or commission meetings will be posted in accordance with the Council’s annual Open Meetings Resolution.” LAC *Boards & Commission Procedural Rules*.
- **Resolution 26-01. Section V. A.** - For regular and special meetings – Notice shall be posted in “conspicuous place in the vicinity of the **front door of the Municipal Building** located at 1000 Central Avenue, Los Alamos, New Mexico and visible from the exterior of the building, as well as being **posted on the County’s web site** provided the web site is operational. Copies of the notice shall be provided to those broadcast stations licensed by the Federal Communications Commission **and newspapers of general circulation** which have made a written request for notice of public meetings for the coming calendar year. Only one such written request shall be required for each calendar year.”



MEETING MINUTES

WHEN, WHO, AND CONTENT

MEETING MINUTES

“The board, commission or other policymaking body shall keep **written minutes of all its meetings.** The minutes shall **include at a minimum**
the date,
time and place of the meeting,
the names of members in attendance and those absent,
the substance of the proposals considered
and a record of any decisions and votes taken that show how each member voted.

All minutes are open to public inspection. Draft minutes shall be **prepared within ten working days** after the meeting and shall be **approved, amended or disapproved at the next meeting where a quorum is present.** Minutes shall not become official until approved by the policymaking body.”

NMSA 1978, § 10-15-1(G)(2024)

FAILURE TO COMPLY WITH OMA -INVALID ACTIONS AND PENALTY

No action of a board shall be valid unless taken or made at a meeting held in accordance with the requirements of the OMA.

It is the members of the board that are responsible for compliance with the OMA, not the County as an entity.

Any person violating any of the provisions of the OMA is guilty of a misdemeanor and upon conviction shall be punished by a fine of not more than five hundred dollars (\$500) for each offense

IPRA – INSPECTION OF PUBLIC RECORDS



- Every person has a right to inspect public records of this state except as specifically limited by law.
- All persons are entitled to the greatest possible information regarding the affairs of government and the official acts of public officers and employees.
- “Public Records” means **all** documents, papers, letters, books, maps, tapes, photographs, recordings and other materials, regardless of physical form or characteristics, that are used, created, received, maintained or held by or on behalf of any public body and **relate to public business**, whether or not the records are required by law to be created or maintained;

GETTING MORE INFORMATION...

- You can obtain more information at:
 - New Mexico Attorney General's Office- <https://www.nmag.gov/oma-and-ipra-nm-sunshine-laws.aspx>
 - County Attorney's Office

INCORPORATED COUNTY OF LOS ALAMOS RESOLUTION NO. 26-01

A RESOLUTION ESTABLISHING MINIMUM STANDARDS OF REASONABLE NOTICE TO THE PUBLIC FOR ALL MEETINGS OF THE COUNCIL, COUNTY BOARDS, COMMISSIONS, AND OTHER PUBLIC BODIES CREATED BY THE STATE AND THOSE APPOINTED BY THE COUNCIL (COLLECTIVELY “APPOINTED COUNTY COMMITTEES”)

WHEREAS, the democratic ideal is best served by a well-informed public, and sunshine laws generally require that public business be conducted in full public view, that the actions of public bodies be taken openly, and that the deliberations of public bodies be open to the public; and

WHEREAS, the Open Meetings Act states that, except as may be otherwise provided in the Constitution or the provisions of the Open Meetings Act, all meetings of a quorum of members of any board, council, commission, administrative adjudicatory body or other policymaking body held for the purpose of formulating public policy, discussing public business, or for the purpose of taking any action within the authority of or the delegated authority of such body, are declared to be public meetings open to the public at all times [Section 10-15-1(B) NMSA 1978]; and

WHEREAS, when it is difficult or impossible for a member to attend a meeting in person, the member may participate by means of a conference telephone, video communications, or similar communications equipment [Section 10-15-1(C) NMSA 1978]; and

WHEREAS, any meetings subject to the Open Meetings Act at which the discussion or adoption of any proposed resolution, rule, regulation or formal action occurs shall be held only after reasonable notice to the public [Section 10-15-1(D) NMSA 1978]; and

WHEREAS, the Open Meetings Act requires the Council of the Incorporated County of Los Alamos (“Council”) to determine annually what constitutes reasonable notice of its public meetings and those of all County boards, commissions and policymaking bodies [Section 10-15-1(D) NMSA 1978]; and

WHEREAS, the Council wishes to establish the minimum standards of reasonable notice to the public for all public meetings of the Council and all Appointed County Committees, as defined herein, for the remainder of the year 2026, and until a new resolution concerning public meetings is adopted.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Incorporated County of Los Alamos as follows:

I. General Provisions

A. All meetings of a quorum of the Council of the Incorporated County of Los Alamos shall be open to the public except where specifically provided for in the State of New Mexico’s Open Meetings Act, NMSA 1978 §10-15-1, and as provided herein.

B. All meetings of a quorum of an Appointed County Committee shall be open to the public except where specifically provided for in the State of New Mexico’s Open Meetings Act, NMSA 1978 §10-15-1, and as provided herein. Appointed County Committees are defined as the



Boards, Commissions, Committees, Task Forces, etc., that are created by State Statute, County ordinance, or through formal Council action, and include but are not limited to the following:

- Art in Public Places Board
- Board of Appeals
- Board of Public Utilities
- DWI Planning Council
- Environmental Sustainability Board
- Historic Preservation Advisory Board
- Library Board
- Lodgers' Tax Advisory Board
- Los Alamos County Health Council
- Parks and Recreation Board
- Personnel Board
- Planning and Zoning Commission
- Transportation Board
- Valuation Protests Board

II. Regular Meetings.

A. Council Meetings.

All meetings of the Council shall be held on the dates specified in the schedule attached to this Resolution as Schedule A unless notice is otherwise provided at least seventy-two (72) hours in advance of the meeting date. An agenda for all regular meetings of the Council shall be available at least seventy-two (72) hours prior to the meeting from personnel in the Office of the County Manager. All agendas shall be posted on the County's website, provided the website is operational during the period of seventy-two (72) hours prior to the meeting.

B. Appointed County Committee Meetings.

Notice of regular meetings of all Appointed County Committees shall be given no less than ten (10) days in advance of the meeting date. The notice may include an agenda for the meeting or indicate how a copy of the agenda may be obtained. An agenda shall be available at least seventy-two (72) hours prior to the meeting. All meetings of each Appointed County Committee shall be held at the time and at the place indicated in the meeting notice. Each Appointed County Committee may adopt a schedule of its regular meetings for the present calendar year or the balance thereof. Such a schedule shall contain the date, time, and place of each regular meeting. For purposes of Paragraph V of this Resolution, notice of all regular meetings contained in such schedule is met if a copy of the schedule is posted and provided to the media as provided for in Paragraph V of this Resolution; provided, however, that Appointed County Committee must still post and provide to the media a copy of the agenda prior to each regularly scheduled meeting as required under this Resolution. All agendas shall be posted on the County's website, provided the website is operational during the period of seventy-two (72) hours prior to the meeting.

III. Special meetings.

Special Meetings may be called by the Chair or a majority of the members of the Council or respective Appointed County Committee upon at least seventy-two (72) hours' notice. The

notice shall include an agenda for the meeting or information to indicate how a copy of the agenda may be obtained. An agenda for the meeting shall be available to the public and posted on the County's website at least seventy-two (72) hours before any special meeting, provided the website is operational during the period of seventy-two (72) hours prior to the meeting.

IV. Emergency meetings.

Emergency Meetings may only be called under unforeseen circumstances which demand immediate action to protect the health, safety and property of citizens or to protect the public body from substantial financial loss. The Council and all Appointed Council Committees shall avoid emergency meetings whenever possible. Emergency meetings may be called by the Chair or a majority of the members of the Council or the respective Appointed Council Committee upon twenty-four (24) hours' notice, unless threat of personal injury or property damage requires less notice. The notice for all emergency meetings shall include an agenda for the meeting or information on how the public may obtain a copy of the agenda, which shall be posted on the County's website as soon as is practicable after the agenda is created, provided the website is operational during the period prior to the meeting.

V. Notice Requirements.

A. For the purposes of regular meetings described in Paragraph II of this Resolution, notice requirements are met if notice of the date, time, and place is posted in a conspicuous place in the vicinity of the front door of the Municipal Building located at 1000 Central Avenue, Los Alamos, New Mexico and visible from the exterior of the building, as well as being posted on the County's website, provided the website is operational. Copies of the notice shall be provided to those broadcast stations licensed by the Federal Communications Commission and newspapers of general circulation which have made a written request for notice of public meetings for the coming calendar year. Only one such written request shall be required for each calendar year.

B. For the purposes of special meetings described in Paragraph III of this Resolution, notice requirements are met if notice of the date, time, place and agenda is posted in a conspicuous place in the vicinity of the front door of the Municipal Building at 1000 Central Avenue, Los Alamos, New Mexico and visible from the exterior, as well as being posted on the County's website, provided the website is operational. Copies of the notice shall be provided to those broadcast stations licensed by the Federal Communications Commission and newspapers of general circulation which have made a written request for notice of public meetings for the coming calendar year. Only one such written request shall be required for each calendar year.

C. For the purposes of emergency meetings described in Paragraph IV of this Resolution, notice requirements are met if notice of the date, time, place and agenda is posted in a conspicuous place in the vicinity of the front door of the Municipal Building at 1000 Central Avenue, Los Alamos, New Mexico and visible from the exterior and posted on the County's website as soon as is practicable, provided the website is operational. Copies of the notice shall be provided to those broadcast stations licensed by the Federal Communications Commission and newspapers of general circulation which have made a written request for notice of public meetings for the coming calendar year. Only one such written request shall be required for each calendar year.

D. In addition to the information specified above, all notices shall include the following language:

"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 of the meeting, please contact the County Human Resources Department at (505)662-8040 at least one (1) week prior to the meeting or as soon as possible. Public documents, including the agenda and minutes, can be provided in various accessible formats. Please contact the personnel in the Office of the County Manager at (505)663-1750, if a summary or other type of accessible format is needed."

VI. Closure of Public Meetings.

The Council and all Appointed Council Committees may close a meeting to the public only if authorized by the Open Meetings Act [Section 10-15-1H NMSA 1978]:

A. If any meeting is closed during an open meeting, such closure shall be approved by a majority vote of a quorum of the Council or respective Appointed Council Committee, as applicable, taken during the open meeting. The authority for the closure and the subjects to be discussed shall be stated with reasonable specificity in the motion for closure and the vote on closure of each individual member shall be recorded in the minutes. Only those subjects specified in the motion may be discussed in the closed meeting.

B. If the decision to hold a closed meeting is made when the Council or an Appointed Council Committee is not in an open meeting, the closed meeting shall not be held until public notice, appropriate under the circumstances, stating the specific provision of law authorizing the closed meeting and the subjects to be discussed with reasonable specificity is given to the members and to the general public.

C. Following completion of any closed meeting, the minutes of the open meeting that was closed, or the minutes of the next open meeting if the closed meeting was separately scheduled, shall state whether the matters discussed in the closed meeting were limited only to those specified in the motion or notice for closure.

D. Except as provided in the Open Meetings Act, any action taken as a result of discussions in a closed meeting shall be made by a vote of the Council or respective Appointed Council Committee, in an open public meeting [Section 10-15-1(H) NMSA 1978].

VII. Remote Attendance.

Any member may participate by means of a conference telephone, video communication, or similar communications equipment when it is difficult or impossible for a member to attend a meeting in person, provided that each member participating by other means can be identified when speaking, all participants are able to hear each other at the same time and members of the public meeting attending the meeting are able to hear any member of the public body who speaks during the meeting.

VIII. Public Health Emergency.

In the event this Resolution is in effect during a public health emergency, the conduct of public meetings shall comport with any and all public health orders issued by the New Mexico

Department of Health and comply with all guidance documents including advisory opinions issued by the Open Government Division of the Office of the Attorney General for the State of New Mexico. To the degree that this Resolution conflicts with these public health orders or the advisory opinions of the Attorney General, the provisions of the public health orders and the advisory opinions of the Attorney General shall control.

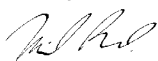
PASSED AND ADOPTED this 6th day of January 2026.

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



**Randall T. Ryti,
Council Chair**

ATTEST:



**Michael D. Redondo,
Los Alamos County Clerk**





2026 Los Alamos County Council Calendar

Regular meetings will be held in Council Chambers in the Municipal Building at 1000 Central Avenue or at Fire Station 3, 129 State Road 4 in White Rock. Tuesday meetings start at 6:00 PM. Work Sessions maybe held at Fire Station No. 3, 129 State Road 4 in White Rock. Special meetings are scheduled as needed.

NMC Legislative Conf.
Jan. 19 - 22
Santa Fe

Martin Luther King Jr. Day

2026 State Legislative
Session
1/20 - Opening Day
2/19 - Session Ends

NMML Municipal Day
2/6 - Santa Fe
DC Advocacy Trip
3/22-3/26 Tentative

Presidents' Day

Washington, DC CONFERENCES

NACO legislative
Conference
Feb 21 - 24
Washington D.C.

NLC Congressional
City Conference
March 16 - 18
Washington, D.C.

Waste Management
Symposium
March 8 - 12
Phoenix, AZ

LAPS Spring Break
March 30-Apr 3

NACO Western
Region Conf. (WIR)
May 5-8
Maui County, Hawaii

Memorial Day

NMC Annual
Conference
June 15 - 18
McKinley County

Juneteenth

January

S	M	T	W	T	F	S
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LA	4	5	6	7	8	9
WR	11	12	13	14	15	16
LA	18	19	20	21	22	23
	25	26	27	28	29	30
	31					

February

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LA	1	2	3	4	5	6
WR	8	9	10	11	12	13
LA	15	16	17	18	19	20
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March

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LA	1	2	3	4	5	6
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April

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June

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July

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August

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November

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January 2027

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NACO Annual Conf.
July 17-20
New Orleans, LA

NMML—Annual Conf.
Sept. 1-4
Las Cruces, NM

ECA Cleanup Workshop.
Sept. 14 - 16
Washington, DC

- Council Regular Meeting
- Council Work Session
- Holidays
- Budget Hearings
- Strategic Planning
- Election

LAPS Fall Break
Oct. 9-12
Tentative

NLC City Summit
Nov. 18-21
Nashville, TN

NMC - BIPO
Dec. 8-10
Bernalillo County ABQ

LAC Board of Public Utilities Meeting Calendar

2026

WORK SESSIONS

1st Wednesday at 5:30 pm
(None in Jan., Jul., or Dec.)
Council Chambers & Zoom
<https://us06web.zoom.us/j/84348385574>

REGULAR SESSIONS

3rd Wednesday at 5:30 pm
Council Chambers & Zoom
<https://us06web.zoom.us/j/85828927209>

SPECIAL SESSIONS

April: Begin Utilities Mgr's FY26
Performance Review @ 5pm
May: Finalize Utilities Mgr's FY27
Performance Review @ 5pm
June: Utilities Manager's FY27
Performance Planning @ 5pm
August: BPU FY 28 Strategic
Planning
October: Utilities Manager FY27
Mid Year Performance Review

CHANGES

to the Normal Schedule

ANNUAL PRESENTATION
by the BPU Chair at July
Council Work Session

Staff Reports and attachment
documents are due nine (9)
days prior to each meeting.

The BPU will normally meet at
1000 Central Avenue
(Municipal Building) in
Council Chambers.

The public is encouraged to
participate either in person or
remotely via Zoom.

Agendas and special meeting
notices are published
at least 72 hours in advance.

If you would like
to be added to the BPU
distribution list please e-mail
kathy.casados@lacnm.us.

Email Public Comments to:
bpu@lacnm.us.

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
participate, please contact Human
Resources at 505-662-8040 as
soon as possible.

Public documents, including the
agenda and minutes, can be
provided in various accessible
formats. Please contact the DPU
Executive Assistant at
505-662-8136 for more information.

January

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March

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July

Rescheduled to July 22

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August

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January 2027

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HOLIDAYS

COUNCIL
Regular Meetings
February-December dates TBD

COUNCIL
Budget Hearings

B&C LUNCHEONS
Council Chambers
2nd Thurs. of March,
May, September, &
November
(Dates subject to change)

For videos, agendas and minutes
go to:

[losalamos.legistar.com/
Calendar.aspx](https://losalamos.legistar.com/Calendar.aspx)

and select
"Board of Public Utilities"

To view meetings live online, visit
the website above and click on
"Live Proceedings."

Learn more about the
BPU online at
ladpu.com/bpu



LOS ALAMOS
Department of Public Utilities

Electric, Gas, Water, and Wastewater Services

1000 Central Ave
Suite 130
Los Alamos, NM 87544

Customer Care
505.662.8333
Fax 505.662.8005

ladpu.com/BPU



County of Los Alamos

Staff Report

August 19, 2026

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.:	8.g.2.
Index (Council Goals):	DPU FY26 - 3.0 Be a Customer Service Oriented Organization that is Approachable, Communicative, Efficient, and Transparent
Presenters:	Cristella Valdez, Assistant County Attorney
Legislative File:	21575-26a

Title

Annual Review of the Board of Public Utilities Procedural Rules

Recommended Action

Review the Procedural Rules and request any updates or changes to them that will be incorporated for adoption by the BPU at the regular meeting on September 2, 2026.

The Board of Public Utilities (BPU) shall begin its annual review of the BPU Procedural Rules (PR) in Attachment A. In August 2024, Council updated the Boards and Commissions' Orientation Manual and Procedural Rules (See Attachment B).

DPU staff has recommended a revision to clarify a process for bringing minor amendments or corrections to rate ordinances for public hearing before BPU. A proposed revision can be found at Section 4.6(B) to provide that a "rate ordinance presented to BPU for a minor correction or amendment regarding a clerical error within thirty (30) days of presentation for public hearing before or adoption by County Council need not be submitted in advance of the public hearing but may be acted upon by the BPU when submitted." (See Attachment C).

Additionally, Section 1.9 of the PR states that each year during the August BPU regular session, each board member will affirm that he/she has received, read, understands, and agrees to abide by the PR and the applicable documents referenced in its Appendix. Appendix A is the reaffirmation signature sheet, which will be routed for signature after the August 19, 2026, regular meeting.

Attachments

- A - BPU Procedural Rules
- B - B&C Orientation Manual & Procedural Rules
- C - Draft Revised BPU Procedural Rules



Electric, Gas, Water, and Wastewater Services

Board of Public Utilities

Procedural Rules

May 21, 2014
Revision 1: May 20, 2015
Revision 2: July 15, 2015
Revision 3: December 16, 2015
Revision 4: March 16, 2016
Revision 5: August 18, 2016
Revision 6: January 18, 2017
Revision 7: August 16, 2017
Revision 8: January 15, 2020
Revision 9: February 19, 2020
Revision 10: July 20, 2022
Revision 11: August 16, 2023
Revision 12: September 18, 2024
Revision 13: August 20, 2025

This manual contains the current procedures adopted by the Los Alamos County Board of Public Utilities (BPU) to exercise jurisdiction and control of the Los Alamos Department of Public Utilities (DPU) in accordance with Los Alamos County Charter, Article V - Utilities.

https://library.municode.com/nm/los_amos_county/codes/code_of_ordinances?nodeId=PTICH_ARTVUT

Table of Contents

Part 1: Introduction and Administration	1
1.1. Purpose	1
1.2. Reasons for Adoption.....	1
1.3. Consistency	1
1.4. Transition	2
1.5. Changes	2
1.6. Specificity	2
1.7. Maintenance of the Procedural Rules	2
1.8. Context of Other Laws, Rules, and Policies	2
1.9. Annual Reaffirmation	3
Part 2: Organization Essentials	4
2.1. Mission Statement.....	4
2.2. Vision Statement	4
2.3. Values Statement	4
2.4. Accountability	4
2.5. Strategic Planning	4
2.6. Climate of Compliance	5
2.7. Code of Conduct.....	5
2.8. Guiding Principles	5
2.9. Standards of BPU Member Public Behavior.....	6
2.10. Whistleblowers	7
2.11. Documents Retention/Destruction.....	7
2.12. Open Meetings.....	7
2.13. Media Relations.....	8
2.14. Education and Development	9
Part 3: Board Structure and Processes	10
3.1. Governing Style	10
3.2. BPU Job Descriptions.....	10
3.3. Annual Calendar of BPU Activities	13
3.4. BPU Meetings	17
3.5. BPU Meeting Agenda Templates	18

3.6. Public Comment.....	19
3.7. Meeting Agendas	20
3.8. Meetings Minutes.....	20
3.9. Removal/Replacement of a BPU Member.....	21
3.10. BPU Self-Evaluation	21
3.11. Dispute Resolution Process	22
Part 4: Utilities Manager Responsibilities	23
4.1. Essential Duties and Responsibilities.....	23
4.2. Strategic Planning	23
4.3. Operations and Management	23
4.4. Annual Budget.....	23
4.5. Annual and Quarterly Financial Reports.....	24
4.6. Rate Ordinances	24
4.7. BPU Membership.....	25
Appendices	26

Part 1: Introduction and Administration

1.1. Purpose

These Procedural Rules (PR) contain the current rules adopted by the Incorporated County of Los Alamos (County), Board of Public Utilities (BPU) to fulfill its responsibility to exercise jurisdiction and control of the Los Alamos Department of Public Utilities (DPU) in accordance with the Los Alamos County Charter, Article V –Utilities and the County Code of Ordinances. Section 501.3, Organization of the Board of Public Utilities; The Board of Public Utilities shall adopt and shall file with the Council procedural rules and regulations not inconsistent with this Charter. This PR was initially adopted by the BPU on May 21, 2014.

1.2. Reasons for Adoption

- a. To realize the efficiency of having all on-going BPU general and meeting procedures in one place.
- b. To quickly orient new BPU members to current BPU procedures.
- c. To eliminate redundant or conflicting BPU procedures over time.
- d. To ease the reviewing of current procedures and processes when considering new issues.
- e. To support continuity and consistency of BPU processes and procedures.
- f. To provide clear, proactive guidance to the DPU and Utilities Manager.
- g. To comply with Article V of the Los Alamos County Charter and County Code of Ordinances.

1.3. Consistency

Each process or procedure in this PR is expected to be consistent with State and Federal law, the County of Los Alamos Charter, the Los Alamos County Code of Ordinances, and other County ordinances and resolutions, all of which have precedence over these BPU procedures. These PRs are specific to the Board of Public Utilities and if any differences exist with the broader *Los Alamos County Orientation Manual and Procedural Rules for Members of Boards and Commissions (B&Cs)*, this PR has precedence over the B&Cs procedures and rules. Except for time-limited or procedural-only BPU decisions (approving minutes, electing an officer, etc.), which are recorded in regular BPU minutes, all on-going BPU procedures shall be included or referenced in this document. The Utilities Manager is responsible for developing and implementing department processes and procedures that are consistent with this PR and the decisions of the Council and BPU.

1.4. Transition

As soon as some version of the PR is voted on by at least four of the five voting members of the BPU, those procedures are deemed to supersede any past procedure that might be found in old minutes unless a prior BPU resolution or contract obligates the BPU or DPU to a specific matter. If any actual or apparent conflict arises between the PR and other adopted policies or BPU resolutions, the matter shall be resolved by a majority vote of the entire BPU.

1.5. Changes

These rules will be reviewed and revised as necessary or at least annually at the regular July BPU meeting. The Utilities Manager will help the BPU formulate new language in the PR by distributing proposed changes in advance using software that shows all changes for BPU members to review. Any change to this PR must be approved by a vote of at least four of the five voting members of the BPU. Any BPU member as well as the Utilities Manager may submit proposed changes. Whenever changes are adopted, the updated document should be quickly made available to the BPU and to those staff who assist the BPU in its work. The previous version should be stored separately for future reference if needed.

1.6. Specificity

Each new rule will be drafted to fit in the appropriate place within the PR. Conceptually, procedures should be drafted from the “outside in,” i.e., the broadest procedure statement should be stated first, then the next broadest, etc. down to the level of detail that the BPU finds appropriate for BPU action and below which management is afforded discretion as to how it implements the procedures.

1.7. Maintenance of the Procedural Rules

- a. The Utilities Manager shall update the PR after the BPU makes any changes and shall post that version on the BPU website within 30 days of the approved changes.
- b. On at least a biennial basis the BPU shall request the County Attorney’s review the PR to ensure compliance with current State, federal, and local law.
- c. The full PR and all the appendices, as may be amended from time to time as provided herein, will be maintained and available to the public on the DPU’s website.

1.8. Context of Other Laws, Rules, and Policies

This PR fits into this hierarchy as provided below:

- a. Laws and Applicable Regulations and Los Alamos County Charter
- b. Los Alamos County Code of Ordinances

- c. Los Alamos County Council Resolutions
- d. Los Alamos County administrative policies
- e. These BPU Procedural Rules
- f. Utilities Manager-Approved Departmental Procedures
- g. Processes or procedures set by Deputy Managers Under the Utilities Manager

1.9. Annual Reaffirmation

Each year during the August BPU meeting each Board member will affirm that he/she has received, read, understands, and agrees to abide by this Board of Public Utilities Procedures Rules and the applicable documents referenced in the Appendix. See [Appendix A](#) for the re-affirmation signature sheet.

Part 2: Organization Essentials

2.1. Mission Statement

(approved by the BPU 9/17/2025)

To provide safe, reliable, economical, and environmentally responsible utility services.

2.2. Vision Statement

(approved by the BPU 9/17/2025)

Continually earn community trust through exceptional utility services.

2.3. Values Statement

(approved by the BPU 9/17/2025)

We value Community, Employees, Partners and the Environment through:

- Safety
- Trust
- Professionalism
- Customer Service
- Fiscal Responsibility
- Ethical Behavior
- Communication
- Collaboration
- Innovation
- Fairness

2.4. Accountability

The BPU and DPU are accountable to (1) the customers of the Los Alamos County Department of Public Utilities and (2) the Citizens of the County of Los Alamos represented by the County Council.

2.5. Strategic Planning

The following are the strategic planning goals of the Board:

- a. The BPU is expected to always think strategically.
- b. The Utilities Manager is expected to annually develop (1) Strategic Objectives, (2) Long-Term Goals, and (3) Short-Term Goals for the DPU based on the procedures in this PR and to present the Strategic Objectives and Long-Term Goals to the BPU for approval. See [Appendix B](#) for the current DPU Strategic Objectives and Long-Term Goals.
- c. The BPU will ensure alignment of the DPU's Strategic Objectives with those of the County and then forward the approved Strategic Objectives document to the County Council for their information.

2.6. Climate of Compliance

It is the fundamental rule of the BPU that all BPU and DPU business and other practices be conducted in compliance with all applicable laws and regulations of the United States, the State of New Mexico, and the County of Los Alamos, specifically:

- a. The Los Alamos County Charter, Article V – Utilities (See [Appendix C.](#))
- b. The Los Alamos County Code of Ordinances, Chapter 40 – Utilities (See [Appendix D.](#))
- c. Other adopted ordinances, resolutions, policy, or rule by the County Council

2.7. Code of Conduct

Members of the BPU will comply with the State and Los Alamos County Code of Conduct Ordinance. See [Appendix E.](#)

2.8. Guiding Principles

In addition to the Los Alamos County Code of Conduct, the BPU will follow these Guiding Principles:

- a. The safety of the public and DPU employees is the BPU's priority, outweighing all other considerations. The BPU will work with the Utilities Manager to foster a culture of safety in the DPU. Refer to [Appendix N](#) for the DPU's Culture of Safety Vision Statement.
- b. The BPU has responsibilities to the DPU customers to preserve and increase the value of DPU assets and to ensure the long-term viability of all DPU utilities.
- c. The BPU will strive to establish and maintain fair and just utility rates for each utility service that fully cover the costs for operation, maintenance, future replacement and upgrades, and debt service for each utility. Rate structures should reflect the fixed and variable costs associated with each utility.
- d. The BPU will adjust and propose rates for each utility service in a timely manner to address changes in the costs associated with that utility service.
- e. The BPU will promote policies, procedures, and processes to improve the performance and reliability of each utility, as measured against national standards at a reasonable cost to the DPU customers.
- f. The BPU will recommend policies, procedures, and processes that will improve the environmental sustainability of DPU operations at a reasonable cost to the DPU customers.
- g. The BPU will promote the development and maintenance of documented, comprehensive plans for operation of the DPU during emergency conditions.

- h. The BPU will promote programs such as education, energy surveys, and irrigation analysis that will enable DPU customers to use our water, sewer, gas, and electrical utility services in a manner that will protect the environment, conserve resources, and be cost-effective to the DPU customers.

2.9. Standards of BPU Member Public Behavior

- a. The extent of a BPU member's authority is one vote in BPU meetings.
- b. BPU members shall not interfere with the Utilities Manager in the operation of the DPU.
- c. BPU members shall not direct DPU employees.
- d. BPU members shall maintain civil decorum at meetings, treating each other with courtesy and respect; remembering that *"Every difference of opinion is not a difference of principle."* – Thomas Jefferson.
- e. BPU members' interaction with the public, each other, and staff will be open, transparent, and professional.
- f. BPU members must maintain the confidentiality of closed sessions and information gained from their position on the BPU. Release and disclosure of confidential information must be approved by a majority of the BPU and County Council.
- g. Representing the Board to Council:
 - The Chair of the BPU (or designee) is the official spokesperson for the Board when communicating Board activities to and with Council. The Chair shall be recognized as the head of Board for the purposes of intergovernmental relations, ceremonial purposes and calling BPU emergency meetings.
 - Each BPU member is free to communicate with the County Council as a private citizen; when doing so, the BPU member should clearly state that the Board Member is not speaking for the BPU unless specifically appointed by the BPU to be the spokesperson for the BPU on a particular issue.
 - Issues discussed and decisions made during open BPU meetings should be accurately communicated to the County Council.
- h. The rules contained in the current edition of these Procedural Rules, the Council's Annual Meeting Resolution, any applicable adopted Council Board and Commission Procedural Rules, and the current version of **Roberts Rules of Order** shall govern the BPU in all cases to which they are applicable and in which they are not inconsistent with any special rules of order the BPU may adopt.
- i. BPU members, if acting within the scope of their duty, are subject to the immunities and limitations of the New Mexico Tort Claims Act, Sections 41-4-1, *et seq.*, NMSA 1978, as amended.

2.10. Whistleblowers

Members of the BPU will abide by the New Mexico “Whistleblower Protection Act,” NMSA 1978, Chapter 10, Article 16C. See [Appendix F](#) for additional information.

2.11. Documents Retention/Destruction

- a. The BPU shall preserve all information relating to litigation, audits, and investigations.
- b. From time to time, due to pending, threatened, or otherwise reasonably foreseeable litigation, audits, government investigations, or similar proceedings, the County Attorney or the Utilities Manager may issue BPU members a notice to suspend the destruction of specific records. No records so specified may be destroyed by BPU members until the notice is withdrawn in writing by County Attorney or the Utilities Manager.
- c. The County of Los Alamos, BPU, and its departments are subject to State Inspection of Public Records requirements and have a records and information management governance policy. Contact the Utilities Manager or the DPU Executive Assistant for more detailed information.

2.12. Open Meetings

- a. All meetings of a quorum of BPU members held for the purpose of formulating public policy, discussing public business, or for taking any action within the authority of the BPU, are public meetings. Meetings or portions of BPU meetings can only be closed when the matter to be considered falls within one of the exceptions defined in the New Mexico Open Meetings Act (NMSA 1978, §§ 10-15-1 through 10-15-4); any questions regarding BPU meetings and/or closed sessions should be directed to the County Attorney.
- b. As required by the County Council, BPU meetings will be broadcast to the public using the County's on-line streaming capabilities; to the extent possible, BPU meetings will be held in meeting rooms with audio-video capabilities.
- c. Each January the County Council passes and the BPU will affirm a resolution establishing minimum standards of reasonable notice to the public for all meetings of the Council and of all County boards, commissions, and policy-making bodies.
 - 1) The resolution sets the requirements for public notice and agenda publication for regular meetings, special meetings, emergency meetings, and closed sessions.

- 2) Refer to [Appendix G](#), for the current County Open Meetings Resolution.
- d. BPU shall issue a notice of potential quorum no later than 72 hours prior to a potential quorum.
- e. Board members should avoid exchanging e-mails, phone calls, or other communication in which a quorum of BPU members may be included to discuss a policy issue, upcoming agenda item, or related matter; such communications may violate the State's Open Meetings Act, however sending correspondence to the DPU Executive Assistant or Utilities Manager is acceptable. This issue is commonly known as a "rolling quorum."
- f. Refer to [Appendix H](#), State of New Mexico Attorney General's "Open Meetings Act Compliance Guide," which may be amended from time to time.

2.13. Media Relations

- a. The BPU promotes transparency in its decision-making process. As such public and media representatives are welcome to participate in all open Board meetings and shall receive meeting agendas and agenda packets upon request.
- b. Each BPU member is free to interact with the media as a private citizen; when doing so, the BPU member should clearly state that he/she is not speaking for the BPU unless specifically appointed by a majority of the BPU members as spokesperson for the BPU on a particular issue. The Chair of the BPU shall usually act as spokesperson for the BPU with regard to media queries, or if a majority of the BPU has delegated such authority to the Chair on a particular media issue of public interest and importance.
- c. Issues discussed during closed BPU meetings should not be revealed to the media.
- d. Issues discussed and decisions made during open BPU meetings should be accurately communicated to the media.
- e. BPU members may consider referring media queries to the DPU public relations staff on certain issues or may request assistance from DPU public relations staff in responding to media requests.
- f. BPU members shall be professional in their manner and conduct at all meetings. Even though media representatives may not be present at an open BPU meeting, meeting minutes, audio recordings, and/or video recordings are public record and will be made available to the public and media representatives upon request.

2.14. Education and Development

- a. BPU applicants shall be provided with an online link to this PR document so they can better understand the roles and responsibilities of BPU membership.
- b. Within two months of being appointed, each new BPU member will be provided with an orientation to the DPU, including its mission, policies, procedures, and programs, as well as his or her roles and responsibilities as a board member. This orientation will be provided or coordinated by the BPU Chair. Newly appointed BPU members will also receive a copy of the *APPA Handbook for Public Power Policymakers*, the County's *Public Involvement Guide for Boards and Commissions*, and the County's *Orientation Manual for Members of Boards and Commissions*. (The *Orientation Manual for Members of Boards and Commissions* includes several provisions that differ from the County Charter provisions for the BPU; nevertheless, the document may provide useful general guidance for BPU members and officers.)
- c. Each BPU member is expected to seek continuing education that will enhance his or her ability to effectively fulfill the duties of a BPU member and is encouraged to obtain a relevant certification within two years of appointment to the BPU. An example is the Public Power Governance Essentials On-demand Training. Refer to the APPA information in [Appendix I](#).

Part 3: Board Structure and Processes

3.1. Governing Style

The BPU will approach its task with a style that emphasizes outward vision rather than an internal preoccupation, that encourages diversity in viewpoints, that underlines strategic leadership more than administrative detail, that is cognizant of the clear distinction between Board and staff roles, and that promotes pro-active rather than reactive approaches. In this spirit, the BPU will:

- a. Comply with this PR and discuss variances in open session.
- b. Be accountable to the DPU customers and the citizens of Los Alamos County for competent, conscientious, and effective accomplishment of its obligations as a body. It will allow no officer or individual of the BPU to usurp this role or hinder this commitment.
- c. Monitor and regularly discuss the BPU's own process and performance.
- d. Seek to ensure the continuity of its governance functions by identifying capable County citizens, encouraging them to apply for County Council appointment to the BPU, then adequately orienting and training new BPU members.
- e. Be an initiator of policy and not just react to DPU staff initiatives.

3.2. BPU Job Descriptions

The job of the BPU is to exercise jurisdiction and control over the DPU. In this role, the BPU must lead the DPU toward desired operational and financial performance objectives and ensure that these objectives are met. The BPU's specific contributions are unique to its role of trusteeship and necessary for proper governance and management.

- a. To perform its job, the **BPU** shall:
 - 1) Work with the Utilities Manager to define and refine the DPU's mission, vision, values, strategies, and major goals/outcomes and hold the Utilities Manager accountable for developing strategic objectives and long-term goals based on these procedures.
 - 2) Develop an annual performance plan with priorities for the Utilities Manager. The performance plan should align with the DPU's strategic objectives and long-term goals already approved by the BPU and should identify the performance standards by which the Utilities Manager is expected to achieve those objectives/goals/outcomes.
 - 3) Monitor the performance of the DPU relative to the achievement of the objectives/goals/outcomes.
 - 4) Select, nurture, evaluate annually, recommend fair compensation for and, if necessary, recommend termination of the Utilities Manager, who functions as the Board's sole agent.

- 5) Ensure financial solvency and integrity of the DPU through its processes and actions.
- 6) Require periodic financial and management audits to ensure compliance with the law and good practices in accordance with Article V of the Los Alamos County Charter.
- 7) Participate in the annual DPU Strategic Planning Process as described elsewhere in this PR.
- 8) Review, approve, and recommend an annual DPU budget, including the Schedule of Funds, to the County Council.
- 9) Review, approve, and recommend utility rate ordinances to the County Council.
- 10) Review and approve utility contracts greater than or equal to \$100,000, and review, approve and recommend utility contracts greater than \$300,000 to the County Council. (Refer to Los Alamos County Code of Ordinances, Sec. 31-74. "Authority to execute contracts.")
- 11) Maintain and constantly improve all on-going procedures of the BPU in this PR.
- 12) Support the Utilities Manager in strategic, operational, and human resources issues before county staff and/or County Council.
- 13) Evaluate and strive to improve the BPU's performance as a governing board.
- 14) Actively work with DPU staff to communicate the value of the DPU to its partners. Possible activities may include:
 - Accompanying the Utilities Manager and participating in presentations to civic organizations.
 - Attending County Council meetings where DPU topics will be presented or discussed.
- 15) Seek input and involve DPU partners in BPU policy considerations and decisions using methods such as:
 - Exploring ways to get more partner input while policies are being formed.
 - Using DPU bill inserts to distribute information and solicit public input on issues.
 - Utilizing the Los Alamos County On-Line Forum.
 - Use the bi-annual DPU customer survey to gather public input on issues.
 - Forming ad-hoc citizen's panels to address strategic questions and make recommendations to the BPU.
- 16) Work with the County Council to get citizens with diverse backgrounds appointed to the BPU to ensure that the BPU represents the community it serves.

- b. For the BPU to function effectively, **each BPU member** must:
- 1) Regularly attend BPU meetings.
 - 2) Review the agenda packet for each meeting and come to the meeting prepared to discuss the items on the agenda.
 - 3) Participate in BPU discussions at meetings.
 - 4) If possible before a BPU meeting, prepare any lengthy reports and/or comments in writing and provide to the DPU Executive Assistant at or before the meeting.
 - 5) Adhere to these PRs.
 - 6) Represent interests of DPU customers.
 - 7) Rotate attendance at boards and commissions lunches.
 - 8) Accept and fulfill duties assigned by the BPU Chair.
 - 9) In BPU meeting discussions, focus on policy consideration and direction versus operational issues; discuss technical details of DPU operations with DPU staff prior to the BPU meeting if possible.
 - 10) Actively endeavor to understand and balance the varied concerns of DPU customers.
- c. The **BPU Chair** has the following additional responsibilities:
- 1) Meet with Utilities Manager approximately two weeks before each regular BPU meeting to review and approve the agenda items for the meeting.
 - 2) Conduct all BPU meetings.
 - 3) Obtain BPU member volunteers, or if necessary, appoint BPU members for committees and Board projects.
 - 4) Review meeting minutes after each BPU meeting.
 - 5) Review and approve the Utilities Manager's travel pre-approvals and reimbursements.
 - 6) To the extent possible, attend weekly "Leadership Council" meetings to be aware of County Council agenda and to provide information about BPU issues to County leadership; if necessary, ask the BPU Vice-Chair to attend.
 - 7) Represent the BPU at County Council meetings, particularly those where DPU issues will be discussed.
 - 8) Provide an annual oral report to County Council to keep them aware of issues facing the BPU which may significantly impact the operations of other County departments.
 - 9) Help the BPU spend appropriate time on policy considerations, processes, and direction versus operational issues; guide BPU meeting discussions away from operational details and toward policy issues.

- d. In the absence of the Chair, the **BPU Vice Chair** shall assume the duties of the Chair.
- e. The **BPU immediate past Chair** is encouraged to serve as mentor for the current BPU Chair.
- f. The **Utilities Manager** is an ex-officio non-voting member of the BPU: Refer to Part 4 of this PR for a description of the Utilities Manager's Responsibilities.
- g. The **County Manager** will be an ex-officio non-voting member of the BPU and is encouraged to:
 - 1) Attend the meetings of the BPU or send a designated alternate Deputy County Manager.
 - 2) Serve as a liaison between the Board and County Administration to ensure that (a) the Council is aware in advance of actions by the DPU which may significantly impact County operations, and (b) that DPU is aware in advance of actions by the County which may significantly impact DPU operations.
- h. The **County Council Liaison** is encouraged to:
 - 1) Attend the meetings of the BPU or send a designated alternate County Council member.
 - 2) Provide an annual briefing to the BPU on the strategic objectives of the County.
 - 3) Keep the County Council informed on BPU and DPU issues that may have a major impact on the County.
 - 4) Keep the BPU informed on County Council issues that may have a major impact on the BPU or the DPU.
 - 5) Sit at the dais or with members of the BPU at Council Liaison discretion, at which time, the Council Liaison name-placard shall be displayed.
 - 6) Participate in DPU discussion when the Council Liaison has clarifying points pertinent to the discussion.
 - 7) Refrain from interjecting opinion into discussion, unless speaking as a member of the public during periods reserved for public comment.

3.3. Annual Calendar of BPU Activities

The BPU will generally follow the calendar of activities outlined below, although, circumstances may dictate that the timing of some of these activities be adjusted. Additional BPU activities such as consideration of utility rate ordinances

and utility contracts will occur from time to time. The calendar for the current year is included as [Appendix J](#).

January

- Affirmation of the Incorporated County of Los Alamos Open Meeting Resolution for the Current Calendar Year
- Election of BPU Chair & Vice Chair for the Current Calendar Year
- Introduction of Council Liaison to the BPU for the Current Calendar Year
- Appointment of BPU Member to the County Audit Committee for the Current Calendar Year

February

- DPU Annual Report for the Previous Fiscal Year
- Budget Presentation for the Next Fiscal Year
- Biannual Update: Transactional Survey Report for July-December of the previous calendar year

March

- Annual Update: Water System
- Annual Update: LANL Presentation on Environmental Goals
- Approval of the DPU Budget for the Next Fiscal Year
- DPU Quarter 2 Report for the CURRENT Fiscal Year (October - December)

April

- Begin Utilities Manager's Performance Evaluation Process (*Closed Session*)
- UAMPS Presentation by CEO/General Manager
- Annual Update: Results of the Voice of the Customer Survey
- Annual Update: Electric Reliability Plan (ERP) for the Current Fiscal Year
- Begin Advertising Annual BPU Vacancy

May

- BPU Conducts Annual Utilities Manager's Performance Review (*Closed Session*)
- Approval of Year-End Budget Revisions
- Overview of the ECA Budget Process & Approval of the DOE/LAC Resource Pool Budget for the Next Two Fiscal Years
- Council Approves DOE/LAC Resource Pool Budget for the Next Two Fiscal Years
- Council/BPU Working Group Interviews BPU Candidates
- Council Appoints New BPU Member (Five-Year Term)

June

- Utilities Manager – Annual Performance Planning (*Closed Session*)
- Planning for the Annual BPU Presentation to Council (Work Session)
- Final Review of the BPU Annual Presentation to Council (Regular Session)
- Annual Update: Wastewater System
- Annual Review: Utilities Assistance Program (UAP)
- DPU Quarter 3 Report for the CURRENT Fiscal Year (January - March)

- Recognition of Departing Board Member

July

- Introduction of New BPU Member
- Orientation for New BPU Member
- Annual Open Meetings Act & Code of Conduct Training by Attorney
- Annual Review of the BPU Procedural Rules
- Presentation to Council by the BPU Chair (Council Work Session)

August

- Annual Update: Electric Production – Hydroelectric Facilities
- Biannual Update: Transactional Survey Report for January – June of the Current Calendar Year
- Approval & Reaffirmation of the BPU Procedural Rules
- Annual Strategic Planning for the DPU (Special Meeting)
- Approval of Resolution to Remove 5-Year-Old Uncollectable Utility Accounts from A/R List

September

- Approval of the DPU Mission, Vision & Values and the Strategic Goals & Objectives
- Approval of Budget Carryovers from the Previous FY to the Current FY
- DPU Quarter 4 Report for the PREVIOUS Fiscal Year (April - June)

October

- Annual Update: Integrated Resource Plan (IRP)
- Annual Update: Gas Distribution System

November

- Annual BPU Self-Evaluation
- Approval of the BPU Meeting Calendar for the Next Calendar Year

December

- Approval of the Annual BPU Self-Evaluation
- DPU Quarter 1 Report for the CURRENT Fiscal Year (July - September)

3.4. BPU Meetings

- a. Regular Meetings – Regular meetings will generally be held on the third Wednesday of each month at 5:30 p.m. These meetings will be set under the requirements of the annual Open Meetings Resolution adopted by Council. Public comment will be taken at the beginning and end of the meeting, on any subject. Public comment on action items will be taken at the time the action is considered. Public comment will generally be limited to three (3) minutes or otherwise as announced by the Chair. Public comment will also be accepted by available written methods, including by email.
- b. Work Sessions – work sessions will generally be held on the first Wednesday of each month at 5:30 p.m. The Board may schedule work sessions on a regular basis under the requirements of the annual Open Meetings Resolution. Board meetings designated as work sessions will be held for the primary purpose of discussing issues at length with staff in an informal setting without taking formal action, except for required procedural actions such as adopting a statement for inclusion in the minutes regarding a previously held closed meeting. Public comment will be taken at the beginning and end of the session, and by available written methods, including email.
- c. Closed Meetings - The Chair, a majority of the Board, or the Utilities Manager may call for a closed meeting to discuss issues (such as pending litigation, personnel matters, collective bargaining strategy) pursuant to NMSA 1978, 10-15- 1 (H) (2,5 etc.). Following the closed meeting, at the next Board meeting during which action may be taken, the Chair will call for a motion that is substantially similar to the following: *"I move that the Board approve the following statement for inclusion in the minutes: 'The matters discussed in the closed meeting held on (MONTH)(DAY)(YEAR) that began at (TIME) were limited only to those topics specified in the (NOTICE) (MOTION) of the closed meeting.'"* This motion is a procedural motion, therefore only a show of hands is required rather than a roll call vote.
- d. Special Meetings – A special meeting may be called by the Chair or, in the Chair's absence, by the Utilities Manager, or by such other officers that may be designated by the Board or by any two Board members upon written request, for the purpose of conducting Board business. Notice of a special meeting will follow the requirements of the annual Open Meetings Resolution.
- e. Emergency Meetings - The Chair, a majority of the Board, or the Utilities Manager may call an emergency meeting in accordance with the Open Meetings Act.

3.5. BPU Meeting Agenda Templates

The following templates describe the items that will be addressed and the order of business at a typical BPU meeting; not every meeting will include every item in the template. Agenda documentation will be substantially complete at least 72 hours before each meeting.

a. Regular Meeting

1. Call to Order
2. Public Comment *(on any subject)*
3. Approval of Agenda
4. Consent Agenda
 - a) Approval of Minutes
5. Presentations
6. Public Hearings *(Ordinances & Resolutions)*
7. Department Business
8. Board Business
 - a) Chair's Report
 - b) Board Member Reports
 - c) Utilities Manager's Report
 - d) County Manager's Report
 - e) Council Liaison's Report
 - f) Environmental Sustainability Board Liaison's Report
 - g) General Board Business
 - h) Board Expenses
9. Status Reports
 - a) Electric Reliability Report
 - b) Accounts Receivables Report
 - c) Risk & Safety Report
10. Request/Review - Upcoming Agenda Items
 - a) Tickler File
11. Public Comment *(on any subject)*
12. Adjournment

b. Work Sessions & Special Meetings

1. Call to Order
2. Public Comment *(on any subject)*
3. Approval of Agenda
4. Presentations
5. Business *(if any)*
6. Public Comment *(on any subject)*
7. Adjournment

3.6. Public Comment

The following is the BPU's general rule concerning public comment during BPU meetings:

- a. Regular Meeting agendas will include a standing public comment period at the beginning and end of each meeting, on any subject. The public comment period is an opportunity for the Board to listen to members of the public on any subject. BPU members should not correct, rebut, or engage in dialogue with a member of the public during or after the public comment period.
- b. Work Session & Special Meeting agendas will include standing public comment periods at the beginning and end of the meeting, on any subject.
- c. Oral public comment should be limited to three (3) minutes per person. Requests to make comments exceeding three (3) minutes should be submitted to the Board in writing prior to the meeting. The text of lengthy comments should be submitted to the Board prior to the meeting, if possible, but may also be submitted during or after the meeting. The name of the citizen providing public comment will be included in the minutes and whether they are a resident of Los Alamos County.
- d. Individuals representing or making a combined statement for a large group present at a meeting may be allowed additional time for comment at the discretion of the Board. The Board may agree to this by consent (no motion necessary).
- e. Public Hearings – After the presenter has given his or her presentation, the Chair will provide an opportunity for Board questions and then public comment on the particular topic. Any formal BPU action on the item will occur in the Public Hearings section of the BPU meeting agenda after public comments are finished.
- f. Business Items - After the presenter has given his or her presentation and there is initial Board discussion, and prior to accepting a main motion on an item, the Chair will formally open the floor for public comment specific to the agenda item. If a public hearing has been held on the topic during the meeting, the Chair may request that comments not be repeated. The Board may continue to have additional discussion on the item after the public comment period.
- g. BPU members may, at any time, ask the Chair to allow a presenter, member of the public, or staff member to speak to provide clarification or additional information about an agenda item. This is not considered to be part of the public comment period.
- h. Procedures regarding public comment will be included on agendas so that interested citizens know how to submit written comments prior to the meeting for Board consideration.

- i. Written public comment, including email to the BPU and identified in the subject line as “public comment,” submitted prior to or during the meeting will be provided to the DPU Executive Assistant to attach to the minutes.
- j. Additional useful guidance and suggestions for public hearings and other ways and means of sharing information with or gathering input from DPU customers can be found in the Los Alamos County *Public Involvement Guide for Boards and Commissions*.

3.7. Meeting Agendas

- a. BPU meeting agendas shall comply with the State of New Mexico “Open Meetings Act.” Refer to [Appendix G](#), State of New Mexico Attorney General’s “Open Meetings Act Compliance Guide” and the County’s annual Open Meeting resolution.
- b. All documentation regarding upcoming public hearings, consent, and business items shall be substantially complete at least 72 hours prior to action being taken.
- c. The agenda must contain a list of specific items of business to be discussed or transacted at the meeting, but there is no requirement for any additional description of what the Board may do with a specific item of business on the agenda.

3.8. Meetings Minutes

- a. Meeting minutes should be a succinct record of what was done at the meeting, not a transcript of what was said during the meeting.
- b. In substance, but not necessarily format, BPU meeting minutes will comply with Roberts Rules of Order, the County Boards and Commissions Manual, the New Mexico “Open Meetings Act” and County Council procedures.
- c. Board members should carefully review draft meeting minutes before approval and request that additional discussion details be included if needed to provide further explanation of a topic.
- d. During the meeting, the board members may request that portions of discussions be recorded in the minutes if they believe the details to be of great importance to the overall record.
- e. Any items requiring further action by the Board or follow-up by Staff should be captured in the minutes.
- f. Approved minutes of BPU meetings are the official record of BPU meetings; recordings of BPU meetings will be retained for at least one year for reference purposes.

3.9. Removal/Replacement of a BPU Member

- a. Article V of the County Charter states circumstances that would warrant removal of a BPU member by the County Council.
- b. A BPU member may resign by submitting written notice to the Chair of the BPU and the Chair of the County Council; except for such circumstances that warrant an earlier departure, the resigning member should continue to serve on the BPU until a replacement is appointed by the County Council.
- c. If a Board member resigns or is removed, the BPU will work with the County Council to get a replacement appointed within 60 days. The BPU will identify capable Los Alamos County citizens and encourage them to apply for County Council appointment to the BPU.

3.10. BPU Self-Evaluation

- a. Beginning in October, the BPU will perform an annual self-evaluation of its own performance. The BPU may invite major partners (e.g., DPU staff, County Council, County Manager) to participate in specific aspects of the evaluation.
- b. The purposes and reasons for the BPU self-evaluation are intended to:
 - 1) Promote understanding of roles and responsibilities
 - 2) Provide orientation for new members
 - 3) Address, and perhaps help resolve, Board conflicts
 - 4) Clarify what members expect from the group and self
 - 5) Identify priorities for the BPU's future efforts
 - 6) Identify BPU strengths and weaknesses
 - 7) Identify opportunities for improvement in BPU performance
 - 8) Help identify needed changes to this PR
 - 9) Ensure that self-evaluation aligns with at least three of the Baldrige "Criteria for Performance Excellence."
- c. Refer to [Appendix K](#) for a BPU self-evaluation template adapted from the *APPA Handbook for Public Power Policymakers*. The BPU will change the self-evaluation topics over time to fit the changing business climate, relations with the Utilities Manager, relations with the County Council, and to include lessons learned from previous self-evaluations.
- d. In its self-evaluation the BPU will address open-ended questions such as:
 - 1) What did the BPU accomplish during the past year?
 - 2) What did the BPU fail to accomplish during the past year?
 - 3) What did the BPU do well during the past year?
 - 4) What did the BPU do poorly during the past year?
 - 5) What were the key issues of the past year? Did the BPU address them adequately?"
- e. The BPU will seek broad participation in the self-evaluation process by:

- 1) Soliciting suggestions for self-evaluation questions from DPU staff, County staff, County Council, and the public.
 - 2) Inviting the immediate past BPU member(s) to participate in the self-evaluation.
 - 3) Inviting the County Council Liaison, County Manager, and County Attorney to participate in the self-evaluation.
- f. The BPU will explore ways to make the BPU self-evaluation honest and candid.
 - g. The BPU will explore ways to collect questions, complaints, and compliments to be addressed in the annual self-evaluation process.

3.11. Dispute Resolution Process

- a. From time to time the County Council may not adopt a BPU approved utility rate ordinance or may not approve a budget, personnel action, or utility contract recommended by the BPU.
- b. In this situation the BPU will reconsider its recommendation and may submit either a revised or a reinforced recommendation to the County Council.
- c. If the BPU does not develop a recommendation that is approved by the County Council in a timely manner, it will request the Council to appoint an appropriate number of councilors to a joint County Council/BPU working group that is charged to reach an agreement within a specified time.

Part 4: Utilities Manager Responsibilities

4.1. Essential Duties and Responsibilities

- a. The Utilities Manager's essential duties and responsibilities are described in the Los Alamos County Job Description and Classification for the Utilities Manager, Job Code 7001; refer to [Appendix M](#).
- b. The following sections address some of the Utilities Manager's responsibilities that particularly relate to the BPU.

4.2. Strategic Planning

- a. The Utilities Manager should implement a systematic, cyclical strategic planning process to develop (1) Strategic Objectives, (2) Long-Term Goals, and (3) Short-Term Goals for the DPU and present the Strategic Objectives and Long-Term Goals to the BPU for approval.
- b. The DPU strategic planning processes should be based on the current *Baldrige Criteria for Performance Excellence* or an equivalent standard that is acceptable to the BPU.
- c. Refer to [Appendix L](#) for a description of the DPU Strategic Planning Process.

4.3. Operations and Management

- a. The Utilities Manager is responsible for the day-to-day operations of the department and management of its personnel.
- b. The Utilities Manager's operation of the department and management of its employees, in general, shall be subject to the personnel code and the procurement code. In general, other administrative County-wide policies shall be followed to the extent they do not conflict with the BPU's jurisdiction.
- c. Special processes and procedures necessary for the operation of the DPU shall be proposed by the Utilities Manager, approved by the BPU, and put in place with the assistance of the County Manager.

4.4. Annual Budget

- a. The Utilities Manager is responsible for preparing and presenting a preliminary and a final annual DPU budget to the BPU.
- b. The proposed annual DPU budget intended for BPU approval should address each of the utilities individually and include 10-year forecasts that project changes in sales, revenue and expenses, and the rates and borrowing necessary to sustain each utility.

- c. The proposed DPU budget intended for County Council approval should be based on the BPU approved budget and shall address the DPU on a bi-annual basis.
- d. The Utilities Manager should present the preliminary annual budget at the February BPU meeting and the final annual budget at the March BPU meeting

4.5. Annual and Quarterly Financial Reports

- a. The Utilities Manager shall prepare and provide the BPU with an audited annual financial report as of the end of the previous fiscal year for each utility and for the DPU.
 - 1) The annual financial report shall adhere to generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board and the Financial Accounting Standards Board as applicable.
 - 2) The annual financial report may be included as part of the audit of the County's Annual Comprehensive Financial Report.
 - 3) The annual report shall be provided for BPU information at the March BPU meeting.
 - 4) The accepted annual report (if separate from the general County) should be suitably summarized and formatted then provided to the County Council and made available to the public on the DPU website.
- b. The Utilities Manager shall prepare quarterly DPU performance reports.
 - 1) Each quarterly report should include information about capital projects, operational and financial performance, and DPU highlights during the previous quarter. The operational and financial performance reports should include data for the previous quarters of the fiscal year plus cumulative totals.
 - 2) Quarterly reports shall be provided to the BPU and the County Council and made available to the public on the DPU website.

4.6. Rate Ordinances

- a. The Utilities Manager is responsible for preparing and presenting proposed utility rate ordinances to the BPU.
- b. At the BPU meeting prior to the public hearing on a final proposed utility rate ordinance before the BPU, the Utilities Manager shall introduce the draft ordinance and present the budget and operational reasons for the proposed rate ordinance. A revised rate ordinance presented to the BPU after rejection of the original rate ordinance by the County Council need not be submitted in advance of the public hearing but may be acted upon by the BPU when submitted.

- c. When the final proposed utility rate ordinance is presented to the BPU for approval, the Utilities Manager shall make a presentation to the BPU that approximates that which will be made to the County Council to obtain their acceptance of the ordinance.

4.7. BPU Membership

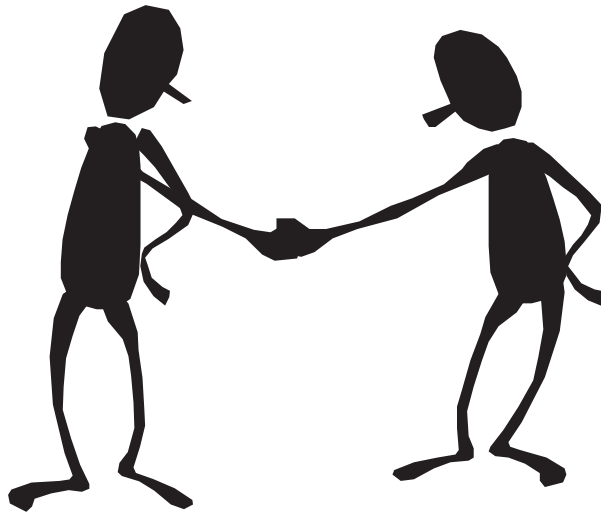
The Utilities Manager and the County Manager shall both be ex officio non-voting members of the BPU.

Appendices

The full PR and links to all appendices listed below are available on the DPU pages of the County's website at <https://ladpu.com/bpu>. Click on **"Guiding Documents."**

- A. Annual Reaffirmation of the Procedural Rules
- B. DPU Strategic Objectives, Long-Term Goals, and Short-Term Goals for the Current Fiscal Year
- C. Los Alamos County Charter, Article V – Utilities
- D. Los Alamos Code of Ordinances, Chapter 40 – Utilities
- E. Los Alamos County Code of Conduct (Code Ordinance No. 02-240):
- F. New Mexico "Whistleblower Protection Act," NMSA 1978, Section 10-16C-1 to 6
- G. Los Alamos County Council's Annual Resolution for Open Meeting Compliance
- H. State of New Mexico Attorney General's "Open Meetings Act Compliance Guide"
- I. American Public Power Association Governance Resources
- J. BPU Calendar for the Current Year
- K. BPU Self-Evaluation Template
- L. Strategic Planning Process – Key Process Steps (KPS)
- M. Los Alamos County Job Description and Classification for the Utilities Manager
- N. DPU Culture of Safety Vision Statement

LOS ALAMOS COUNTY ORIENTATION MANUAL and PROCEDURAL RULES FOR MEMBERS OF BOARDS AND COMMISSIONS (B&Cs)



August 2024
Updated

TABLE OF CONTENTS

PART I ORIENTATION: BOARDS AND COMMISSIONS

	<u>Page</u>
1. INTRODUCTION	3
Orientation Objectives	3
2. THE ROLE OF B&Cs: UNDERSTANDING THEIR MISSION	4
3. RELATIONSHIP WITH THE COUNTY COUNCIL	6
Meeting with the County Council	7
4. B&C WORK PLANS	8
5. RELATIONSHIP WITH COUNTY STAFF	10
Clerical Staff Support	11
Professional Staff Liaison Responsibilities	11
B&C Member Responsibilities	12
6. PARTS OF THE WHOLE: TEAMS	13
7. RELATIONSHIP WITH OTHER BOARDS AND COMMISSIONS	14
8. RELATIONSHIPS WITHIN THE BOARD OR COMMISSION	14
When the Process Bogs Down: The Nature of Conflict	15
9. RELATIONSHIP WITH THE COMMUNITY	17
10. RELATIONSHIP WITH THE MEDIA	17
Working With the Media	18

11. THE B&C SUPPORT SYSTEM	20
The Agenda	20
Staff Reports	21
B&C Minutes	21
Procedural Rules	22
Chairperson Responsibilities	23
Meeting Times	25
Effective Public Participation	25
12. BEHAVIORS THE PUBLIC NOTICES	27
Managing Difficult Meetings	27
Making Tough Decisions	29

PART II PROCEDURAL RULES FOR BOARDS AND COMMISSIONS

I. FOREWORD	30
II. OFFICERS AND MEMBERS	30
III. REMOVAL OR RESIGNATION	32
IV. BOARD MEMBER INTERVIEWS AND RECOMMENDATIONS TO COUNCIL	33
V. BOARD OR COMMISSION MEETINGS	33
VI. BOARD AND COMMISSION WORKING GROUPS AND SUBCOMMITTEES	38
VII. CLARIFYING STATEMENT	41
VIII. EXPENDITURE OF PUBLIC FUNDS	42
DEFINITIONS	42
EXHIBIT A: SAMPLE AGENDA FORMAT	43

INTRODUCTION

As a new member appointed to a Board or Commission (B&C), you will be provided an opportunity to participate in an orientation session conducted by County staff from the department most closely linked to your B&C. This orientation session will include, but not be limited to, a review of the B&C's responsibilities as assigned by the County Council or as specified by state law and a review of the procedures of the B&C.

For the purpose of these guidelines, a B&C is defined as one of the County's standing Boards appointed by Council. Most B&Cs are advisory to Council; however, some may have statutory responsibilities. All of the current B&Cs were created by County ordinance and a description of their responsibilities and duties can be found in Chapter 8 of the Los Alamos County Code. The Code can be accessed electronically through the County's web site at www.losalamosnm.us. The staff liaison or the clerical support person assigned to your B&C can also provide a copy of your B&C's enabling legislation.

As provided for in Section 8-15 of the County Code, unless otherwise provided by law, all boards and commissions shall follow the Procedural Rules adopted by the County Council which are contained in Part II of this Handbook.

ORIENTATION OBJECTIVES:

After attending the orientation session and reviewing this handbook, you should be able to agree with the following statements:

- ☐ I understand the role and responsibilities of my B&C.
- ☐ I've read the relevant sections of Chapter 8 of the County Code.
- ☐ I know what my fellow B&C members and I are expected to do.
- ☐ I know the professional staff liaison who is assigned to my B&C and/or the department director and I understand their roles.
- ☐ I understand the working relationship between the county staff and my B&C.
- ☐ I know the sources of information that assist my B&C with decision making.
- ☐ I know which types of community issues are of concern to my B&C.
- ☐ I understand the local government activity for which my B&C is expected to make policy recommendations.
- ☐ I understand the difference between making policy and making policy recommendations as an advisory B&C.

- ❑ I understand the distinction between operations and policy.
- ❑ I understand that unless otherwise provided by law, all boards and commissions shall follow the Procedural Rules adopted by the County Council and contained in Part II of this Handbook.
- ❑ I have read and understand the Procedural Rules contained in Part II of this Handbook.
- ❑ I have read the current Work Plan for my B&C.

THE ROLE OF BOARDS AND COMMISSIONS: UNDERSTANDING THEIR MISSION

Volunteer citizen B&Cs serve an important role in democratic local government. B&Cs are an excellent mechanism for gathering constructive citizen input, putting to use the talents of individual citizens, and bringing a citizen perspective to local government activities and projects.

Service on a B&C familiarizes you with your community and develops potential community leaders, and it gives you the chance to help address community needs and make recommendations for possible solutions. Finally, B&Cs provide a way to practice the spirit of giving and philanthropy, a way to serve your fellow citizens.

As a volunteer member of a B&C, you have the opportunity to influence important decisions about government policies, about the distribution of community resources, and about the provision of services to residents. The quality and effectiveness of your input can affect the whole community.

Occasionally, members of a B&C may have a poor understanding of the B&C's role and responsibilities. If this occurs, the B&C is likely to be ineffective or may be disruptive of staff activities and no longer contributes positively to the democratic process. Ineffective B&Cs may cause citizens to become disillusioned - to feel that the local government is rigid, does not accomplish its goals, or does not respond to citizens' voices. Citizens initially motivated by a spirit of giving may become disenchanted and may decline to participate further in civic activities. The County will try to prevent this from happening. For this reason, it is essential that B&C members be properly oriented to understand their duties and carry them out effectively.

A B&C's job, generally, is to make informed citizen recommendations to the County Council and to assist the Council in making good decisions for the community. Each B&C has a specific scope of assigned responsibilities identified in their enabling ordinance.

The County Council, not the B&C, is ultimately responsible to the citizens. The B&C must understand that its role is generally to advise, as opposed to the County Council's role to make policy and the staff's operational/administrative role. The B&C must also

understand that the decision to implement the B&C's recommendations will be made by staff or by the County Council. Also important, though, the B&C members need to understand that their role as an advisory group is important to the well-being of the community. In other words, even though the B&C's job is different from staff's job and the County Council's job, it is a very important part of a democratic local government.

B&C members should also recognize that the County Council's area of concern is much broader than the B&C's and, in some cases, B&C recommendations will not be implemented. B&C members should not interpret this as a rebuke, but rather as part of the process.

It is imperative that an advisory B&C's work reflects the wishes of the community as a whole and not only the opinions of the appointed members. Effective B&C work depends on the members' understanding of the general direction in which the community is headed. B&Cs can help to meet the objectives of the County Council if the overall community vision articulated by Council is allowed to guide not only the B&C's case-by-case recommendations, but also its long-range goals and annual work plan.



RELATIONSHIP WITH THE COUNTY COUNCIL

A County Councilor will be assigned to serve as liaison to each B&C. The assignments will change annually and will be made in a manner determined by the Council. The liaison to the Utilities Board is automatically the Council vice-chair.

Individual Councilors, including the liaison, cannot assign tasks to a B&C. In regard to all B&Cs, except the Board of Public Utilities, the Councilor will, after consultation with the Chair of the B&C, attend regular meetings of the B&C to participate in the B&C as agreed and should meet periodically with the Chair of the B&C to determine the level of participation desired by the B&C and issues in which the Council should be advised. The assigned Council liaison's role is to act as the primary information conduit between the B&C and the Council as a whole. It is incumbent upon that Councilor to provide guidance and advice about which B&C issues to bring to the attention of the Council for action and which should be merely information items. However, this does not prevent the B&C Chair, in accordance with an action of the B&C, from bringing a recommendation to the Council.

In regard to the Board of Public Utilities, the Council liaison will sit at the dais.

Each B&C advises the County Council on policy matters regarding its assigned powers and duties. The B&C shall develop policy recommendations by:

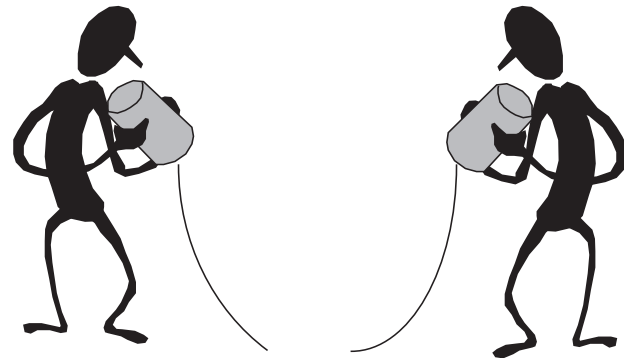
- Providing a forum for discussion and study of matters that are of interest to citizens, the County Council, and staff, and that conform to the vision for the community articulated by the County Council.
- Researching and developing plans for resolving concerns within the B&C's areas of responsibility. (Some actions of a B&C may be subject to appeal to the County Council as provided in the B&C's enabling ordinance. No action of a B&C shall relieve the County Council of its responsibilities nor usurp the authority granted to the County Council by the Charter.)

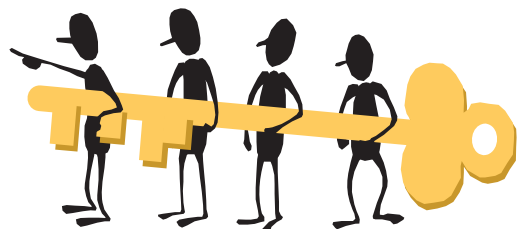
The City of Commerce, California, calls B&C members "the eyes and ears" of the community. In this type of symbiotic relationship, however, B&C members need to remember that they were not appointed to relieve the elected officials of making policy decisions. B&C members should also avoid trying to predict actions or votes of the County Council. This does not, however, preclude them from interpreting the philosophy of the County Council or trends in County Council thinking.

MEETING WITH THE COUNTY COUNCIL

Meetings between the B&C and County Council can help clarify expectations and philosophies. Traditionally, each B&C Chair will be expected to make an annual presentation during a Council work session. The monthly Council work sessions are used because they are conducted informally and usually have less crowded agendas. The schedule for these annual presentations is usually developed at the beginning of each calendar year. The Chair may use his/her presentation time to describe the B&C's accomplishments and discuss proposed work plans or any other issues that warrant Council attention. The B&C Chairperson will primarily be responsible for the B&C presentation to Council. Here are suggested steps for planning that presentation:

- If needed, devote a portion of a B&C meeting to identify and assign priorities to issues to be covered.
- Plan to list the B&C's accomplishments for the past year and describe the proposed work program for the upcoming year. List the top priorities of the B&C along with some of the challenges faced by the B&C.
- Meet with County Council liaison or the Department Director to develop and review the presentation.





B&C WORK PLANS

A work plan is the B&C's expressed effort for the year. It addresses the important problems, challenges, and opportunities identified by Council and the Department that need to be addressed by the B&C during the next year. A Council-approved and published work plan has the following benefits:

- Establishes measurable objectives
- Keeps the B&C aligned with departmental and Council strategic priorities and goals
- Assists in the allocation of departmental resources
- Promotes continuity of B&C action

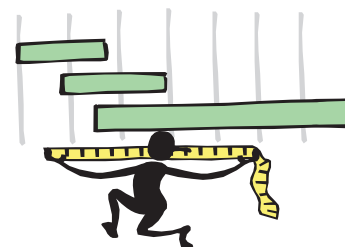
Annually, a work plan will be developed jointly between the B&C and staff. The deadline for B&C work plan development will be set and communicated to all B&C members each year. A Council working group will be appointed to review all B&C work plans. A work plan template will be provided each year to the B&C Chair and staff liaison. Each B&C shall make progress on their approved work plan until Council approves a new work plan and this new approved plan is transmitted to the B&C at their next available public meeting.

B&C Chairs are expected to meet, as needed, with their Department Director and the other Chairs of B&Cs assigned to that Department to discuss the B&C's work plans and strategies for executing those work plans. The Department Director will also review the level and allocation of departmental resources, such as staff time and support, for all B&Cs affiliated with the department.

Some B&Cs occasionally undertake initiatives that require resource allocation in one or more departments. For example, the Arts in Public Places Board (APPB) may need assistance from Community Development or Public Works with the installation or maintenance of APPB sculptures. Council must approve these appropriations as part of the regular budget process. These appropriations will be considered part of the budget of the relevant department.

Generally, the following outline will be used for the preparation of B&C work plans: (Specific dates and deadlines will be announced each year. The schedule shown below indicate the general timeframe.)

Oct	- Council determines strategic priorities - Departments begin planning for budget options in relation to their responsibilities. - B&Cs may be asked to provide input on budget options in relation to their area of responsibility.
Nov	- B&C Chairs and staff develop draft work plans.
Dec	- B&Cs/Departments review and complete work plans and submit to Department Directors and Council liaisons roughly 6 working weeks (excluding holidays) following receipt of Council budget guidance.
Jan	- A Council working group reviews, comments, and revises each B&C work plan and then makes a report including recommendations to the whole Council. The reviewed plans are presented for Council approval in a manner determined by Council.





RELATIONSHIP WITH COUNTY STAFF

Throughout their terms, B&C members will work closely with the associated department director, staff liaison and occasionally, the County Manager. A close working relationship between the B&Cs and their associated department is important for success, but it should be clear that the B&Cs work with the departments, not for the departments and vice-versa. A good partnership between staff and the B&C members has historically been an effective and productive relationship. A B&C may ask specific departments through their assigned staff liaison to provide information upon which the B&C members can make informed decisions. Department representatives designated as ex-officio members are expected to attend all B&C meetings and participate in B&C discussions, provide background information, and may advocate positions on potential B&C actions. The ex-officio staff representative(s) are non-voting members of the B&C.

County departments can provide staff reports to the County Council, through the County Manager, regarding B&C actions. Such reports may supplement, agree with, or take positions opposed to the recommendations of the B&C. If a staff report is prepared relating to a recommendation by a B&C, a copy of the report will be provided by the staff liaison to the B&C chairperson before the report is presented to the County Manager.

Each year the B&C Chairperson and the Department Director will prepare a brief description of the B&C accomplishments and plans for the future as part of their annual work plan. See previous section.

CLERICAL STAFF SUPPORT

Administrative/clerical support for B&Cs may be required as a function of the Staff Liaison, but generally the department will provide an additional clerical staff member to take B&C minutes and provide other administrative support. The clerical support staff for a B&C performs the following duties and any other duties as may be assigned by the department director:

- To cause the minutes of the B&C meetings to be taken, transcribed, prepared, and maintained in a manner best suited to provide an accurate record of all B&C proceedings;
- To give notice to the public, the media, the County Manager and the Council of all meetings of the B&C;
- To prepare and distribute agenda packets; and
- To provide other clerical support as agreed between the Department Director and the B&C Chair.

PROFESSIONAL STAFF LIAISON RESPONSIBILITIES

Here is a list of important staff liaison duties and responsibilities:

- Being informed about the latest developments in their field.
- Providing background information and making professional recommendations on important issues.
- Expressing both pro and con arguments on issues.
- Understanding the County Council's, County Manager's, and Department Director's goals and being informed of actions that have been taken.
- Alerting B&C members of possible negative reactions concerning the B&C's recommendations.
- Making sure appropriate staff action is taken after a B&C's recommendation is made.
- Developing a rapport with the chairperson and B&C members.
- Assisting with the presentation of the B&C recommendations to Council.

Unfortunately, some of these actions can create friction with B&C members. Both parties need to remember that the goal is to maintain a close working relationship and foster a partnership between B&C members and County staff.

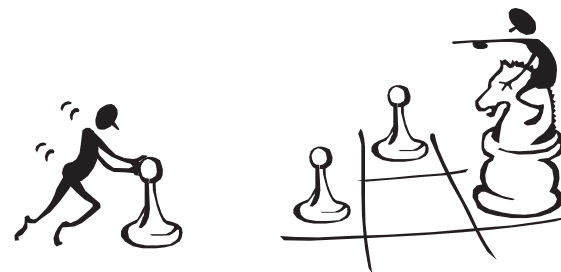
B&C MEMBER RESPONSIBILITIES

Here is a list of important B&C member duties and responsibilities:

- To meet, as necessary, to accomplish the B&C's assigned duties.
- To perform other responsibilities as required by the enabling legislation of a B&C.
- To hold public meetings and hearings, as may be required, and in conformance with the New Mexico Open Meetings Act.
- To submit an annual Work Plan to the Council documenting B&C activities during the previous year, communicating its members' perceptions of the needs of the community within its area of responsibility, and defining the B&C's plans for the future.
- To make recommendations relative to needed policies, ordinances, and programs to achieve the Council's goals. ("Minority" recommendations can be prepared when there's a difference of opinion between members of the B&C.)
- To act responsibly and professionally with respect to information obtained as a B&C member.
- If requested, to cooperate with the County's designated custodian of records to make the B&C public records open for public inspection. "Public records," as defined in NMSA 1978 Section 14-2-6, are "all documents, papers, letters, books, maps, tapes, photographs, recordings, and other materials (including e-mails) regardless of physical form or characteristics, that are used, created, received, maintained, or held by or on behalf of any public body and relate to public business, whether or not the records are required by law to be created or maintained."
- To refrain from any action which constitutes a conflict of interest. As defined in the County Charter: "Any elected official, County employee, committee member or advisory board or commission member who has a financial interest in the outcome of any policy, decision, or determination shall not vote or act on the issue in which he or she has such an interest." Each B&C member is required to complete a Disclosure Form and is expected to excuse himself/herself from any B&C discussions or actions that could be interpreted as representing a conflict of interest. However, not all interests a board member may have create a conflict of interest. Section 30-8 of the County Code addresses this as follows: "No public official shall engage in any official act directly affecting the public official's financial interest, or the financial interest of the public official's immediate family, *except that a public official shall not be disqualified from engaging in an official act if the benefit of the financial interest to the public official or the immediate family of the public official is proportionately less than or equal to the benefit of the general public.* (Emphasis Added) This exception in the County Code mirrors that of

state law, (see 10-16-4(B)) and it ensures that those chosen by the citizens via the ballot box or through the appointment by the County Council to represent the public's interest in their county government can act on measures that widely affect the general public even if a Councilor or B&C member has a financial interest in the matter on par with general public's interest in the matter. For example, to raise property taxes the County Council must take action to place the proposed measure on the ballot. Raising property taxes would directly impact the financial interests of any County Councilor (or any immediate family member) who owns real estate in the County. In the above hypothetical, it would not violate the Code of Conduct for a County Councilor to vote against or for a property tax measure because their financial interest in their real property (and any immediate family member's real property) would be directly impacted since that impact is similar to the impact the general public would experience. As this exception illustrates, navigating potential conflicts of interest can be complicated. Per the Charter the County Attorney serves as the legal advisor to County B&Cs. If any B&C member is concerned about whether a conflict of interest exists, the B&C member should contact the County Attorney's office for advice and counsel on the matter.

- To attend scheduled County meetings when such meetings relate to the work of the B&C. The B&C Chair or designee should attend the monthly B&C luncheon.
- To review all relevant background information provided in preparation for regular or special meetings or work sessions of the Council.
- To develop rapport with other Board members and staff.



PARTS OF THE WHOLE: TEAMS

It is important to understand your B&C's place in our community, that is, the B&C's relationships to local elected policy makers, citizens, other B&Cs, and the staff.

Once the B&C members understand their role and how the job will be done, the group needs to learn to communicate clearly and work together as a team. To get anything accomplished requires that each B&C member, including the B&C Chair, cooperate with other members. While seemingly simple, this can be one of the most challenging aspects of serving on an advisory B&C. Cooperation can be essential to marshalling the votes necessary to make a recommendation. This means learning to compromise, give and take, and sort out common goals.

The Council selects people with diverse backgrounds and experiences to serve on B&Cs. Moreover, the appointees may have different values and agendas. As a result, there can be built-in conflicts even before the group ever comes together.

A team represents the highest level of cooperation. B&C members are encouraged to learn to appreciate differences and discover that the power of teamwork is infinitely superior to individual contributions.

RELATIONSHIP WITH OTHER BOARDS AND COMMISSIONS

B&Cs shall, when possible, cooperate fully with other B&Cs on matters of mutual interest. If there appears to be an overlap of responsibilities involving multiple B&Cs and departments, these should be addressed as they come up. The County Manager, affected Department Directors, and B&C Chairpersons should meet to determine which B&C should take the lead on the issue(s). They will take into consideration the B&C responsibilities and the public's perception of which B&C might be the most appropriate body to collect public input.

RELATIONSHIPS WITHIN THE BOARD OR COMMISSION

The types of problems confronted by B&Cs can be very frustrating. Keep in mind that each member's ability to work together is very important to the community. As B&C members try to make the best possible decisions on issues, the following recommendations may help get over the hurdles of conflict and disagreement:

Separate the people from the problem and address issues, not personalities. You and your colleagues aren't questioning each other's good intentions or personal integrity. You are discussing options for making the best possible decisions. Don't think about what you may not like about the person sitting across the table from you. Instead think about what he or she is saying, about the points that person is trying to make. If a colleague seems to be attacking your integrity, try to get that person back on track by asking him or her to make the point.

Focus on mutual interests and shared goals. When your B&C seems to bog down,

sometimes it is helpful to step back and think about mutual goals. Remember that you are all serving the same community.

Invent options for mutual gain. Is there a compromise with which everyone will feel satisfied? Think about all that has been said throughout the debate. Can the best aspects of everybody's ideas be incorporated into a plan? Ask your colleagues why a particular approach is not satisfactory and what approaches would be acceptable.

Be open, honest, and willing to listen. Examine your own approach to dealing with conflict. Are you really listening to what your colleagues are saying? Are you thinking about the implications? Don't be afraid to state your concerns. Be honest in revealing what you see as available options and by explaining what you see as shortcomings in others' suggestions.

WHEN THE PROCESS BOGS DOWN: THE NATURE OF CONFLICT

It is a rare B&C that never experiences conflict. After all, a B&C is comprised of individuals with different experiences, educational backgrounds, jobs, expertise, and feelings. B&C members often find conflict highly frustrating; however, members should understand that part of their job is to channel conflict into good decisions. The diversity that causes conflict to arise can be the key to successful B&C work. Remember, the assigned staff liaison is also a B&C member.

B&C members are encouraged to view the conflict preceding a group decision as healthy debate. Conflict should cause you to ask questions, to seek explanations, to demand justification, to challenge, and to be challenged. It should prompt all participants to examine every angle of every argument, option, or approach.

When conflict is minimal, little effort may be required to reach a decision, but the B&C still needs to ensure that issues are fully considered. Conversely, when conflict is great, reaching consensus may be very difficult. Ultimately, conflict may result in sound, collaborative solutions comprising the best aspects of all the ideas generated. If issues are thoroughly aired, each B&C member will be committed to the solutions reached, and the cohesiveness of the group will increase.

A variety of techniques can be used to resolve conflict on citizen advisory B&Cs. The most common techniques are those used to make a decision, thus bringing closure to an issue: voting or negotiating a compromise. Problem-solving techniques are used to find a solution that each member views as the best possible. B&C members should understand the difference between making a decision and creating a solution by working together.

Decision Making. When conflict is minimal or nonexistent, B&Cs often vote to make a decision. Yet, even as simple and common an approach as voting can cause problems for

a B&C. For example, problems are likely to occur if members have strong feelings about the issue being voted on, particularly if they feel the issue was not sufficiently discussed and debated.

Further, voting produces winning and losing factions on a B&C. A member or members who frequently end up on the losing side may begin to feel less and less a part of the group. Finally, the losing members won't feel a part of the decision that was made and the B&C may begin to polarize. A chairperson who consistently uses the vote to make decisions must be prepared to deal with the feelings of those on the losing side.

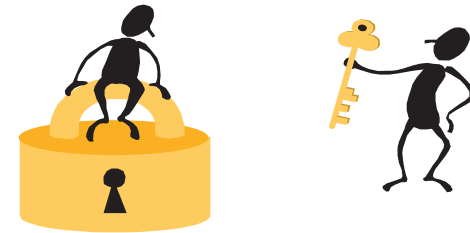
The second technique for making decisions, negotiating a compromise, often is used when B&C members have developed firm positions about an issue. Negotiating requires more time and effort than does voting. In particular, negotiating requires communication skills and cooperation among B&C members. Ideas must be presented clearly and each participant must be willing to listen to possibilities for compromise. The best compromise is one that all members can support.

Participants must realize that negotiation is a process of give and take. B&C members should be encouraged to think about their positions, set priorities, and decide which demands they are willing to exchange for something more important. In most cases, an acceptable compromise can be reached because each party will have to give up something.

Problem Solving. Solving a problem is much more involved than the above two methods for resolving conflict. When B&Cs are faced with serious conflict, they should go beyond simply reaching a decision to expending the time needed to actually solve the problem. Trying to force a decision when the level of conflict is high may produce a poor decision, sacrifice the group's cohesiveness, and exacerbate conflict on the B&C and in the community.

Problem solving requires finding a solution that satisfies every member of the group. This implies that every group member must participate in the problem-solving process. It may be necessary to schedule a special meeting to resolve a particularly difficult conflict.

There is no easy resolution of conflict that sometimes surrounds issues of importance. When conflict does arise, finding a solution is necessary to allow an advisory B&C to make sound recommendations that each member will support. The most important thing for B&C members to remember is that they are colleagues, that they are part of the same team, and that each team member has a unique contribution to make.



RELATIONSHIP WITH THE COMMUNITY

One duty of B&Cs is to provide public information for and to receive public comments from individuals or groups interested in the B&C's area of responsibility. B&Cs can use a variety of techniques to involve and inform the public. Specific guidelines on each format are provided in the County's *"Public Involvement Manual"*. Your staff liaison can provide a copy.

RELATIONSHIP WITH THE MEDIA

B&Cs must recognize that local government is a source of news for the local media. In this connection:

- Consider all public statements in light of how they would appear in the newspaper.
- Remember that you are viewed as a spokesperson for the County of Los Alamos even though it is not in an official capacity.
- Consider responding to letters to the editor very carefully. What is the potential for escalating a controversy? Will such a response resolve the problem?
- If possible, avoid saying "no comment." Indicate why you cannot comment at this time or that you will be able to comment after the meeting or at a later time. See #1 on the next page.



Working with the Media

By Julie Habiger

Being a member of a B&C can expose you to more attention from the media than you might otherwise receive as a citizen. Chances are, you already know the "logistics" part of being on a B&C and the fact that your meetings must be open to the public with a published agenda - this means the media can attend and report on your meetings. However, what happens outside the meetings if you are approached by a newspaper reporter or TV news team, wanting your comments and thoughts about an issue? Here are some tips:

1. Sometimes it's okay to say "no comment." While you should keep an open, communicative relationship with the media, or anyone in the public, you need to remember that it's tough to communicate all the facts in a conversation to someone who hasn't got the history you have in studying the issues brought forward to your B&C. Avoid off-the-cuff answers to questions that might assume the person asking the questions is knowledgeable in the subject matter.

2. Remember when you speak, you're part of a larger majority. There's a reason why B&Cs boast a certain number of members -- it allows for a diverse range of opinions and viewpoints. For that reason, it's not appropriate to speak to the media in a manner that would indicate that your personal opinion represents that of all your fellow members. Presenting a common front is important in making your B&C work as a team, so taking the extra time early on in dealing with an issue to discuss how you will present your findings and recommendations to the public is just as important as the decisions you make.

3. Be open and honest in your response, but remember it's okay to say "I don't know" or "Let me find out and get back to you" if you really don't have all the answers. Reporters work under tight deadlines and they need responses quickly. You need to appreciate their time schedules, but don't let their desire to have the whole story in a few minutes prevent you from taking an extra five minutes to check your facts. Better yet, if you don't feel comfortable, point them in the direction of someone else who might be better suited to deal with their questions; that could be the Chair of your B&C, your County staff liaison, a member of County Council, or the County Attorney's Office.

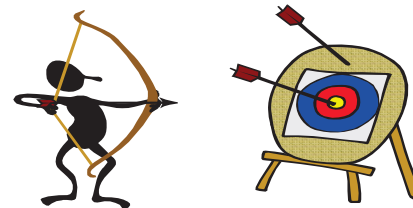
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4. What you say today to one person could be said to the world tomorrow.

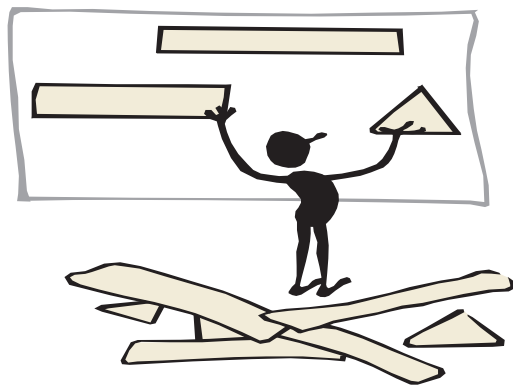
Unfortunately, when there is a volatile situation, when emotions run high or people feel they are personally being attacked, many rash statements are made in haste. If you're feeling that way, then this is not the time to talk to the media. You might say or do something you'll regret later. Reports go out on the wire all around New Mexico and the U.S., so your comments could be far-reaching and have tenfold greater "damage control" potential than another day when you might answer differently. Offer to reschedule a time when you, not the reporter, are feeling more appropriately in control of the interview.

5. Beware of leading questions. This goes back to the old adage of "look before you leap" or in this case "weigh your answers carefully before you speak." Most of the time the media has a specific angle to a story, and they are looking for you to substantiate or provide additional information relative only to that perspective. Leading questions start with phrases such as, "Would it be fair to say that...". "Is there any truth to the rumor that ...", "What have you heard about ..." followed by a specific story angle that the reporter is working on for their TV or radio station or newspaper. Other tactics are for the reporter to state their opinion and ask you to substantiate it. Here's an example: "The Wen Ho Lee case must have been very disruptive to life in Los Alamos -- how has the County dealt with this disruption?" This question leads you to answer based on the assumption that the reporter, not you or the County, has already decided that there was indeed a disruption, when in fact there might not have been any issues at all that impacted the County! Finally, it isn't uncommon for members of the media, acting on a hunch, to try to "fish" for a story by asking leading questions simply to find out what you do or don't know about a topic. The reporter will try and make their questions come across as if "surely you must know about this" (and thus you feel compelled to offer an answer rather than appear to look ignorant about the situation).

The bottom line in dealing with the media is this: be honest and do your best to be informative -- just remember to think before you speak, and weigh what you do or don't know in answering their questions.



19



THE B&C SUPPORT SYSTEM

To be effective, a B&C needs a strong support system. Here are seven critical elements in this support system.

- An agenda that provides order and information.
- Staff reports that are clear, concise, and informative.
- Minutes that are timely, clear, and succinct.
- Operating procedures that help rather than hinder the group process.
- A chairperson skilled in facilitating decision making with a diverse group.
- Meetings that begin on time, adjourn at a reasonable hour, and result in clear recommendations or actions taken.
- Meetings that are scheduled to maximize B&C member and public participation.

1. THE AGENDA

The agenda is one of the most important tools of the B&C. It is defined as a list, outline or plan of things to be considered. It focuses the discussion at a meeting by specifying topics and the order in which they will be addressed. The B&C chairperson, in consultation with the staff liaison, traditionally sets the agenda for each B&C meeting. Please reference the B&C Rules (Section II of this manual) for specific guidelines related to agenda items. See also: [Exhibit A - Sample B&C Agenda](#).

As required in the County's current annual Open Meetings Resolution, all B&C's must comply with the following regulations provided in the NM Open Meetings Act (NMSA 1978 Section 10-15-1 - Revised 2013) related to B&C agendas:

"Meeting notices shall include an agenda containing a list of specific items of business to be discussed or transacted at the meeting or information on how the public may obtain such an agenda. Except in the case of an emergency or in the case of a public body that ordinarily meets more frequently than once per week, at least seventy-two (72) hours prior to the meeting, the agenda shall be available to the public and posted on the public body's web site, if one is maintained. ...Except for emergency matters, a public body shall take action only on items appearing on the agenda. For purposes of this subsection, an "emergency" refers to unforeseen circumstances that, if not addressed immediately by the public body, will likely result in injury or damage to persons or property or substantial financial loss to the public body."

2. STAFF REPORTS

Staff reports, written or oral, are an indispensable part of the B&C process. They are used to:

- Frame issues
- Provide facts and focus
- Provide chronologies
- Identify issues and alternatives
- Present the staff's position
- Make a recommendation

3. B&C MINUTES

The minutes represent an official record of the B&C's discussions and actions. A draft of the minutes must be prepared within ten working days after the meeting. Both draft and official copies of B&C minutes are open to public inspection.

Official B&C minutes:

- Record B&C actions
- Communicate background to the County Council
- Provide perspective on issues
- Provide a historic record of the proceedings
- Provide summary of items that need follow up
- Include reports and/or recommendations from respective subcommittees and working groups

The New Mexico Open Meetings Act (NMSA 1978 Section 10-15-1) requires minutes of open meetings to record at least the following information:

- a) *the date, time and place of the meeting;*
- b) *the names of all members of the body in attendance and a list of those members absent;*
- c) *the substance of the proposals considered; and*
- d) *a record of any decisions made by the body and of how each member voted.*

According to the NM Attorney General's OMA Compliance Guide, this means that minutes must contain a description of the subject of all discussions had by the body, even if no action is taken or considered. This may be a concise, but accurate, statement of the subject matter discussed and does not have to be a verbatim account of who said what. It may be useful, although it is not required, to also record the other persons invited or present and who participate in the deliberations." (Emphasis added)

4. PROCEDURAL RULES

B&Cs rely upon rules to facilitate meetings. These rules provide the process for conducting meetings in an orderly, efficient and fair manner. Rules may be formal or informal. Council-approved Rules and Procedures for all County B&Cs are provided in Part II of this Orientation Manual.

PREPARING MOTIONS

B&C meetings are usually conducted according to basic parliamentary procedure (Robert's Rules of Order.) The chairperson directs the meeting, and his/her rulings must be followed unless overruled by the body.

When a member wishes to propose an action for the B&C to consider, the member makes a motion. A motion generally goes through the following steps:

- The member asks to be recognized by the chairperson.
- After being recognized, the member makes the motion "I move that we..."
- Another member seconds the motion. "I second the motion."
- The chairperson may re-state the motion and asks for discussion.
- After the B&C has concluded its discussion, the chairperson then asks for public comment.
- When the chairperson feels that there has been enough discussion, the debate will be closed and the chairperson asks, "Are you ready for the question?" or "Is there any further discussion?"
- If no one asks for permission to speak, the chairperson then puts the question to a vote.
- After the vote, the chairperson announces the decision. "The motion is carried" or "The motion is lost".

A FEW COMMON MOTIONS:

- Introduce an Item: "I move that..."
- Delay Consideration: "I move to table the motion until..."
- Close Debate: "I call the question."
- Limit or Extend Debate: "I move to limit or extend debate to..."
- Request More Study: "I move to refer this to staff for further study."
- Amend a Motion: "I move to amend..."
- Object to Procedures: "Point of order."
- Reconsider a Vote: "I move to reconsider the vote on..."
- Adjourn Meeting: "I move to adjourn."

PHRASING AND DIVIDING MOTIONS

Phrasing a motion can be difficult and corrections may be necessary before it is acted upon. Until the chairperson states the motion, the B&C member making the motion may rephrase or withdraw it.

B&C members may wish to write out motions beforehand or ask staff to prepare a draft for difficult ones. If a motion gets too complicated, ask staff to prepare the wording.

In making a motion, avoid including more than one proposal in the same motion. This is especially important when B&C members are likely to disagree. If a B&C member prefers to see proposals divided and voted upon separately, the B&C member can ask the chairperson to divide the motion. If others do not object, the chairperson may proceed to treat each proposal as a distinct motion to be acted upon separately.

5. CHAIRPERSON RESPONSIBILITIES

The chairperson is the key to the effectiveness of the group process and can be likened to the team captain. The chairperson provides group direction and sets the tone for meetings.

The chairperson must balance being strong enough to move the meeting along and democratic enough to involve all members in the meeting. To be effective the chairperson needs the support of the members.

Trust is built by evenhandedness and fairness to all the participants. It also means that the chairperson does not use powers of the chair unfairly to win a point or argument.

THE EFFECTIVE CHAIRPERSON:

- Prevents overly dominant B&C members from having a disproportionate influence.
- Protects B&C members and staff from verbal attacks.
- Solicits opinions, feelings and positions from reticent B&C members.
- Protects new thoughts from being rejected prior to fair evaluation.
- Discourages finger pointing and blame-oriented statements or questions.
- Keeps the discussion focused on the problem.
- Knows how to run meetings utilizing, as appropriate, the principles of Robert's Rules of Order
- Encourages the generation of alternative solutions.
- Delays evaluation and analysis of alternatives until all are on the table.
- Guides the process of screening alternatives and selecting the solution.
- Attempts to obtain consensus.
- Moves the meeting along and does not let the B&C drift off the subject at hand.
- Coaches and helps B&C members develop their skills.

CHAIRPERSON MISTAKES:

- Uneven treatment of B&C members.
- Failure to maintain a balance between closing discussion in a timely manner and not cutting off discussion before members are ready.
- Allowing the meeting to become too informal or the discussion to drift.
- Losing track of amendments to motions.
- Forgetting to relinquish the gavel when the chairperson becomes enmeshed in an issue.
- Failure to recognize and deal with B&C member objections to procedure or process.
- Failure to protect B&C members and staff from verbal attacks.
- Ignoring input from disagreeing B&C members.
- Not explaining the process being followed to the audience.
- Failure to restate motions before they are voted upon.
- Forgetting to call breaks during long meetings.
- Failure to apply time limits on speakers consistently.
- Not reconvening the meeting at the specified time after a break.
- Not knowing rudimentary principles of Robert's Rules of Order

6. MEETING TIMES

Notification of B&C meetings will be made by the staff liaison or the B&C Chairperson in accordance with current Council policy regarding the length of time required for adequate public notice.

All meetings of B&Cs will be open to the public except as specified by law.

The B&C Chairperson will be responsible for beginning the meetings on time and adjourning at a reasonable hour.



7. EFFECTIVE PUBLIC PARTICIPATION

People presenting an issue to the B&C may have never appeared before a public body. The experience can be intimidating. Anxiety may be displayed through aggressiveness or forgetfulness. Imagine yourself in the position of having to address the B&C. You can help people by:

- Calming and reassuring them.
- Explaining meeting procedures.
- Paying attention and not doodling or reading.
- Actively listening to what they are saying. B&C member questions are not appropriate at the time of public comment.
- Avoiding baiting and lecturing, but don't let this stop you from expressing the reasons behind your vote.

OPEN MEETINGS ACT COMPLIANCE - ROLLING QUORUM:

The New Mexico Open Meetings Act (Chapter 10, Article 15 Section 1 (B) NMSA 1978) requires B&C business to be conducted in a properly noticed open meeting:

"All meetings of a quorum of members of any board, commission, administrative adjudicatory body or other policymaking body of any state agency, any agency or authority of any county, municipality, district or any political subdivision held for the purpose of formulating public policy, including the development of personnel policy, rules, regulations, or ordinances, discussing public business or for the purpose of taking any action within the authority of or the delegated authority of any board, commission or other policymaking body are declared to be public meetings open to the public at all times, except as otherwise provided in the constitution of New Mexico or the Open Meetings Act [Chapter 10, Article 15 NMSA 1978]. No public meeting once convened that is otherwise required to be open pursuant to the Open Meetings Act shall be closed or dissolved into small groups or committees for the purpose of permitting the closing of the meeting." (Emphasis added.)

Discussions among B&C members outside the open meeting can run afoul of this statutory provision. In such instances it may amount to what is called a "rolling quorum." A rolling quorum can be avoided by refraining from discussing B&C business outside the meeting room and avoiding e-mail correspondence and/or phone calls related to B&C business.

Compliance with the Open Meeting Act can present complicated questions and concerns. Per the Charter the County Attorney serves as the legal advisor to County B&Cs. If any B&C member has questions or concerns about Open Meetings Act compliance, the member should contact the County Attorney's office for advice and counsel on the matter.



BEHAVIORS THE PUBLIC NOTICES

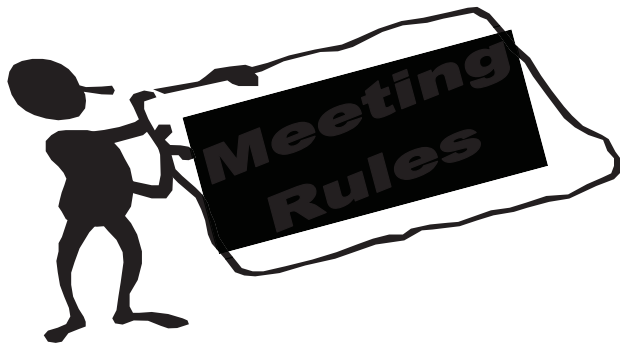
B&Cs develop a personality that is quite observable by audience members. Some B&Cs are characterized as being warm and friendly, while others are known as formal and distant. Both verbal and non-verbal actions help define this group personality. Things noticed include:

- Whether the chairperson effectively manages the meeting.
- Whether the B&C is respectful of the audience.
- Whether the individual B&C members have prepared for the meeting.
- Whether the B&C members really listen to audience concerns.
- Whether B&C members explain technical terms and jargon.
- Whether the B&C sticks to the agenda and doesn't drift.
- Whether the B&C keeps the audience informed of procedures.

MANAGING DIFFICULT MEETINGS

From time to time, B&Cs are faced with conducting highly charged controversial meetings. These meetings may involve one or more groups with conflicting views. (Please review the "Public Involvement Guide for Boards and Commissions" for more detailed information on conducting traditional public hearings.)

In a difficult meeting, the participants' demeanor may be characterized by aggressiveness and hostility. Such meetings really test the mettle of the B&C and staff. Consider the following:



BEFORE THE MEETING

- Make agendas and back-up reports readily available to participants.
- Make sure adequate seating is available. Consider moving to larger quarters if necessary.
- Make sure sound and recording equipment is adequate and operational.
- Establish and announce rules before the meeting.
- The chairperson and staff should engage in contingency planning before the meeting.
- The chairperson should alert staff to prepare responses for anticipated questions not already answered in the agenda documentation.

DURING THE MEETING

- The Chairperson should open the meeting by explaining to all attendees the purpose of the meeting, the issues involved, the possible actions, and the procedures that will be followed at the meeting.
- Don't spend a large amount of time at the beginning of the meeting on routine items such as correcting the minutes.
- Have speakers address the B&C and not the audience. Some speakers are very adept at inciting audiences, especially if they are permitted to face the audience.
- Stop clapping and shouting early. Explain the reasons why such actions are disruptive and counterproductive.
- Don't hesitate to use recesses to help diffuse hostility or aggressiveness.
- Consider limiting speakers to a set time such as three minutes. If

28

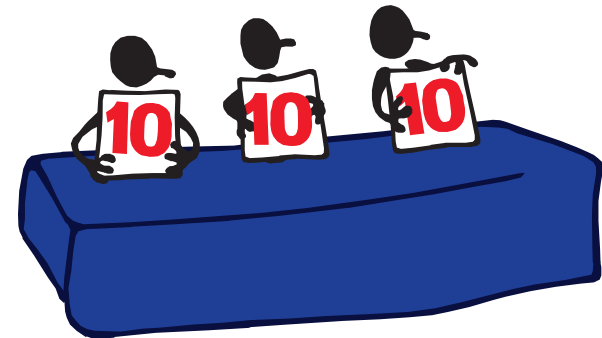
such a procedure is used, make sure it is applied fairly and consistently.

- Continue items that cannot be decided at the meeting. This should not preclude the B&C from allowing anyone who wishes to speak on the issue from doing so.

MAKING TOUGH DECISIONS

When confronted with a tough problem, here are some questions to consider to help you think through a pending decision. Not all these apply in all situations.

- Is this a matter of public safety?
- What would the impact on the budget be?
- Who will be hurt by the proposed action? Who will benefit?
- Do I have a conflict of interest in this matter?
- Do others who are involved have a conflict of interest?
- Do I have enough information to make a decision?
- Is the proposed action consistent with County Council's goals and budget guidelines?
- Are we dealing with symptoms and not the actual problem?
- What past practices relate to this issue?
- What is staff's recommendation and, if B&C action will not be consistent with staff's recommendation, why not?



29

PART II
LOS ALAMOS
COUNTY BOARDS AND COMMISSIONS
PROCEDURAL RULES
Amended by Council on August 6, 2024

I. FOREWORD

These rules are referenced in the County Code Section 8.15 and adopted as a set of operating procedures for all B&Cs, unless otherwise provided by law. The rules are made to facilitate the orderly transaction of public business and discussions. Quasi-judicial hearings conducted by B&Cs shall be governed by separate rules. Where there is a conflict between these rules and the quasi-judicial hearing rules, the quasi-judicial rules shall prevail.

These rules shall remain in effect until rescinded or superseded by action of the Council or by an action of the B&C that is officially approved by Council.

II. OFFICERS AND MEMBERS

1. Election. The B&C shall annually elect a chairperson (herein after called "chair") and a vice-chair from among its members. Each B&C will set the time frame for this election. The chair and vice-chair will serve at the pleasure of the B&C and will be eligible for election to subsequent terms.
2. Chair. The chair shall preside at B&C meetings. In addition, the chair shall:
 - a. represent the B&C in public and, when authorized by the B&C, speak and act on behalf of the B&C;
 - b. communicate and follow up with Council on the activities and recommendations of the B&C;
 - c. keep B&C members informed of events, meetings or other occasions where the Chair acted or will act as the official spokesperson for the B&C;
 - d. ensure that all other B&C members are informed, as soon as practicable, of significant communications directed to the chair. This includes responses from the Council to all B&C reports or recommendations submitted to Council;
 - e. appoint a B&C member to serve as chair in the absence of the chair and vice-chair when the chair and vice-chair are on travel or otherwise unable to perform their duties;
 - f. meet regularly with the assigned Department Director;
 - g. meet regularly with the assigned Council liaison;
 - h. make appointments to subcommittees, subject to approval by the County Council ;
 - i. set the agenda for B&C meetings in consultation with the staff liaison or department director;
 - j. take responsibility for initiating action on directives from the County Council;
 - k. prepare annually the B&C work plan, in consultation with the staff liaison and department director, subject to B&C approval;
 - l. attend the regular B&C chairs' luncheon or designate another B&C member to attend;
 - m. call special meetings;
 - n. assign work to individual B&C members; and
 - o. request less than a quorum of the B&C members, and as appropriate, community members and other advisors, participate in a working group when advice on a subject or range of subjects is needed to gather information and make recommendations to the B&C.
 - p. serve on the interview panel for applicants wishing to serve on the B&C, or select a designee for this role if necessary (e.g., the chair is seeking re-appointment)
3. Vice-Chair. The vice-chair shall assist the chair in the performance of the duties of the chair, and act in the chair's place when the chair is absent from Los Alamos County or otherwise unable to perform the duties of the chair.
4. B&C members.
B&C members, including the chair and vice-chair, have equal powers and duties except as otherwise specified in the B&C enabling legislation and these procedural rules. The chair and vice-chair shall participate in discussion and voting on a basis equal to all other B&C members. In addition to the duties specified in the B&C enabling legislation, B&C members shall, to the extent possible:
 - a. stay informed of County policies;
 - b. in all public statements, make clear that they speak only for themselves unless authorized by the B&C to speak for the B&C as a whole (See Procedural Rules Section VI);
 - c. represent the official policies or positions of the County or the B&C to the best of their ability when designated as a delegate for such purpose and report to the B&C on meetings or functions to which they served as a delegate;
 - d. maintain the confidentiality of County records and other information that is made confidential by law, is privileged, or has otherwise appropriately been identified as confidential and may be withheld from public inspection;
 - e. comply with all applicable federal, state and local laws, rules and regulations applicable to public officials and the conduct of public business, including compliance with the NM Inspection of Public Records Act and county policies regarding the inspection of public records;
 - f. respect and adhere to the Council-Administrator structure of the Los Alamos County government and not interfere with the administrative functions of the county or the professional duties of the County staff; nor impair the ability of staff to implement Council policy decisions;
 - i. B&C members shall not lobby for or against County employment of any person. Providing information is permissible.

- ii. B&C members shall not give direction to any of the subordinates of the County Administrator, either publicly or privately, and shall copy the appropriate department head and County Manager on any written communication to a staff member. Nothing in these rules should be interpreted as prohibiting normal social interaction unrelated to County business between B&C members and staff.
- g. treat staff respectfully; and
- h. abide by quasi-judicial procedures when serving in a quasi-judicial capacity.

5. Ex-Officio Members

Department representatives designated as "ex-officio members" shall attend B&C meetings and participate in the discussion as a non-voting member. Staff may advocate a particular position on potential B&C actions consistent with Council policy directives, initiatives and goals.

III. REMOVAL OR RESIGNATION

1. Removal. Except as may be otherwise provided by general law, the County Charter, the County Code, or Council Procedural Rules, B&C members serve at the pleasure of the County Council and may be removed for any reason at any time by a majority vote of the Council. The Chair of the B&C, the Council liaison, or the County Administrator may recommend consideration of a member's removal to the County Council. The reasons for removal may include, but are not limited to:
 - a. Continuous absences from all regularly scheduled meetings. Members who impair the proper functioning of the B&C due to their constant inability to attend meetings or to participate in B&C activities may be removed from the B&C.
 - b. Misconduct at meetings. Members whose actions seriously interrupt the orderly process of said meetings may be removed from the B&C.
 - c. Neglect of duty. Members who intentionally disregard duly assigned tasks or repeatedly fail to carry out the responsibilities expected of a B&C member may be removed from the B&C.
 - d. Ineligible to Serve. Members who do not maintain the eligibility requirements for appointment to the B&C may be removed.
 - e. Insubordination. Members who fail to accept direction from the County Council.
2. Resignation. B&C members may resign by giving appropriate written notice of resignation. Notice of intent to resign should be provided in writing to the County Council with a copy to the B&C chair. The chair shall notify the entire B&C, the County Manager's Office, and the Department Director of the resignation within one week. A B&C member who resigns his or her position may apply for re-appointment provided the member has not served two terms in succession. (See also County Code Section 8-6 (4).)

IV. BOARD MEMBER INTERVIEWS AND RECOMMENDATIONS TO COUNCIL

Except as may be otherwise provided by general law, the County Charter, the County Code, or Council Procedural Rules, the following shall apply to interviews and appointment to the County's B&Cs:

1. Los Alamos County residents may apply to serve on one of many B&Cs. Terms for B&C members range from one to five years. Interested citizens may apply for a position on any B&C that has a vacancy.
2. After completing an application, individuals are interviewed by the B&C's Councilor Liaison, Staff Liaison, and B&C Chair or their designee ("Interview Panel").
3. The Interview Panel is responsible for making a recommendation(s) for appointment to the County Council.
4. If the Interview Panel does not have a recommendation for appointment, it shall interview more applicants until an agreed-upon recommendation of the Interview Panel can be made to County Council.
5. The Interview Panel shall document its interview process which shall include details about who it interviewed, for which positions, and who was/was not recommended for which positions. This document shall be maintained by the Staff Liaison, and made available to Council upon request.
6. The Interview Panel's agreed-upon recommendation shall be forwarded to and considered by County Council along with all of the applicants' information, including the applications and the Interview Panel's interview notes.
7. County Council may vote on the set of applicants, may remand the list to the interview committee for additional applicants, or take other action as deemed appropriate.
8. B&C Member appointments require a minimum vote of four (4) of the County Council.

V. B&C MEETINGS

1. Regular Meetings and other meetings.
 - a. Frequency of meetings. The schedule and/or frequency of the regular meetings of the B&C shall be set by its members or as designated in its enabling legislation.
 - b. Meeting notification. Notification of regular meetings shall be made by the chairperson or designee in advance of each regular meeting and in accordance with current council policy regarding the length of time required for adequate public notice. When possible, such notification shall be in the form of the B&C's agenda following the format provided below. Meeting notification shall also include a description of the accommodations that can be made for disabled individuals.
 - c. Open Meetings. The B&C shall comply with the annual Council resolution regarding open meeting requirements. The meetings of a B&C shall be open to

the public as specified in the county resolution except when the chairman, or a majority of regular members of the B&C, determines that a topic requires confidential discussion as defined in the New Mexico Open Meetings Act. The chairman, or a majority of members, may call for a closed session for the purpose of such discussion and action. This request is subject to legal review and approval by the County Attorney. All final B&C decisions must be voted upon in public.

- d. Emergency or Special Meetings. The B&C shall comply with the annual Council resolution regarding special or emergency meetings.
- e. Meeting agenda
 - i. The B&C chair, in consultation with their staff liaison is responsible for developing the B&C meeting agenda. Agendas for all B&C meetings will be posted in accordance with the Council's annual Open Meetings Resolution.
 - ii. Any B&C member may request to have an item placed on the agenda. The item will be placed on the agenda as soon as practicable. The B&C can then:
 - a) decide to take no further action;
 - b) take the requested action or a different action at that meeting; or
 - c) request that staff research the matter and return to the B&C with information and/or options or a recommendation for action.
 - iii. A typed agenda shall be prepared for each B&C meeting. The agenda shall include the following (in suggested order):
 - a) Call to Order/Roll Call
 - b) Public Comment (Limited to items not already on the agenda)
 - c) Public Hearings (if applicable)
 - d) B&C Business
 - i. Approval of B&C minutes
 - ii. Chairman's report
 - iii. (Other topics)
 - e) B&C/Staff Communications
 - i. Action Items
 - ii. Staff Reports
 - iii. Working Group or Subcommittee Reports
 - f) Public Comment
 - g) Informational Items - set date/time and agenda for next meeting (if applicable)
 - h) Adjournment

iv. Publication of agenda. In addition to the notice in the regular B&C meeting calendar prepared by the County Manager's office, it shall be the responsibility of the B&C staff liaison, or designee, to provide a copy of the agenda to the news media within the time provided under the County's annual Open Meetings Act resolution as a means of notifying the public of all B&C meetings. A B&C meeting announcement shall also be posted at the County Municipal Building.

2. Meeting Conduct.

- a. Presiding officer. The chair is the presiding officer of B&C meetings and shall conduct the meetings of the B&C and see that these procedural rules are observed. In the chair's absence, the vice-chair shall preside.
- b. Robert's Rules. Meetings of the B&C shall, in general, be conducted in accordance with Robert's Rules of Order, Newly Revised, 10th Edition, except to the extent these procedural rules require otherwise. The B&C may elect to follow an alternative procedure at any time or with regard to any matter for the purpose of facilitating the orderly transaction of public business.
- c. Civility. It is the responsibility of the presiding officer to assure that the B&C meeting is carried out in a civil manner. The chair may require that any person, including a B&C member, yield the floor in order to maintain civility. B&C members are expected to refrain from making offensive comments.
- d. Order of presentation. For each item on the agenda, other than reports provided in writing, there will usually be a presentation by the staff, committee, citizen or other person who is bringing the matter forward. B&C members will be given the opportunity to ask clarifying questions, as well as an opportunity to make statements. For all business items and public hearings, public comment will be invited on each item prior to voting on the motion with respect to that item.
- e. Motions. If a subject on the agenda will require action by the B&C, the best practice is to engage in discussion only after a motion is made and seconded. The discussion should be focused on the motion under consideration. The chair may, however, allow discussion prior to the time a motion is made to allow a full discussion of a broad topic.
- f. Recognition to speak. B&C members will speak after being recognized by the presiding officer. B&C members, other than the presiding officer, shall be recognized to speak in the order in which the members indicate an interest in speaking. Each B&C member is encouraged to speak only once with respect to the motion on the floor, but the presiding officer may recognize members to speak a second time on a topic if time allows and the B&C members wish to make additional comments. The presiding officer may, to assure the timely completion of the meeting, limit the remarks of a B&C member addressing a particular motion to three (3) minutes. The presiding officer will normally make his or her remarks after all of the other B&C members have been given an opportunity to speak at least once.

- g. Three (3) Minute rule. Any B&C member can enforce the three (3) minute rule (limiting an individual's right to speak to three minutes or less) as a point of order.

3. Voting

- a. B&Cs shall observe the following procedures in voting:

- i. Only regular members of a B&C shall have the privilege of voting on matters or questions under consideration by the B&C.
- ii. Each regular member, including the chairperson, shall have one vote.
- iii. Proxy voting is not allowed.
- iv. Members who have a financial interest in the outcome of any policy, decision, or determination shall not participate as a member in deliberations, vote, nor act on the issue in which they have an interest, as stipulated in Article 910 of the County Charter. Otherwise, every B&C member present shall vote when called upon without abstention or passing. Please refer to the above section "B&C Member Responsibilities" for further clarification and guidance on conflicts of interest. If a B&C member is concerned that a conflict of interest prohibits the member from voting on an item, they should contact the County Attorney's Office in advance of the vote to receive guidance and counsel on the potential conflict of interest.
- v. Votes shall be taken only on issues that have been clearly defined, moved and seconded.
- vi. Except as otherwise provided by law, discussion shall be encouraged after a motion has been made and seconded.
- vii. All votes, except on procedural motions, shall be conducted by roll call vote, by voice or a show of hands.
- viii. Unless otherwise provided by law, a motion shall carry upon the affirmative vote of the majority of the total number of appointed voting members of a B&C. (See County Code Section 8-6 (4).)
- ix. The results of all votes shall be announced and duly recorded in the minutes.

5. Public comment and testimony. While maintaining a business-like atmosphere, board and commission members will attempt to make citizens attending the meetings feel welcome and comfortable. Citizens or other attendees will be afforded opportunities to speak during public comment periods near the beginning and at the end of each meeting, and to provide testimony at the public hearings. Public comment opportunities will be provided during the meeting for each item on the agenda before action is taken. Public comments will be limited to three (3) minutes unless a different parameter is established by the Chair before public comment begins.. With regard to topics not on the agenda that are raised during public comment, the B&C may not take any action other than to request the topic be placed on a future agenda.

6. Minutes. The B&C shall keep written minutes of all meetings. The minutes shall include, at a minimum, the date, time and place of the meeting; the names of members in attendance and those absent; the substance of the proposals considered; and a record of all decisions and votes taken which show how each member voted. It may be useful, although not required, to also record the other persons invited or present who participate in the deliberations.

- a. Draft minutes are to be prepared within ten (10) working days after the B&C meeting. Copies of the draft minutes must be available for public inspection and should clearly indicate on the draft that they are not the official minutes and are subject to approval by the B&C. If a B&C member wishes to request a change to the draft minutes, the suggested revisions must be specifically indicated, verbally or in writing, by page and line number.
- b. The B&C must approve, amend, or disapprove draft minutes at the next meeting of a quorum, and the minutes are not official until approved by the B&C. After approval by the B&C, the B&C chair will sign the minutes.
- c. The signed copy of B&C minutes shall be maintained in accordance with the county's record retention schedule by the staff liaison. A copy of the B&C minutes will be sent to the County Manager's Office to be temporarily maintained for Council review.

7. Implementation of B&C Meeting Actions. The Chairman of the B&C shall make all B&C recommendations to the Council by memorandum, e-mail, or formal report. Copies will be sent to the Department Director and staff liaisons including requests for comments to Council on the recommendations. The Chair will report the decision/recommendation of the majority of the B&C. A significant minority position may be reported if a majority of the B&C directs its Chair to include the minority position in the report. Whenever the Council wishes, it may request a report of the B&C. Reports to the County Manager or Department Director will be in a form as requested by the Manager or Department Director.

- a. County departments may provide staff reports to the County Council, through the County Manager, regarding B&C actions. Such reports may supplement, agree with, or take positions opposed to, the recommendations of the B&C. If a staff report is prepared relating to a B&C recommendation or activity, a copy of the report shall be provided in a timely manner to the chairperson of the B&C before the report is presented to the County Council.
- b. Conflicts associated with the relationship between a B&C and staff shall be expeditiously referred in writing to the County Manager.

8. Public Records. The New Mexico Inspection of Public Records Act, NMSA 1978 Sections 14-2-1, et seq. (the Act), requires governmental agencies to make their records available to the public with limited exception. "Public records" means all documents, papers, letters, books, maps, tapes, photographs, recordings and other

materials, regardless of physical form or characteristics, that are used, created, received, maintained or held by or on behalf of any public body and relate to public business, whether or not the records are required by law to be created or maintained. B&C members should be aware that the documents, **including e-mails**, they have received or created on behalf of the County will generally be subject to disclosure pursuant to the Act.

- a. It is the general policy of the County to respond in a courteous and timely manner to all requests for public records and information made pursuant to the Act. The County has implemented an administrative policy and procedure (Administrative Procedure Guideline, Index #0280) to respond to requests for documents and information. B&C members should make themselves familiar with the policy so that they will avoid possible violation of the Inspection of Public Records Act.

VI. B&C WORKING GROUPS AND SUBCOMMITTEES

1. B&C Working Groups

- a. **Membership:** B&C working groups are relatively informal groups that are not subject to the Open Meetings Act and therefore shall be composed of less than a quorum of the B&C and may include members from the community or other advisors or experts. B&C working groups will engage in fact finding and only make non-binding recommendations to the B&C. A current list of the B&C's working groups is maintained by the County Department the B&C works with.
- b. **Establishment:** The Chair of the B&C may create a new working group or may staff an existing working group by requesting that less than a quorum of the B&C's members, and as appropriate, community members and other advisors or experts, participate when advice on a subject or range of subjects is needed to gather information and make recommendations to the B&C. The B&C Chair may appoint an alternate B&C member to the working group, but the total number of B&C members appointed (regular and alternate) must be less than a quorum of B&C members.
- c. **Non-Binding Recommendations:** Any policy recommendations made by a working group to the B&C are not binding on the County or the B&C in any legal or practical way. Any policy recommendations made by a working group are only binding on the County if adopted by the Council at a public meeting.
- d. **Participation in Working Groups:** Requests for participation in working groups will be made annually by the Chair of the B&C on a rotational basis so that other B&C members and/or community members will have the opportunity to participate, unless the Chair determines that there is good reason for the existing members to continue participating in the working group.

38

- e. **B&C Members Responsibilities.** B&C members who agree to participate in a B&C working group shall make reasonable efforts to attend meetings of the working group. If the B&C member is unable to attend meetings on a regular basis, the B&C member shall notify the Chair and request that another B&C member be appointed to the working group. B&C members participating in a working group should assure the working group focuses its efforts on the matter assigned and provides recommendations to the B&C on the matter assigned. To avoid a rolling quorum, members of the B&C who have not been assigned to a given working group may not attend meetings of the working group. B&C members participating in a working group may not discuss the working group's business with other members (of the same B&C) outside of a public meeting of that B&C.

- f. **Reporting to the B&C:** When a working group is ready to report to its B&C or otherwise needs to communicate with its B&C, a member of the working group shall make a request to the Chair to be placed on the B&C's agenda. The Chair shall honor this request and place the working group on the earliest convenient agenda for the B&C. However, working groups shall be placed on the B&C's agenda to provide updates on their work to its B&C at least once a quarter.

2. Subcommittee Purpose and Council Approval

Periodically, a B&C may recommend Council establish a subordinate subcommittee to advise and make recommendations to the B&C, to perform additional research on, or to gather public input for a particular project or specific topic in the area of responsibility of the B&C. To create subcommittees that may include members not currently serving on the B&C, approval of the Department Director and County Council must be obtained prior to creation.

3. Subcommittee Creation

The motion seeking to create a subcommittee must approve a recommended charter for consideration by the County Council that, at a minimum, sets forth the following:

- a. The name of the subcommittee
- b. The purpose of the subcommittee
- c. The deliverable or product, if any, to be presented upon completion of the purpose
- d. The number of members
- e. The term of each of the members
- f. To whom the subcommittee reports
- g. The staff support and resources expected to be provided

39

- h. The termination date ("Sunset Clause") for the subcommittee

Once the B&C approves a recommended charter for the subcommittee, the matter shall be placed on a Council agenda for consideration by the County Council.

4. Subcommittee Membership.

- a. Number of Members. Except under unusual circumstances, a subcommittee will consist of not less than 3 members nor more than 5 members. Requirements for subcommittee membership will be determined by the B&C and can include volunteer citizens that are not currently serving as members of the parent B&C, subject to Council approval.
- b. Residency Requirement. Preference will be given to residents of Los Alamos County in appointment to a subcommittee, but residency will not be a requirement for appointment.
- c. Open Meetings Act. As the subcommittee is created through formal action of the Council approving the subcommittee's charter, the subcommittee must comply with Council's annual Open Meetings Act resolution.
- d. B&C Membership. A subcommittee's purpose is to advise the B&C. In order to assure that advice is provided in a free and open discussion, no currently serving Council member will be appointed to serve on a B&C subcommittee. Service, even ex-officio, by a currently serving Councilor will not, except in unusual circumstances, be allowed.
- e. County Employee Membership. Charter Section 905.1 limits membership by County employees.
- f. Conflict of Interest. County Charter Section 910 sets forth the restrictions on service arising from conflicts of interest. Compliance with the Charter is required when appointing members to a B&C subcommittee. Please refer to the above section "B&C Member Responsibilities" for further clarification and guidance on conflicts of interest. If a board member is concerned that a conflict of interest exists, they should contact the County Attorney's Office to receive guidance and counsel on the potential conflict of interest.
- g. Term of Membership. The members of subcommittees can serve terms of no more than two years unless approved by Council.
- h. Voter Registration Status. Preference will be given to registered voters but registration as a voter will not be a requirement for appointment as a member of a B&C subcommittee.

5. Subcommittee Reporting Responsibility and Requirements.

- a. The motion creating the subcommittee will specify to whom the subcommittee specifically reports. All subcommittee communications, reports, or recommendations will be made to the standing B&C.
- b. The Chair of the subcommittee will make or prepare subcommittee reports to the B&C. The Chair will report the decision of the majority of the subcommittee. A significant minority position may be reported if a majority of the subcommittee directs its Chair to include the position in the report. Whenever the B&C wishes, it may request a report of the subcommittee.

6. Subcommittee Staff Support/Resources.

- a. Prior to the passage of a motion recommending the County Council create a new subcommittee or renew the term of an existing subcommittee, the B&C will identify with specificity the resources to be committed by the County in support of that subcommittee. The appropriate County Department Director shall have the authority to determine what, if any, administrative or staff support will be provided to a B&C subcommittee.

7. Subcommittee Term of Existence.

- a. Each subcommittee shall be established for a period of not more than one year; however, the subcommittee may be continued for additional one-year periods upon affirmative vote of the County Council extending the subcommittee's charter before the expiration of the subcommittee. A request by the B&C to the County Council to renew a subcommittee for an additional year period may be contained in the B&C's annual work plan approved by Council or by having the matter placed on Council agenda separately. The purpose of the one-year limited term is to encourage review for relevancy, duplication, focus, enhancement and performance. One-year terms are recognized as useful to reconfirm the need for the services of an existing subcommittee and to assure that administrative support is being supplied in an efficient manner best suited to the subcommittee's needs that does not overly-burden county resources and staff time.
- b. If the subcommittee expires prior to Council extending the subcommittee's charter, the B&C may pass a motion requesting the County Council revive and extend the subcommittee's charter. Upon passage of such a motion the matter shall be placed on a Council agenda for consideration by the County Council.

VII. CLARIFYING STATEMENT

A B&C member may attend any meeting, public or private, provided that there is not a quorum of the B&C at the meeting (if proper public notice has not been given) and

provided that, prior to speaking on a matter of the B&C business, or County business in general, the B&C member makes the Clarifying Statement below:

"What I say today is my opinion. I am not speaking on behalf of any board or commission or the County and I cannot tell you what action the County or County Council might take in the future with regard to any particular subject."

This provision is not intended to apply to ordinary conversations or other "meetings" that are not organized or called.

VIII. EXPENDITURE OF PUBLIC FUNDS

B&Cs cannot expend funds or create liabilities unless expressly authorized by law or otherwise authorized by the County Council.

DEFINITIONS

The Charter of the incorporated County of Los Alamos states that:

"The Council may create boards or commissions to advise the Council, the County Manager, or department heads, to hear appeals concerning any County operation, or to make investigations or reports the Council may designate. No B&C or Commission created by the Council shall have any authority except as granted by Council." - Article III Section 305. (Ord. 388 §4, 1994)

The following definitions shall apply to terms used in conjunction with Los Alamos County B&Cs:

Board or Commission -- A Board or Commission that is an ongoing volunteer citizen body created by ordinance or Council motion with a specified number of members who serve set terms.

Board or Commission subcommittee - a subcommittee that is subordinate to and created for the B&C by County Council approval of that subcommittee's charter. The subcommittee must be re-affirmed annually by the County Council.

Regular Member -- A voting member of a B&C by virtue of appointment by the County Council.

Ex-Officio Member -- A non-voting member of a B&C by virtue of office, the County Charter or Code, or by appointment by the County Council, County Manager, or Department Director.

Working Group -- A relatively informal group created by the Chair of a B&C requesting that less than a quorum of the B&C members, and as appropriate, community members and other advisors or experts, participate in the group on a subject or range of subjects is needed to gather information and make recommendations to the B&C that are not binding on the B&C or Council in any legal or practical way. Working Groups are not subject to the Open Meetings Act.

Exhibit A:



LOS ALAMOS

Sample Agenda
Name of B&C
Location of Meeting
Date and Time of Meeting

I. CALL TO ORDER/ROLL CALL

II. PUBLIC COMMENT

III. PUBLIC HEARINGS (if applicable)

III. B&C BUSINESS

- A. Approval of B&C Minutes
- B. Chairperson's report
- C. (List other topics)

IV. B&C/ STAFF COMMUNICATIONS

- A. Action Items
(List individual items)
- B. Staff Reports
(List individual items)
- C. Working Group and Subcommittee Reports
(List individual items)

VI. PUBLIC COMMENT

VII. INFORMATIONAL ITEMS

If applicable, set date/time for next meeting

VIII. 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 Department at 662-8040 at least one week prior to the meeting or as soon as possible. Public documents, including the agenda and minutes, can be provided in various accessible formats. Please contact the personnel in the Office of the County Manager at 662-8080 if a summary or other type of accessible format is needed.



Electric, Gas, Water, and Wastewater Services

Board of Public Utilities

Procedural Rules

May 21, 2014

Revision 1: May 20, 2015

Revision 2: July 15, 2015

Revision 3: December 16, 2015

Revision 4: March 16, 2016

Revision 5: August 18, 2016

Revision 6: January 18, 2017

Revision 7: August 16, 2017

Revision 8: January 15, 2020

Revision 9: February 19, 2020

Revision 10: July 20, 2022

Revision 11: August 16, 2023

Revision 12: September 18, 2024

Revision 13: August 20, 2025

Revision 14: September 2, 2026

This manual contains the current procedures adopted by the Los Alamos County Board of Public Utilities (BPU) to exercise jurisdiction and control of the Los Alamos Department of Public Utilities (DPU) in accordance with Los Alamos County Charter, Article V - Utilities.

https://library.municode.com/nm/los_amos_county/codes/code_of_ordinances?nodeId=PTICH_ARTVUT

Table of Contents

Part 1: Introduction and Administration	1
1.1. Purpose	1
1.2. Reasons for Adoption.....	1
1.3. Consistency	1
1.4. Transition	2
1.5. Changes	2
1.6. Specificity	2
1.7. Maintenance of the Procedural Rules	2
1.8. Context of Other Laws, Rules, and Policies	2
1.9. Annual Reaffirmation	3
Part 2: Organization Essentials	4
2.1. Mission Statement.....	4
2.2. Vision Statement	4
2.3. Values Statement	4
2.4. Accountability	4
2.5. Strategic Planning	4
2.6. Climate of Compliance	5
2.7. Code of Conduct.....	5
2.8. Guiding Principles	5
2.9. Standards of BPU Member Public Behavior.....	6
2.10. Whistleblowers	7
2.11. Documents Retention/Destruction.....	7
2.12. Open Meetings.....	7
2.13. Media Relations.....	8
2.14. Education and Development	9
Part 3: Board Structure and Processes	10
3.1. Governing Style	10
3.2. BPU Job Descriptions.....	10
3.3. Annual Calendar of BPU Activities	13
3.4. BPU Meetings	17
3.5. BPU Meeting Agenda Templates	18

3.6. Public Comment.....	19
3.7. Meeting Agendas	20
3.8. Meetings Minutes.....	20
3.9. Removal/Replacement of a BPU Member.....	21
3.10. BPU Self-Evaluation	21
3.11. Dispute Resolution Process	22
Part 4: Utilities Manager Responsibilities	23
4.1. Essential Duties and Responsibilities.....	23
4.2. Strategic Planning	23
4.3. Operations and Management	23
4.4. Annual Budget.....	23
4.5. Annual and Quarterly Financial Reports.....	24
4.6. Rate Ordinances	24
4.7. BPU Membership.....	25
Appendices	26

Part 1: Introduction and Administration

1.1. Purpose

These Procedural Rules (PR) contain the current rules adopted by the Incorporated County of Los Alamos (County), Board of Public Utilities (BPU) to fulfill its responsibility to exercise jurisdiction and control of the Los Alamos Department of Public Utilities (DPU) in accordance with the Los Alamos County Charter, Article V –Utilities and the County Code of Ordinances. Section 501.3, Organization of the Board of Public Utilities; The Board of Public Utilities shall adopt and shall file with the Council procedural rules and regulations not inconsistent with this Charter. This PR was initially adopted by the BPU on May 21, 2014.

1.2. Reasons for Adoption

- a. To realize the efficiency of having all on-going BPU general and meeting procedures in one place.
- b. To quickly orient new BPU members to current BPU procedures.
- c. To eliminate redundant or conflicting BPU procedures over time.
- d. To ease the reviewing of current procedures and processes when considering new issues.
- e. To support continuity and consistency of BPU processes and procedures.
- f. To provide clear, proactive guidance to the DPU and Utilities Manager.
- g. To comply with Article V of the Los Alamos County Charter and County Code of Ordinances.

1.3. Consistency

Each process or procedure in this PR is expected to be consistent with State and Federal law, the County of Los Alamos Charter, the Los Alamos County Code of Ordinances, and other County ordinances and resolutions, all of which have precedence over these BPU procedures. These PRs are specific to the Board of Public Utilities and if any differences exist with the broader *Los Alamos County Orientation Manual and Procedural Rules for Members of Boards and Commissions (B&Cs)*, this PR has precedence over the B&Cs procedures and rules. Except for time-limited or procedural-only BPU decisions (approving minutes, electing an officer, etc.), which are recorded in regular BPU minutes, all on-going BPU procedures shall be included or referenced in this document. The Utilities Manager is responsible for developing and implementing department processes and procedures that are consistent with this PR and the decisions of the Council and BPU.

1.4. Transition

As soon as some version of the PR is voted on by at least four of the five voting members of the BPU, those procedures are deemed to supersede any past procedure that might be found in old minutes unless a prior BPU resolution or contract obligates the BPU or DPU to a specific matter. If any actual or apparent conflict arises between the PR and other adopted policies or BPU resolutions, the matter shall be resolved by a majority vote of the entire BPU.

1.5. Changes

These rules will be reviewed and revised as necessary or at least annually at the regular July BPU meeting. The Utilities Manager will help the BPU formulate new language in the PR by distributing proposed changes in advance using software that shows all changes for BPU members to review. Any change to this PR must be approved by a vote of at least four of the five voting members of the BPU. Any BPU member as well as the Utilities Manager may submit proposed changes. Whenever changes are adopted, the updated document should be quickly made available to the BPU and to those staff who assist the BPU in its work. The previous version should be stored separately for future reference if needed.

1.6. Specificity

Each new rule will be drafted to fit in the appropriate place within the PR. Conceptually, procedures should be drafted from the “outside in,” i.e., the broadest procedure statement should be stated first, then the next broadest, etc. down to the level of detail that the BPU finds appropriate for BPU action and below which management is afforded discretion as to how it implements the procedures.

1.7. Maintenance of the Procedural Rules

- a. The Utilities Manager shall update the PR after the BPU makes any changes and shall post that version on the BPU website within 30 days of the approved changes.
- b. On at least a biennial basis the BPU shall request the County Attorney’s review the PR to ensure compliance with current State, federal, and local law.
- c. The full PR and all the appendices, as may be amended from time to time as provided herein, will be maintained and available to the public on the DPU’s website.

1.8. Context of Other Laws, Rules, and Policies

This PR fits into this hierarchy as provided below:

- a. Laws and Applicable Regulations and Los Alamos County Charter
- b. Los Alamos County Code of Ordinances

- c. Los Alamos County Council Resolutions
- d. Los Alamos County administrative policies
- e. These BPU Procedural Rules
- f. Utilities Manager-Approved Departmental Procedures
- g. Processes or procedures set by Deputy Managers Under the Utilities Manager

1.9. Annual Reaffirmation

Each year during the August BPU meeting each Board member will affirm that he/she has received, read, understands, and agrees to abide by this Board of Public Utilities Procedures Rules and the applicable documents referenced in the Appendix. See [Appendix A](#) for the re-affirmation signature sheet.

Part 2: Organization Essentials

2.1. Mission Statement

(approved by the BPU 9/17/2025)

To provide safe, reliable, economical, and environmentally responsible utility services.

2.2. Vision Statement

(approved by the BPU 9/17/2025)

Continually earn community trust through exceptional utility services.

2.3. Values Statement

(approved by the BPU 9/17/2025)

We value Community, Employees, Partners and the Environment through:

- Safety
- Trust
- Professionalism
- Customer Service
- Fiscal Responsibility
- Ethical Behavior
- Communication
- Collaboration
- Innovation
- Fairness

2.4. Accountability

The BPU and DPU are accountable to (1) the customers of the Los Alamos County Department of Public Utilities and (2) the Citizens of the County of Los Alamos represented by the County Council.

2.5. Strategic Planning

The following are the strategic planning goals of the Board:

- a. The BPU is expected to always think strategically.
- b. The Utilities Manager is expected to annually develop (1) Strategic Objectives, (2) Long-Term Goals, and (3) Short-Term Goals for the DPU based on the procedures in this PR and to present the Strategic Objectives and Long-Term Goals to the BPU for approval. See [Appendix B](#) for the current DPU Strategic Objectives and Long-Term Goals.
- c. The BPU will ensure alignment of the DPU's Strategic Objectives with those of the County and then forward the approved Strategic Objectives document to the County Council for their information.

2.6. Climate of Compliance

It is the fundamental rule of the BPU that all BPU and DPU business and other practices be conducted in compliance with all applicable laws and regulations of the United States, the State of New Mexico, and the County of Los Alamos, specifically:

- a. The Los Alamos County Charter, Article V – Utilities (See [Appendix C.](#))
- b. The Los Alamos County Code of Ordinances, Chapter 40 – Utilities (See [Appendix D.](#))
- c. Other adopted ordinances, resolutions, policy, or rule by the County Council

2.7. Code of Conduct

Members of the BPU will comply with the State and Los Alamos County Code of Conduct Ordinance. See [Appendix E.](#)

2.8. Guiding Principles

In addition to the Los Alamos County Code of Conduct, the BPU will follow these Guiding Principles:

- a. The safety of the public and DPU employees is the BPU's priority, outweighing all other considerations. The BPU will work with the Utilities Manager to foster a culture of safety in the DPU. Refer to [Appendix N](#) for the DPU's Culture of Safety Vision Statement.
- b. The BPU has responsibilities to the DPU customers to preserve and increase the value of DPU assets and to ensure the long-term viability of all DPU utilities.
- c. The BPU will strive to establish and maintain fair and just utility rates for each utility service that fully cover the costs for operation, maintenance, future replacement and upgrades, and debt service for each utility. Rate structures should reflect the fixed and variable costs associated with each utility.
- d. The BPU will adjust and propose rates for each utility service in a timely manner to address changes in the costs associated with that utility service.
- e. The BPU will promote policies, procedures, and processes to improve the performance and reliability of each utility, as measured against national standards at a reasonable cost to the DPU customers.
- f. The BPU will recommend policies, procedures, and processes that will improve the environmental sustainability of DPU operations at a reasonable cost to the DPU customers.
- g. The BPU will promote the development and maintenance of documented, comprehensive plans for operation of the DPU during emergency conditions.

- h. The BPU will promote programs such as education, energy surveys, and irrigation analysis that will enable DPU customers to use our water, sewer, gas, and electrical utility services in a manner that will protect the environment, conserve resources, and be cost-effective to the DPU customers.

2.9. Standards of BPU Member Public Behavior

- a. The extent of a BPU member's authority is one vote in BPU meetings.
- b. BPU members shall not interfere with the Utilities Manager in the operation of the DPU.
- c. BPU members shall not direct DPU employees.
- d. BPU members shall maintain civil decorum at meetings, treating each other with courtesy and respect; remembering that *"Every difference of opinion is not a difference of principle."* – Thomas Jefferson.
- e. BPU members' interaction with the public, each other, and staff will be open, transparent, and professional.
- f. BPU members must maintain the confidentiality of closed sessions and information gained from their position on the BPU. Release and disclosure of confidential information must be approved by a majority of the BPU and County Council.
- g. Representing the Board to Council:
 - The Chair of the BPU (or designee) is the official spokesperson for the Board when communicating Board activities to and with Council. The Chair shall be recognized as the head of Board for the purposes of intergovernmental relations, ceremonial purposes and calling BPU emergency meetings.
 - Each BPU member is free to communicate with the County Council as a private citizen; when doing so, the BPU member should clearly state that the Board Member is not speaking for the BPU unless specifically appointed by the BPU to be the spokesperson for the BPU on a particular issue.
 - Issues discussed and decisions made during open BPU meetings should be accurately communicated to the County Council.
- h. The rules contained in the current edition of these Procedural Rules, the Council's Annual Meeting Resolution, any applicable adopted Council Board and Commission Procedural Rules, and the current version of **Roberts Rules of Order** shall govern the BPU in all cases to which they are applicable and in which they are not inconsistent with any special rules of order the BPU may adopt.
- i. BPU members, if acting within the scope of their duty, are subject to the immunities and limitations of the New Mexico Tort Claims Act, Sections 41-4-1, *et seq.*, NMSA 1978, as amended.

2.10. Whistleblowers

Members of the BPU will abide by the New Mexico “Whistleblower Protection Act,” NMSA 1978, Chapter 10, Article 16C. See [Appendix F](#) for additional information.

2.11. Documents Retention/Destruction

- a. The BPU shall preserve all information relating to litigation, audits, and investigations.
- b. From time to time, due to pending, threatened, or otherwise reasonably foreseeable litigation, audits, government investigations, or similar proceedings, the County Attorney or the Utilities Manager may issue BPU members a notice to suspend the destruction of specific records. No records so specified may be destroyed by BPU members until the notice is withdrawn in writing by County Attorney or the Utilities Manager.
- c. The County of Los Alamos, BPU, and its departments are subject to State Inspection of Public Records requirements and have a records and information management governance policy. Contact the Utilities Manager or the DPU Executive Assistant for more detailed information.

2.12. Open Meetings

- a. All meetings of a quorum of BPU members held for the purpose of formulating public policy, discussing public business, or for taking any action within the authority of the BPU, are public meetings. Meetings or portions of BPU meetings can only be closed when the matter to be considered falls within one of the exceptions defined in the New Mexico Open Meetings Act (NMSA 1978, §§ 10-15-1 through 10-15-4); any questions regarding BPU meetings and/or closed sessions should be directed to the County Attorney.
- b. As required by the County Council, BPU meetings will be broadcast to the public using the County's on-line streaming capabilities; to the extent possible, BPU meetings will be held in meeting rooms with audio-video capabilities.
- c. Each January the County Council passes and the BPU will affirm a resolution establishing minimum standards of reasonable notice to the public for all meetings of the Council and of all County boards, commissions, and policy-making bodies.
 - 1) The resolution sets the requirements for public notice and agenda publication for regular meetings, special meetings, emergency meetings, and closed sessions.

- 2) Refer to [Appendix G](#), for the current County Open Meetings Resolution.
- d. BPU shall issue a notice of potential quorum no later than 72 hours prior to a potential quorum.
- e. Board members should avoid exchanging e-mails, phone calls, or other communication in which a quorum of BPU members may be included to discuss a policy issue, upcoming agenda item, or related matter; such communications may violate the State's Open Meetings Act, however sending correspondence to the DPU Executive Assistant or Utilities Manager is acceptable. This issue is commonly known as a "rolling quorum."
- f. Refer to [Appendix H](#), State of New Mexico Attorney General's "Open Meetings Act Compliance Guide," which may be amended from time to time.

2.13. Media Relations

- a. The BPU promotes transparency in its decision-making process. As such public and media representatives are welcome to participate in all open Board meetings and shall receive meeting agendas and agenda packets upon request.
- b. Each BPU member is free to interact with the media as a private citizen; when doing so, the BPU member should clearly state that he/she is not speaking for the BPU unless specifically appointed by a majority of the BPU members as spokesperson for the BPU on a particular issue. The Chair of the BPU shall usually act as spokesperson for the BPU with regard to media queries, or if a majority of the BPU has delegated such authority to the Chair on a particular media issue of public interest and importance.
- c. Issues discussed during closed BPU meetings should not be revealed to the media.
- d. Issues discussed and decisions made during open BPU meetings should be accurately communicated to the media.
- e. BPU members may consider referring media queries to the DPU public relations staff on certain issues or may request assistance from DPU public relations staff in responding to media requests.
- f. BPU members shall be professional in their manner and conduct at all meetings. Even though media representatives may not be present at an open BPU meeting, meeting minutes, audio recordings, and/or video recordings are public record and will be made available to the public and media representatives upon request.

2.14. Education and Development

- a. BPU applicants shall be provided with an online link to this PR document so they can better understand the roles and responsibilities of BPU membership.
- b. Within two months of being appointed, each new BPU member will be provided with an orientation to the DPU, including its mission, policies, procedures, and programs, as well as his or her roles and responsibilities as a board member. This orientation will be provided or coordinated by the BPU Chair. Newly appointed BPU members will also receive a copy of the *APPA Handbook for Public Power Policymakers*, the County's *Public Involvement Guide for Boards and Commissions*, and the County's *Orientation Manual for Members of Boards and Commissions*. (The *Orientation Manual for Members of Boards and Commissions* includes several provisions that differ from the County Charter provisions for the BPU; nevertheless, the document may provide useful general guidance for BPU members and officers.)
- c. Each BPU member is expected to seek continuing education that will enhance his or her ability to effectively fulfill the duties of a BPU member and is encouraged to obtain a relevant certification within two years of appointment to the BPU. An example is the Public Power Governance Essentials On-demand Training. Refer to the APPA information in [Appendix I](#).

Part 3: Board Structure and Processes

3.1. Governing Style

The BPU will approach its task with a style that emphasizes outward vision rather than an internal preoccupation, that encourages diversity in viewpoints, that underlines strategic leadership more than administrative detail, that is cognizant of the clear distinction between Board and staff roles, and that promotes pro-active rather than reactive approaches. In this spirit, the BPU will:

- a. Comply with this PR and discuss variances in open session.
- b. Be accountable to the DPU customers and the citizens of Los Alamos County for competent, conscientious, and effective accomplishment of its obligations as a body. It will allow no officer or individual of the BPU to usurp this role or hinder this commitment.
- c. Monitor and regularly discuss the BPU's own process and performance.
- d. Seek to ensure the continuity of its governance functions by identifying capable County citizens, encouraging them to apply for County Council appointment to the BPU, then adequately orienting and training new BPU members.
- e. Be an initiator of policy and not just react to DPU staff initiatives.

3.2. BPU Job Descriptions

The job of the BPU is to exercise jurisdiction and control over the DPU. In this role, the BPU must lead the DPU toward desired operational and financial performance objectives and ensure that these objectives are met. The BPU's specific contributions are unique to its role of trusteeship and necessary for proper governance and management.

- a. To perform its job, the **BPU** shall:
 - 1) Work with the Utilities Manager to define and refine the DPU's mission, vision, values, strategies, and major goals/outcomes and hold the Utilities Manager accountable for developing strategic objectives and long-term goals based on these procedures.
 - 2) Develop an annual performance plan with priorities for the Utilities Manager. The performance plan should align with the DPU's strategic objectives and long-term goals already approved by the BPU and should identify the performance standards by which the Utilities Manager is expected to achieve those objectives/goals/outcomes.
 - 3) Monitor the performance of the DPU relative to the achievement of the objectives/goals/outcomes.
 - 4) Select, nurture, evaluate annually, recommend fair compensation for and, if necessary, recommend termination of the Utilities Manager, who functions as the Board's sole agent.

- 5) Ensure financial solvency and integrity of the DPU through its processes and actions.
- 6) Require periodic financial and management audits to ensure compliance with the law and good practices in accordance with Article V of the Los Alamos County Charter.
- 7) Participate in the annual DPU Strategic Planning Process as described elsewhere in this PR.
- 8) Review, approve, and recommend an annual DPU budget, including the Schedule of Funds, to the County Council.
- 9) Review, approve, and recommend utility rate ordinances to the County Council.
- 10) Review and approve utility contracts greater than or equal to \$100,000, and review, approve and recommend utility contracts greater than \$300,000 to the County Council. (Refer to Los Alamos County Code of Ordinances, Sec. 31-74. "Authority to execute contracts.")
- 11) Maintain and constantly improve all on-going procedures of the BPU in this PR.
- 12) Support the Utilities Manager in strategic, operational, and human resources issues before county staff and/or County Council.
- 13) Evaluate and strive to improve the BPU's performance as a governing board.
- 14) Actively work with DPU staff to communicate the value of the DPU to its partners. Possible activities may include:
 - Accompanying the Utilities Manager and participating in presentations to civic organizations.
 - Attending County Council meetings where DPU topics will be presented or discussed.
- 15) Seek input and involve DPU partners in BPU policy considerations and decisions using methods such as:
 - Exploring ways to get more partner input while policies are being formed.
 - Using DPU bill inserts to distribute information and solicit public input on issues.
 - Utilizing the Los Alamos County On-Line Forum.
 - Use the bi-annual DPU customer survey to gather public input on issues.
 - Forming ad-hoc citizen's panels to address strategic questions and make recommendations to the BPU.
- 16) Work with the County Council to get citizens with diverse backgrounds appointed to the BPU to ensure that the BPU represents the community it serves.

- b. For the BPU to function effectively, **each BPU member** must:
- 1) Regularly attend BPU meetings.
 - 2) Review the agenda packet for each meeting and come to the meeting prepared to discuss the items on the agenda.
 - 3) Participate in BPU discussions at meetings.
 - 4) If possible before a BPU meeting, prepare any lengthy reports and/or comments in writing and provide to the DPU Executive Assistant at or before the meeting.
 - 5) Adhere to these PRs.
 - 6) Represent interests of DPU customers.
 - 7) Rotate attendance at boards and commissions lunches.
 - 8) Accept and fulfill duties assigned by the BPU Chair.
 - 9) In BPU meeting discussions, focus on policy consideration and direction versus operational issues; discuss technical details of DPU operations with DPU staff prior to the BPU meeting if possible.
 - 10) Actively endeavor to understand and balance the varied concerns of DPU customers.
- c. The **BPU Chair** has the following additional responsibilities:
- 1) Meet with Utilities Manager approximately two weeks before each regular BPU meeting to review and approve the agenda items for the meeting.
 - 2) Conduct all BPU meetings.
 - 3) Obtain BPU member volunteers, or if necessary, appoint BPU members for committees and Board projects.
 - 4) Review meeting minutes after each BPU meeting.
 - 5) Review and approve the Utilities Manager's travel pre-approvals and reimbursements.
 - 6) To the extent possible, attend weekly "Leadership Council" meetings to be aware of County Council agenda and to provide information about BPU issues to County leadership; if necessary, ask the BPU Vice-Chair to attend.
 - 7) Represent the BPU at County Council meetings, particularly those where DPU issues will be discussed.
 - 8) Provide an annual oral report to County Council to keep them aware of issues facing the BPU which may significantly impact the operations of other County departments.
 - 9) Help the BPU spend appropriate time on policy considerations, processes, and direction versus operational issues; guide BPU meeting discussions away from operational details and toward policy issues.

- d. In the absence of the Chair, the **BPU Vice Chair** shall assume the duties of the Chair.
- e. The **BPU immediate past Chair** is encouraged to serve as mentor for the current BPU Chair.
- f. The **Utilities Manager** is an ex-officio non-voting member of the BPU: Refer to Part 4 of this PR for a description of the Utilities Manager's Responsibilities.
- g. The **County Manager** will be an ex-officio non-voting member of the BPU and is encouraged to:
 - 1) Attend the meetings of the BPU or send a designated alternate Deputy County Manager.
 - 2) Serve as a liaison between the Board and County Administration to ensure that (a) the Council is aware in advance of actions by the DPU which may significantly impact County operations, and (b) that DPU is aware in advance of actions by the County which may significantly impact DPU operations.
- h. The **County Council Liaison** is encouraged to:
 - 1) Attend the meetings of the BPU or send a designated alternate County Council member.
 - 2) Provide an annual briefing to the BPU on the strategic objectives of the County.
 - 3) Keep the County Council informed on BPU and DPU issues that may have a major impact on the County.
 - 4) Keep the BPU informed on County Council issues that may have a major impact on the BPU or the DPU.
 - 5) Sit at the dais or with members of the BPU at Council Liaison discretion, at which time, the Council Liaison name-placard shall be displayed.
 - 6) Participate in DPU discussion when the Council Liaison has clarifying points pertinent to the discussion.
 - 7) Refrain from interjecting opinion into discussion, unless speaking as a member of the public during periods reserved for public comment.

3.3. Annual Calendar of BPU Activities

The BPU will generally follow the calendar of activities outlined below, although, circumstances may dictate that the timing of some of these activities be adjusted. Additional BPU activities such as consideration of utility rate ordinances

and utility contracts will occur from time to time. The calendar for the current year is included as [Appendix J](#).

January

- Affirmation of the Incorporated County of Los Alamos Open Meeting Resolution for the Current Calendar Year
- Election of BPU Chair & Vice Chair for the Current Calendar Year
- Introduction of Council Liaison to the BPU for the Current Calendar Year
- Appointment of BPU Member to the County Audit Committee for the Current Calendar Year

February

- DPU Annual Report for the Previous Fiscal Year
- Budget Presentation for the Next Fiscal Year
- Biannual Update: Transactional Survey Report for July-December of the previous calendar year

March

- Annual Update: Water System
- Annual Update: LANL Presentation on Environmental Goals
- Approval of the DPU Budget for the Next Fiscal Year
- DPU Quarter 2 Report for the CURRENT Fiscal Year (October - December)

April

- Begin Utilities Manager's Performance Evaluation Process (*Closed Session*)
- UAMPS Presentation by CEO/General Manager
- Annual Update: Results of the Voice of the Customer Survey
- Annual Update: Electric Reliability Plan (ERP) for the Current Fiscal Year
- Begin Advertising Annual BPU Vacancy

May

- BPU Conducts Annual Utilities Manager's Performance Review (*Closed Session*)
- Approval of Year-End Budget Revisions
- Overview of the ECA Budget Process & Approval of the DOE/LAC Resource Pool Budget for the Next Two Fiscal Years
- Council Approves DOE/LAC Resource Pool Budget for the Next Two Fiscal Years
- Council/BPU Working Group Interviews BPU Candidates
- Council Appoints New BPU Member (Five-Year Term)

June

- Utilities Manager – Annual Performance Planning (*Closed Session*)
- Planning for the Annual BPU Presentation to Council (Work Session)
- Final Review of the BPU Annual Presentation to Council (Regular Session)
- Annual Update: Wastewater System
- Annual Review: Utilities Assistance Program (UAP)
- DPU Quarter 3 Report for the CURRENT Fiscal Year (January - March)

- Recognition of Departing Board Member

July

- Introduction of New BPU Member
- Orientation for New BPU Member
- Annual Open Meetings Act & Code of Conduct Training by Attorney
- Annual Review of the BPU Procedural Rules
- Presentation to Council by the BPU Chair (Council Work Session)

August

- Annual Update: Electric Production – Hydroelectric Facilities
- Biannual Update: Transactional Survey Report for January – June of the Current Calendar Year
- Approval & Reaffirmation of the BPU Procedural Rules
- Annual Strategic Planning for the DPU (Special Meeting)
- Approval of Resolution to Remove 5-Year-Old Uncollectable Utility Accounts from A/R List (Move to September per LAC Finance request to Joann)

September

- Approval of the DPU Mission, Vision & Values and the Strategic Goals & Objectives
- Approval of Budget Carryovers from the Previous FY to the Current FY
- DPU Quarter 4 Report for the PREVIOUS Fiscal Year (April - June)

October

- Annual Update: Integrated Resource Plan (IRP)
- Annual Update: Gas Distribution System

November

- Annual BPU Self-Evaluation
- Approval of the BPU Meeting Calendar for the Next Calendar Year

December

- Approval of the Annual BPU Self-Evaluation
- DPU Quarter 1 Report for the CURRENT Fiscal Year (July - September)

3.4. BPU Meetings

- a. Regular Meetings – Regular meetings will generally be held on the third Wednesday of each month at 5:30 p.m. These meetings will be set under the requirements of the annual Open Meetings Resolution adopted by Council. Public comment will be taken at the beginning and end of the meeting, on any subject. Public comment on action items will be taken at the time the action is considered. Public comment will generally be limited to three (3) minutes or otherwise as announced by the Chair. Public comment will also be accepted by available written methods, including by email.
- b. Work Sessions – work sessions will generally be held on the first Wednesday of each month at 5:30 p.m. The Board may schedule work sessions on a regular basis under the requirements of the annual Open Meetings Resolution. Board meetings designated as work sessions will be held for the primary purpose of discussing issues at length with staff in an informal setting without taking formal action, except for required procedural actions such as adopting a statement for inclusion in the minutes regarding a previously held closed meeting. Public comment will be taken at the beginning and end of the session, and by available written methods, including email.
- c. Closed Meetings - The Chair, a majority of the Board, or the Utilities Manager may call for a closed meeting to discuss issues (such as pending litigation, personnel matters, collective bargaining strategy) pursuant to NMSA 1978, 10-15- 1 (H) (2,5 etc.). Following the closed meeting, at the next Board meeting during which action may be taken, the Chair will call for a motion that is substantially similar to the following: *"I move that the Board approve the following statement for inclusion in the minutes: 'The matters discussed in the closed meeting held on (MONTH)(DAY)(YEAR) that began at (TIME) were limited only to those topics specified in the (NOTICE) (MOTION) of the closed meeting.'"* This motion is a procedural motion, therefore only a show of hands is required rather than a roll call vote.
- d. Special Meetings – A special meeting may be called by the Chair or, in the Chair's absence, by the Utilities Manager, or by such other officers that may be designated by the Board or by any two Board members upon written request, for the purpose of conducting Board business. Notice of a special meeting will follow the requirements of the annual Open Meetings Resolution.
- e. Emergency Meetings - The Chair, a majority of the Board, or the Utilities Manager may call an emergency meeting in accordance with the Open Meetings Act.

3.5. BPU Meeting Agenda Templates

The following templates describe the items that will be addressed and the order of business at a typical BPU meeting; not every meeting will include every item in the template. Agenda documentation will be substantially complete at least 72 hours before each meeting.

a. Regular Meeting

1. Call to Order
2. Public Comment (*on any subject*)
3. Approval of Agenda
4. Consent Agenda
 - a) Approval of Minutes
5. Presentations
6. Public Hearings (*Ordinances & Resolutions*)
7. Department Business
8. Board Business
 - a) Chair's Report
 - b) Board Member Reports
 - c) Utilities Manager's Report
 - d) County Manager's Report
 - e) Council Liaison's Report
 - f) Environmental Sustainability Board Liaison's Report
 - g) General Board Business
 - h) Board Expenses
9. Status Reports
 - a) Electric Reliability Report
 - b) Accounts Receivables Report
 - c) Risk & Safety Report
10. Request/Review - Upcoming Agenda Items
 - a) Tickler File
11. Public Comment (*on any subject*)
12. Adjournment

b. Work Sessions & Special Meetings

1. Call to Order
2. Public Comment (*on any subject*)
3. Approval of Agenda
4. Presentations
5. Business (*if any*)
6. Public Comment (*on any subject*)
7. Adjournment

3.6. Public Comment

The following is the BPU's general rule concerning public comment during BPU meetings:

- a. Regular Meeting agendas will include a standing public comment period at the beginning and end of each meeting, on any subject. The public comment period is an opportunity for the Board to listen to members of the public on any subject. BPU members should not correct, rebut, or engage in dialogue with a member of the public during or after the public comment period.
- b. Work Session & Special Meeting agendas will include standing public comment periods at the beginning and end of the meeting, on any subject.
- c. Oral public comment should be limited to three (3) minutes per person. Requests to make comments exceeding three (3) minutes should be submitted to the Board in writing prior to the meeting. The text of lengthy comments should be submitted to the Board prior to the meeting, if possible, but may also be submitted during or after the meeting. The name of the citizen providing public comment will be included in the minutes and whether they are a resident of Los Alamos County.
- d. Individuals representing or making a combined statement for a large group present at a meeting may be allowed additional time for comment at the discretion of the Board. The Board may agree to this by consent (no motion necessary).
- e. Public Hearings – After the presenter has given his or her presentation, the Chair will provide an opportunity for Board questions and then public comment on the particular topic. Any formal BPU action on the item will occur in the Public Hearings section of the BPU meeting agenda after public comments are finished.
- f. Business Items - After the presenter has given his or her presentation and there is initial Board discussion, and prior to accepting a main motion on an item, the Chair will formally open the floor for public comment specific to the agenda item. If a public hearing has been held on the topic during the meeting, the Chair may request that comments not be repeated. The Board may continue to have additional discussion on the item after the public comment period.
- g. BPU members may, at any time, ask the Chair to allow a presenter, member of the public, or staff member to speak to provide clarification or additional information about an agenda item. This is not considered to be part of the public comment period.
- h. Procedures regarding public comment will be included on agendas so that interested citizens know how to submit written comments prior to the meeting for Board consideration.

- i. Written public comment, including email to the BPU and identified in the subject line as “public comment,” submitted prior to or during the meeting will be provided to the DPU Executive Assistant to attach to the minutes.
- j. Additional useful guidance and suggestions for public hearings and other ways and means of sharing information with or gathering input from DPU customers can be found in the Los Alamos County *Public Involvement Guide for Boards and Commissions*.

3.7. Meeting Agendas

- a. BPU meeting agendas shall comply with the State of New Mexico “Open Meetings Act.” Refer to [Appendix G](#), State of New Mexico Attorney General’s “Open Meetings Act Compliance Guide” and the County’s annual Open Meeting resolution.
- b. All documentation regarding upcoming public hearings, consent, and business items shall be substantially complete at least 72 hours prior to action being taken.
- c. The agenda must contain a list of specific items of business to be discussed or transacted at the meeting, but there is no requirement for any additional description of what the Board may do with a specific item of business on the agenda.

3.8. Meetings Minutes

- a. Meeting minutes should be a succinct record of what was done at the meeting, not a transcript of what was said during the meeting.
- b. In substance, but not necessarily format, BPU meeting minutes will comply with Roberts Rules of Order, the County Boards and Commissions Manual, the New Mexico “Open Meetings Act” and County Council procedures.
- c. Board members should carefully review draft meeting minutes before approval and request that additional discussion details be included if needed to provide further explanation of a topic.
- d. During the meeting, the board members may request that portions of discussions be recorded in the minutes if they believe the details to be of great importance to the overall record.
- e. Any items requiring further action by the Board or follow-up by Staff should be captured in the minutes.
- f. Approved minutes of BPU meetings are the official record of BPU meetings; recordings of BPU meetings will be retained for at least one year for reference purposes.

3.9. Removal/Replacement of a BPU Member

- a. Article V of the County Charter states circumstances that would warrant removal of a BPU member by the County Council.
- b. A BPU member may resign by submitting written notice to the Chair of the BPU and the Chair of the County Council; except for such circumstances that warrant an earlier departure, the resigning member should continue to serve on the BPU until a replacement is appointed by the County Council.
- c. If a Board member resigns or is removed, the BPU will work with the County Council to get a replacement appointed within 60 days. The BPU will identify capable Los Alamos County citizens and encourage them to apply for County Council appointment to the BPU.

3.10. BPU Self-Evaluation

- a. Beginning in October, the BPU will perform an annual self-evaluation of its own performance. The BPU may invite major partners (e.g., DPU staff, County Council, County Manager) to participate in specific aspects of the evaluation.
- b. The purposes and reasons for the BPU self-evaluation are intended to:
 - 1) Promote understanding of roles and responsibilities
 - 2) Provide orientation for new members
 - 3) Address, and perhaps help resolve, Board conflicts
 - 4) Clarify what members expect from the group and self
 - 5) Identify priorities for the BPU's future efforts
 - 6) Identify BPU strengths and weaknesses
 - 7) Identify opportunities for improvement in BPU performance
 - 8) Help identify needed changes to this PR
 - 9) Ensure that self-evaluation aligns with at least three of the Baldrige "Criteria for Performance Excellence."
- c. Refer to [Appendix K](#) for a BPU self-evaluation template adapted from the *APPA Handbook for Public Power Policymakers*. The BPU will change the self-evaluation topics over time to fit the changing business climate, relations with the Utilities Manager, relations with the County Council, and to include lessons learned from previous self-evaluations.
- d. In its self-evaluation the BPU will address open-ended questions such as:
 - 1) What did the BPU accomplish during the past year?
 - 2) What did the BPU fail to accomplish during the past year?
 - 3) What did the BPU do well during the past year?
 - 4) What did the BPU do poorly during the past year?
 - 5) What were the key issues of the past year? Did the BPU address them adequately?"
- e. The BPU will seek broad participation in the self-evaluation process by:

- 1) Soliciting suggestions for self-evaluation questions from DPU staff, County staff, County Council, and the public.
 - 2) Inviting the immediate past BPU member(s) to participate in the self-evaluation.
 - 3) Inviting the County Council Liaison, County Manager, and County Attorney to participate in the self-evaluation.
- f. The BPU will explore ways to make the BPU self-evaluation honest and candid.
 - g. The BPU will explore ways to collect questions, complaints, and compliments to be addressed in the annual self-evaluation process.

3.11. Dispute Resolution Process

- a. From time to time the County Council may not adopt a BPU approved utility rate ordinance or may not approve a budget, personnel action, or utility contract recommended by the BPU.
- b. In this situation the BPU will reconsider its recommendation and may submit either a revised or a reinforced recommendation to the County Council.
- c. If the BPU does not develop a recommendation that is approved by the County Council in a timely manner, it will request the Council to appoint an appropriate number of councilors to a joint County Council/BPU working group that is charged to reach an agreement within a specified time.

Part 4: Utilities Manager Responsibilities

4.1. Essential Duties and Responsibilities

- a. The Utilities Manager's essential duties and responsibilities are described in the Los Alamos County Job Description and Classification for the Utilities Manager, Job Code 7001; refer to [Appendix M](#).
- b. The following sections address some of the Utilities Manager's responsibilities that particularly relate to the BPU.

4.2. Strategic Planning

- a. The Utilities Manager should implement a systematic, cyclical strategic planning process to develop (1) Strategic Objectives, (2) Long-Term Goals, and (3) Short-Term Goals for the DPU and present the Strategic Objectives and Long-Term Goals to the BPU for approval.
- b. The DPU strategic planning processes should be based on the current *Baldrige Criteria for Performance Excellence* or an equivalent standard that is acceptable to the BPU.
- c. Refer to [Appendix L](#) for a description of the DPU Strategic Planning Process.

4.3. Operations and Management

- a. The Utilities Manager is responsible for the day-to-day operations of the department and management of its personnel.
- b. The Utilities Manager's operation of the department and management of its employees, in general, shall be subject to the personnel code and the procurement code. In general, other administrative County-wide policies shall be followed to the extent they do not conflict with the BPU's jurisdiction.
- c. Special processes and procedures necessary for the operation of the DPU shall be proposed by the Utilities Manager, approved by the BPU, and put in place with the assistance of the County Manager.

4.4. Annual Budget

- a. The Utilities Manager is responsible for preparing and presenting a preliminary and a final annual DPU budget to the BPU.
- b. The proposed annual DPU budget intended for BPU approval should address each of the utilities individually and include 10-year forecasts that project changes in sales, revenue and expenses, and the rates and borrowing necessary to sustain each utility.

- c. The proposed DPU budget intended for County Council approval should be based on the BPU approved budget and shall address the DPU on a bi-annual basis.
- d. The Utilities Manager should present the preliminary annual budget at the February BPU meeting and the final annual budget at the March BPU meeting

4.5. Annual and Quarterly Financial Reports

- a. The Utilities Manager shall prepare and provide the BPU with an audited annual financial report as of the end of the previous fiscal year for each utility and for the DPU.
 - 1) The annual financial report shall adhere to generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board and the Financial Accounting Standards Board as applicable.
 - 2) The annual financial report may be included as part of the audit of the County's Annual Comprehensive Financial Report.
 - 3) The annual report shall be provided for BPU information at the March BPU meeting.
 - 4) The accepted annual report (if separate from the general County) should be suitably summarized and formatted then provided to the County Council and made available to the public on the DPU website.
- b. The Utilities Manager shall prepare quarterly DPU performance reports.
 - 1) Each quarterly report should include information about capital projects, operational and financial performance, and DPU highlights during the previous quarter. The operational and financial performance reports should include data for the previous quarters of the fiscal year plus cumulative totals.
 - 2) Quarterly reports shall be provided to the BPU and the County Council and made available to the public on the DPU website.

4.6. Rate Ordinances

- a. The Utilities Manager is responsible for preparing and presenting proposed utility rate ordinances to the BPU.
- b. At the BPU meeting prior to the public hearing on a final proposed utility rate ordinance before the BPU, the Utilities Manager shall introduce the draft ordinance and present the budget and operational reasons for the proposed rate ordinance. A revised rate ordinance presented to the BPU after rejection of the original rate ordinance by the County Council need not be submitted in advance of the public hearing but may be acted upon by the BPU when submitted. A rate ordinance presented to BPU for

a minor correction or amendment regarding a clerical error within thirty (30) days of presentation for public hearing before or adoption by County Council need not be submitted in advance of the public hearing but may be acted upon by the BPU when submitted.

- c. When the final proposed utility rate ordinance is presented to the BPU for approval, the Utilities Manager shall make a presentation to the BPU that approximates that which will be made to the County Council to obtain their acceptance of the ordinance.

4.7. BPU Membership

The Utilities Manager and the County Manager shall both be ex officio non-voting members of the BPU.

Appendices

The full PR and links to all appendices listed below are available on the DPU pages of the County's website at <https://ladpu.com/bpu>. Click on “Guiding Documents.”

- A. Annual Reaffirmation of the Procedural Rules
- B. DPU Strategic Objectives, Long-Term Goals, and Short-Term Goals for the Current Fiscal Year
- C. Los Alamos County Charter, Article V – Utilities
- D. Los Alamos Code of Ordinances, Chapter 40 – Utilities
- E. Los Alamos County Code of Conduct (Code Ordinance No. 02-240):
- F. New Mexico “Whistleblower Protection Act,” NMSA 1978, Section 10-16C-1 to 6
- G. Los Alamos County Council's Annual Resolution for Open Meeting Compliance
- H. State of New Mexico Attorney General's “Open Meetings Act Compliance Guide”
- I. American Public Power Association Governance Resources
- J. BPU Calendar for the Current Year
- K. BPU Self-Evaluation Template
- L. Strategic Planning Process – Key Process Steps (KPS)
- M. Los Alamos County Job Description and Classification for the Utilities Manager
- N. DPU Culture of Safety Vision Statement



County of Los Alamos

Staff Report

August 19, 2026

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.: 9.a.

Index (Council Goals):

Presenters: Philo Shelton, Utilities Manager

Legislative File: 21570-26

Title

Status Reports - July 2026

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 - Risk & Safety Report



Department of Public Utilities

Electric, Gas, Water, and Wastewater Services

Monthly Status Report

Electric Reliability

Dennis Astley

Deputy Utility Manager -
Electric Distribution

Total # Accounts	9045	
Total Interruptions	37	
Sum Customer Interruption Durations	24496:3 5:00	
#Customers Interrupted	11968.0	
SAIFI	1.32	
SAIDI	2:42	
CAIFI	0.309%	
CAIDI	2:02	
ASAI	98.5603%	

- **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)

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

Electric Distribution Reliability Study Twelve Month Outage History				Prepared by Dennis G Astley Deputy Utility Manager								
Date	Call Rcd.	Circuit	Cause	Start Time	End Time	Duration	Minutes	Customers Affected (Meters)	Combined Customer Outage Durations	Total Outage H:M:S	Running Consumer Pain Index	Running SAIDI
8/8/2025	Utilities	WR1	Transformer Failure	3:20	6:00	2:40	160	2612	6965:20:00	6965:20:00	0:46:12	0:46:12
8/12/2025	Utilities	WR2	Vehicle	10:00	11:00	1:00	60	961	961:00:00	7926:20:00	0:52:35	0:52:35
8/25/2025	Utilities	WR1	weather	19:22	20:10	0:48	48	949	759:12:00	8685:32:00	0:57:37	0:57:37
11/4/2025	Utilities	13	Contractor	15:30	16:30	1:00	60	21	0:00:00	8685:32:00	0:57:45	0:57:37
11/4/2025	Utilities	16	URD Failure	22:30	3:30	5:00	300	35	175:00:00	8860:32:00	0:58:55	0:58:47
12/11/2025	Utilities	ELK RIDGE	Unknown	7:29	9:20	1:51	111	175	323:45:00	9184:17:00	1:01:04	1:00:55
12/12/2025	Utilities	WR1	URD Failure	4:30	7:30	3:00	180	50	150:00:00	9334:17:00	1:02:03	1:01:55
12/16/2025	Utilities	14	Contractor	0:30	2:30	2:00	120	14	0:00:00	9334:17:00	1:02:15	1:01:55
12/18/2025	Utilities	ELK RIDGE	weather	3:45	5:45	2:00	120	20	40:00:00	9374:17:00	1:02:31	1:02:11
12/18/2025	Utilities	13	TREE	5:45	9:30	3:45	225	20	75:00:00	9449:17:00	1:03:00	1:02:41
12/22/2025	Utilities	17	Contractor	10:30	11:00	0:30	30	15	0:00:00	9449:17:00	1:03:03	1:02:41
1/1/2026	Utilities	16	Unknown	15:00	16:15	1:15	75	6	7:30:00	9456:47:00	1:03:06	1:02:44
1/28/2026	Utilities	WR2	URD Failure	9:00	10:00	1:00	60	14	14:00:00	9470:47:00	1:03:12	1:02:49
2/6/2026	Utilities	ELK RIDGE	OH Failure	9:30	10:00:00	0:30:00	30	20	10:00:00	9480:47:00	1:03:16	1:02:53
2/17/2026	Utilities	16	weather	10:30	12:00	1:30	90	7	10:30:00	9491:17:00	1:03:20	1:02:58
3/6/2026	Utilities	16	LANL Error	13:30	13:50	0:20	20	231	77:00:00	9568:17:00	1:03:51	1:03:28
3/11/2026	Utilities	16	WEATHER	13:44	14:24	0:40	40	40	26:40:00	9594:57:00	1:04:01	1:03:39
3/18/2026	Utilities	WR1	URD Failure	16:00	3:30	11:30	690	6	69:00:00	9663:57:00	1:04:29	1:04:06
3/31/2026	Utilities	Bandelier	URD Failure	10:05	16:00	5:55	355	4	23:40:00	9687:37:00	1:04:38	1:04:16
4/17/2026	Utilities	WR2	URD Failure	10:00	11:00	1:00	60	10	10:00:00	9697:37:00	1:04:42	1:04:20
4/22/2026	Utilities	ELK RIDGE	LANL Error	15:00	16:30:00	1:30:00	90	20	0:00:00	9697:37:00	1:04:54	1:04:20
5/8/2026	Utilities	13	URD Failure	21:32	22:36:00	1:04:00	64	4373	4664:32:00	14362:09:00	1:35:51	1:35:16
5/8/2026	Utilities	13	URD Failure	21:32	23:48:00	2:16:00	136	945	2142:00:00	16504:09:00	1:50:03	1:49:29
5/8/2026	Utilities	13	URD Failure	21:32	0:20:00	2:48:00	168	17	47:36:00	16551:45:00	1:50:22	1:49:48
5/8/2026	Utilities	13	URD Failure	21:32	1:02:00	4:30:00	270	305	1372:30:00	17924:15:00	1:59:28	1:58:54
5/8/2026	Utilities	13	URD Failure	21:32	2:38:00	6:00:00	360	102	612:00:00	18536:15:00	2:03:32	2:02:58
5/8/2026	Utilities	13	URD Failure	21:32	4:35:00	8:00:00	480	134	1072:00:00	19608:15:00	2:10:39	2:10:04
5/8/2026	Utilities	13	URD Failure	21:32	5:26:00	9:00:00	540	376	3384:00:00	22992:15:00	2:33:06	2:32:31
5/8/2026	Utilities	13	URD Failure	21:32	7:42:00	11:10:00	670	26	290:20:00	23282:35:00	2:35:01	2:34:27
5/25/2026	Utilities	EA4	Pole Fire	21:30	1:00:00	4:00:00	240	2	8:00:00	23290:35:00	2:35:04	2:34:30
6/20/2026	Utilities	14	URD Failure	11:30	17:30:00	6:00	360	50	300:00:00	23590:35:00	2:37:04	2:36:29
6/23/2026	Utilities	WR2	Bird	6:00	7:00:00	1:00	60	250	250:00:00	23840:35:00	2:38:43	2:38:09
7/3/2026	Utilities	WR2	Bird	10:00	12:00	2:00	120	23	46:00:00	23886:35:00	2:39:02	2:38:27
7/13/2026	Utilities	WR2	URD Failure	17:00	20:00	3:00	180	20	60:00:00	23946:35:00	2:39:25	2:38:51
7/16/2026	Utilities	EA4	URD Failure	20:30	7:30:00	11:00:00	660	25	275:00:00	24221:35:00	2:41:15	2:40:40
7/16/2026	Utilities	WR2	URD Failure	18:30	20:30	2:00	120	30	60:00:00	24281:35:00	2:41:39	2:41:04
7/26/2026	Utilities	14	URD Failure	9:45	13:20:00	3:35	215	60	215:00:00	24496:35:00	2:43:04	2:42:30

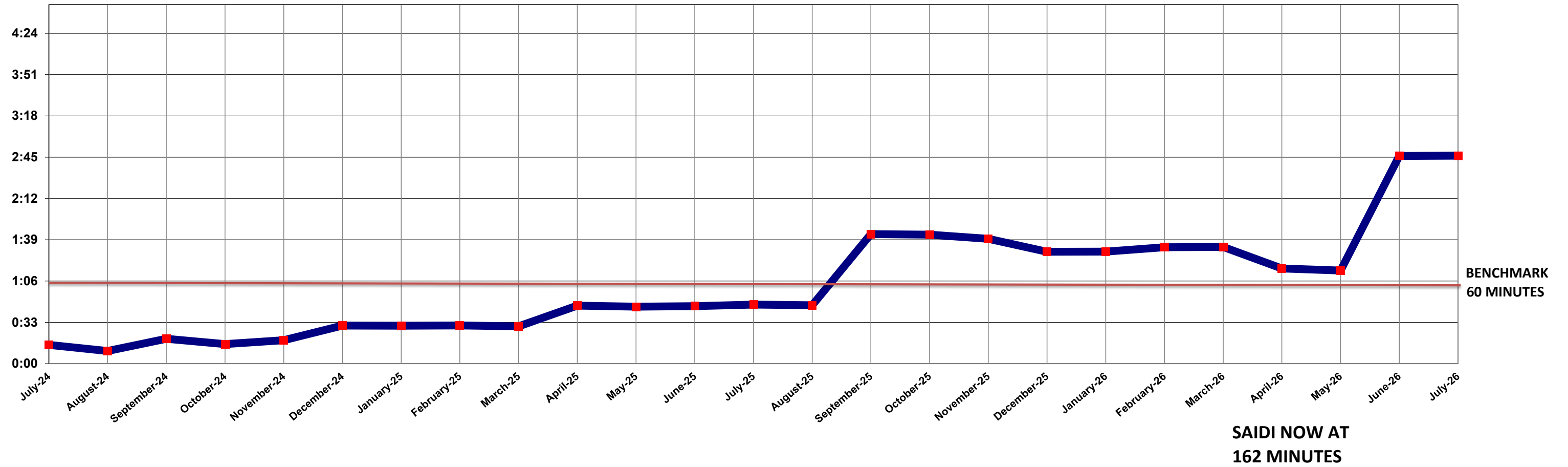
CIRCUIT SAIDI IS CALCULATED ACCORDING TO THE NUMBER OF CUSTOMERS IN EACH CIRCUIT RESPECTIVELY

<u>Running SAIDI Circuit 13</u>	<u>Running SAIDI Circuit 14</u>	<u>Running SAIDI Circuit 15</u>	<u>Running SAIDI Circuit 16</u>	<u>Running SAIDI Circuit 17</u>	<u>Running SAIDI Circuit 18</u>	<u>Running SAIDI Circuit EA4 &ELK RIDGE</u>	<u>Running SAIDI Circuit WR1</u>	<u>Running SAIDI Circuit WR2</u>	<u>Monthly SAIDI</u>	
							7:14:53			
							0:47:24	1:00:00	AUGUST	0:11:25
0:00:00			0:05:42						NOVEMBER	0:01:10
						1:57:44				
0:02:43						0:14:33				
									DECEMBER	0:03:54
			0:00:15							
								0:00:52	JANUARY	0:00:35
						0:03:38			FEBRUARY	0:00:08
			0:00:21							
			0:00:52							
							0:04:18			
						0:08:36			MARCH	0:00:47
								0:00:37	April	0:00:04
						0:00:00				
2:49:06	8:39:15	2:29:16	2:31:56	22:19:06	21:53:57				May	1:30:10
1:17:39										
0:01:44										
0:49:45										
0:22:11										
0:38:52										
2:02:41										
0:10:32										
						0:02:55				
	0:33:24								June	0:03:39
								0:15:37		
								0:02:52	July	0:04:21
								0:03:45		
						1:40:00				
								0:03:45		
	0:23:56									
8:15:14	8:39:15	2:29:16	2:39:06	22:19:06	21:53:57	2:27:25	8:06:35	1:01:30	Total	
1655	539	1875	1842	209	213	165	1586	961	9045	
NUMBER OF CONSUMERS BY CIRCUIT										

EACH POINT IS A MONTHLY SAIDI HISTORY
60 MINUTES = LACDPU SAIDI BENCHMARK

SAIDI = STANDARD AVERAGE INTERRUPTION DURATION

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





Department of Public Utilities

Electric, Gas, Water, and Wastewater Services

Monthly Status Report

Accounts Receivables

Joann Gentry

Deputy Utility Manager - Finance & Administration

Los Alamos County Utilities Department
Active Receivables Over 90 Days Past Due
August 1, 2026

Account	Customer ID	Acct Type	Comments	90 - 119	120 +
3006118	2019367	RS	Balance transferred from inactive to active account	206.94	0.00
3007586	2022918	RS	Balance transferred from inactive to active account	0.00	276.80
3200648	2216331	CM	Refuse only - Call to customer	0.00	336.00
3006236	2019737	RS	Disconnection - Utilities off - Lien on File	244.54	316.75
3003985	2215939	RS	Disconnection - Utilities off - Lien on File	213.88	361.17
3008808	2121088	RS	Balance Transferred from inactive account	0.00	633.78
3010031	2047958	CM	Electric Only - Disconnect for Non-Pay	0.00	743.80
3000101	2217357	RS	Utilities off - Sent to Collection Agency	52.02	1,409.03
3005857	2018637	RS	Utilities off - Lien to be filed this month	462.31	1,276.64
3006455	2020325	RS	Utilities off - Lien on file	0.00	1,796.36
3009213	2215544	RS	All Utilities off	326.71	1,847.71
3003969	2012357	RS	Utilities off - Lien on file	177.92	2,751.67
3002412	2003472	RS	Utilities off - Lien on file	152.92	3,638.20
3007154	2021905	RS	Utilities off - Lien on file	152.74	3,957.63
14 Accounts				\$ 1,989.98	\$ 19,345.54
					\$ 21,335.52

Los Alamos County Utilities Department
Receivables More than 60 Days Inactive Accounts
August 1, 2026

YEAR	OUTSTANDING	# OF	OUTSTANDING	# OF	Aug 1 (TOTALS)	
	Aug 1 (DUE)	ACCOUNTS	Aug 1 (CREDITS)	ACCOUNTS		
FY22	\$ 35,722.04	90	\$ (6,257.17)	52	\$ 29,464.87	142
FY23	\$ 28,414.05	102	\$ (14,457.90)	100	\$ 13,956.15	202
FY24	\$ 17,168.55	54	\$ (10,776.42)	26	\$ 6,392.13	80
FY25	\$ 22,214.32	97	\$ (12,885.10)	95	\$ 9,329.22	192
FY26	\$ 24,924.13	105	\$ (32,861.50)	201	\$ (7,937.37)	306
TOTAL	\$ 128,443.09	448	\$ (77,238.09)	474	\$ 51,205.00	922

YEAR	OUTSTANDING	# OF	OUTSTANDING	# OF	Jul 1 (TOTALS)	
	Jul 1 (DUE)	ACCOUNTS	Jul 1 (CREDITS)	ACCOUNTS		
FY22	\$ 35,722.04	90	\$ (6,257.17)	52	\$ 29,464.87	142
FY23	\$ 28,456.89	103	\$ (14,457.90)	100	\$ 13,998.99	203
FY24	\$ 17,168.55	54	\$ (10,993.42)	27	\$ 6,175.13	81
FY25	\$ 22,214.32	97	\$ (12,781.28)	94	\$ 9,433.04	191
FY26*	\$ 23,607.51	97	\$ (29,119.78)	177	\$ (5,512.27)	274
TOTAL	\$ 127,169.31	441	\$ (73,609.55)	450	\$ 53,559.76	891

YEAR	Account Type	OUTSTANDING	# OF	OUTSTANDING	# OF
		Aug1	ACCOUNTS	Jul 1	ACCOUNTS
FY22	Residential	\$ 20,096.43	130	\$ 20,096.43	130
	Commercial	\$ 9,368.44	12	\$ 9,368.44	12
FY23	Residential	\$ 6,020.26	179	\$ 6,063.10	180
	Commercial	\$ 7,935.89	23	\$ 7,935.89	23
FY24	Residential	\$ 11,351.58	75	\$ 11,134.58	75
	Commercial	\$ (4,959.45)	6	\$ (4,959.45)	6
FY25	Residential	\$ 5,685.46	177	\$ 5,789.28	177
	Commercial	\$ 3,643.76	14	\$ 3,643.76	14
FY26	Residential	\$ 4,866.69	279	\$ 5,354.73	253
	Commercial	\$ (12,804.06)	27	\$ (10,867.00)	21
TOTAL		\$ 51,205.00	922	\$ 53,559.76	891

*FY2026: A total of \$24,924.13 is due from customers, and \$32,861.50 should be refunded for overpayments and/or deposits applied to final accounts.

All other differences are due to payment on account or a balance transfer to their active account.



Department of Public Utilities

Electric, Gas, Water, and Wastewater Services

Monthly Status Report

Risk Management & Safety

Victoria DeVargas

LAC Risk Manager

DEPARTMENT OF PUBLIC UTILITIES CLAIMS					
Information Provided by the County Risk Manager					
YEAR	REPORT MONTH	BPU MTG DATE	TORT CLAIMS	WORKERS COMP	PROPERTY DAMAGE
2026	JULY	8/19/2026	NONE	1) GWS employee cut his finger. 2) GWS employee got something in his eye.	1) GWS employee noticed damage to the vehicle after it was parked in the parking lot of his apartment complex while he was on standby.
2026	JUNE	7/22/2026	1) Claimant alleges that WP employee hit the side of his truck with door, causing damage. 2) Claimant requests reimbursement for water line improvements (Denver Steels)	None	1) ED employee backed into tree pushing a tube on the side of the unit into the rear window, breaking window.
2026	MAY	6/17/2026	NONE	NONE	NONE
2026	APR	5/20/2026	NONE	NONE	NONE
2026	MAR	4/15/2026	1) Claimant alleges damages due to a sewer back up. 2) Claimant alleges damages due to a sewer back up.	NONE	NONE
2026	FEB	3/18/2026	1) Claimant alleges water damage from increased water pressure.	NONE	1) GWS employee hit side of utility box on vehicle in Bayo Canyon.
2026	JAN	2/18/2026	1) Claimant alleges water damage from increased water pressure.	1) GWS employee fell and injured shoulder.	NONE
2025	DEC	1/14/2026	NONE	1) Employee hit on bike between job sites (ENG) 2) Employee potentially exposed to Asbestos while working with Los Alamos County (ENG)	NONE
2025	NOV	12/10/2025	1) Claimant alleges that water line break caused damage to plumbing.	NONE	NONE
2025	OCT	11/19/2025	NONE	NONE	1) GWS employee broke back window on county truck.
2025	SEP	10/22/2025	1) Claimant alleges that water leak repair clogged bathroom fixtures with sediment, had to hire a plumber to clear sediment and replace gaskets on fixtures.	1) GWS employee sustained high pressure injury from vactor hose.	NONE
2025	AUGUST	9/17/2025	1) Claimant alleges sewage back up. 2) Claimant alleges Wrongful Termination.	1) ED employees potentially exposed to asbestos.	NONE
2025	JULY	8/20/2025	1) Claimant alleges sewer line failed (GWS)	NONE	1) WP employee backed into County truck.
2025	JUNE	7/16/2025	NONE	NONE	NONE
2025	MAY	6/25/2025	NONE	NONE	NONE
2025	APR	5/21/2025	NONE	NONE	1) GWS employee backed into Fire Engine at PCS Warehouse 2) GWS employee hit canopy pillar while backing out of parking space 3) WWTP employee hit the conveyor arm with front end loader
2025	MAR	4/16/2025	1) Sonic Restaurant - awning damage (GWS)	NONE	NONE
2025	FEB	3/19/2025	1) Claimant alleges sewage backup into shower was caused by County (GWS)	NONE	1) GWS employee hit the awning at Sonic w/ Vactor Truck 2) ED employee broke back window of vehicle
2025	JAN	2/19/2025	1) Claimant alleges sewer clean out forced sewage back up into basement. (GWS) 2) Claimant alleges sewer back up on main line caused sewer leakage into crawl space. (GWS)	1) ED employee injured while operating ground tamper.	NONE

YEAR	REPORT MONTH	BPU MTG DATE	TORT CLAIMS	WORKERS COMP	PROPERTY DAMAGE
2024	DEC	1/15/2025	NONE	NONE	NONE
2024	NOV	12/4/2024	NONE	NONE	NONE
2024	OCT	11/20/2024	1) Claimant alleges leak at downstream fitting caused damage to residence (damage occurred 2/24)	NONE	NONE
2024	SEP	10/23/2024	1) Claimant reported sewage flooded basement	NONE	WP employee backed into pole at LANL.
2024	AUG	9/18/2024	1) Claimant stepped in uncovered water valve hole Claimant states sewer back up in his basement Claimant states water main leaked into basement causing her to fall	2) NONE 3)	NONE
2024	JUL	8/12/2024	NONE	NONE	NONE
2024	JUN	7/17/2024	NONE	NONE	Update Resident backed into the side of small dump truck (GWS.)
2024	MAY	6/26/2024	1) GWS- Sewage back up into home. 2) GWS-Water line break that caused flooding into business.	NONE	
2024	APR	5/15/2024	1) ED- Claimant states they had damage to furnace and outlets 2) GWS- Claimant states water heater damage after water was shut off for line repair on County side	NONE	NONE
2024	MAR	4/17/2024	1) Claimant states a power surge caused damage to fixtures	1) WP employee sustained injuries from a Motor Vehicle	1) ED employee hit another county vehicle with front
2024	FEB	3/20/2024	NONE	NONE	NONE
2024	JAN	2/21/2024	NONE	NONE	1) Damage to tailgate of dump truck while GWS was loading asphalt.

LOS ALAMOS COUNTY - RISK MANAGEMENT

July 2026

MONTH	ADMIN	EL DIST	EL PROD	GWS	WA PROD	WWTP
	Hours Worked	Hours Worked	Hours Worked	Hours Worked	Hours Worked	Hours Worked
Jan - 2026	2894.0	1444.3	1646.5	2896.0	1080.0	1255.0
Feb - 2026	3458.8	1832.5	1799.5	3606.4	1242.0	1433.8
Mar - 2026	3239.5	1783.9	1756.5	3571.4	1235.0	1457.0
Apr - 2026	5333.5	2810.3	2851.3	5750.3	2058.8	2218.3
May - 2026	3536.5	1961.8	1849.0	3736.9	1440.3	1535.8
June - 2026	3310.0	1935.2	1683.0	3459.5	1146.8	1421.3
July - 2026	3901.0	2007.0	1579.8	3386.3	1290.5	1324.3
Aug - 2025	4018.8	2096.0	2022.0	3899.2	1429.0	1611.8
Sept - 2025	3427.8	1722.0	1891.8	4144.7	1397.5	1502.0
Oct - 2025	5360.5	2491.2	2804.5	5396.5	1900.5	2258.3
Nov - 2025	3546.8	1625.8	1671.5	3498.2	1106.8	1469.0
Dec - 2025	3026.8	1706.5	1666.3	3066.3	1139.0	1354.3
Total Hrs Worked ->	45053.8	23416.3	23221.5	46411.8	16466.1	18840.5
Number of Recordable Injury and Illness Cases*	2	10	0	4	0	0
OSHA Recordable Injury & Illness Incidence Rate	8.88	85.41	0.00	17.24	0.00	0.00
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

INJURY DATES:

8-26-25: (ED) employees (10) potentially exposed to asbestos on east gate duct bank project.
 9-16-25: (GWS) employee was holding small hose and sustained high pressure injury on his hands.
 12-2-25: (ENG) employee potentially exposed to asbestos while working with Los Alamos County.
 12-5-25: (ENG) employee hit by vehicle on bike between job sites.
 1-23-26: (GWS) employee fell and injured shoulder.
 7-1-26: (GWS) employee cut his finger.
 7-2-26: (GWS) employee got foreign body in his eye.

TOTAL UTILITIES PERFORMANCE: 16 INJURIES X 200,000 = 200,000/173,410 ACTUAL HOURS WORKED = 18.45 OSHA RECORDABLE INJURIES PER 100 FTE

NATIONAL PERFORMANCE, UTILITIES (NAICS 22): 1.9 OSHA RECORDABLE INJURIES PER 100 FTE

INJURIES REQUIRING MEDICAL ATTENTION BEYOND FIRST AID ARE REQUIRED TO BE CONSIDERED OSHA RECORDABLE INJURIES , RETAINED IN THIS RECORD FOR ONE YEAR, REGARDLESS OF HOW MINOR THEY MAY BE.



County of Los Alamos

Staff Report

August 19, 2026

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.:	9.b.
Index (Council Goals):	DPU FY26 - 3.0 Be a Customer Service Oriented Organization that is Approachable, Communicative, Efficient, and Transparent
Presenters:	Abbey Hayward, Public Relations Manager
Legislative File:	21574-26b

Title

Transactional Survey Report: January - June 2026

Body

DPU's Transactional Survey report covers the first half of calendar 2026. Conducted by Great Blue Research, the survey investigates: 1) reasons for contacting DPU; 2) methods of interaction with DPU; 3) the number of times customers must contact DPU to resolve their issue; 4) how DPU's staff is rated by customers; and 5) demographic profiles of those responding to the survey. It has a 95% confidence level and with 111 people responding, it has a margin of error of +/- 9.19%.

As is typical with this survey, the vast majority of respondents were residential customers. Only six were commercial customers, making commercial responses meaningless as a stand-alone category. Nearly half the customers who responded have been DPU customers for at least 20 years, with 57% residing on the Hill and 32% residing in White Rock.

This report compares the previous two 6-month periods of 2025 as well as the second 6-month period of 2024. More than 78% of the respondents rated interactions with Customer Care staff and the remaining interactions were between interactions in the field (14%) and interactions with other DPU employees (8%). During this survey period, the Customer Care interactions over the phone increased to 65%, from 55%. Visits to the Customer Care Center dropped to 16%, from 29%, and email interactions have declined as well.

Customers are invited to complete this survey through a number of methods, including invitation links in email signatures, and signs at the Customer Care Center (CCC). However, the greatest number of responses come from text messages sent to individuals who have reached out to the CCC by phone.

Payment arrangement remains the leading response as to why customers are reaching out to DPU. More customers reached out to DPU regarding a water service problem in this first half of 2026 than in the second half of 2025; however, this trend is reflected in the first half of 2025 to the second half of 2024 as well.

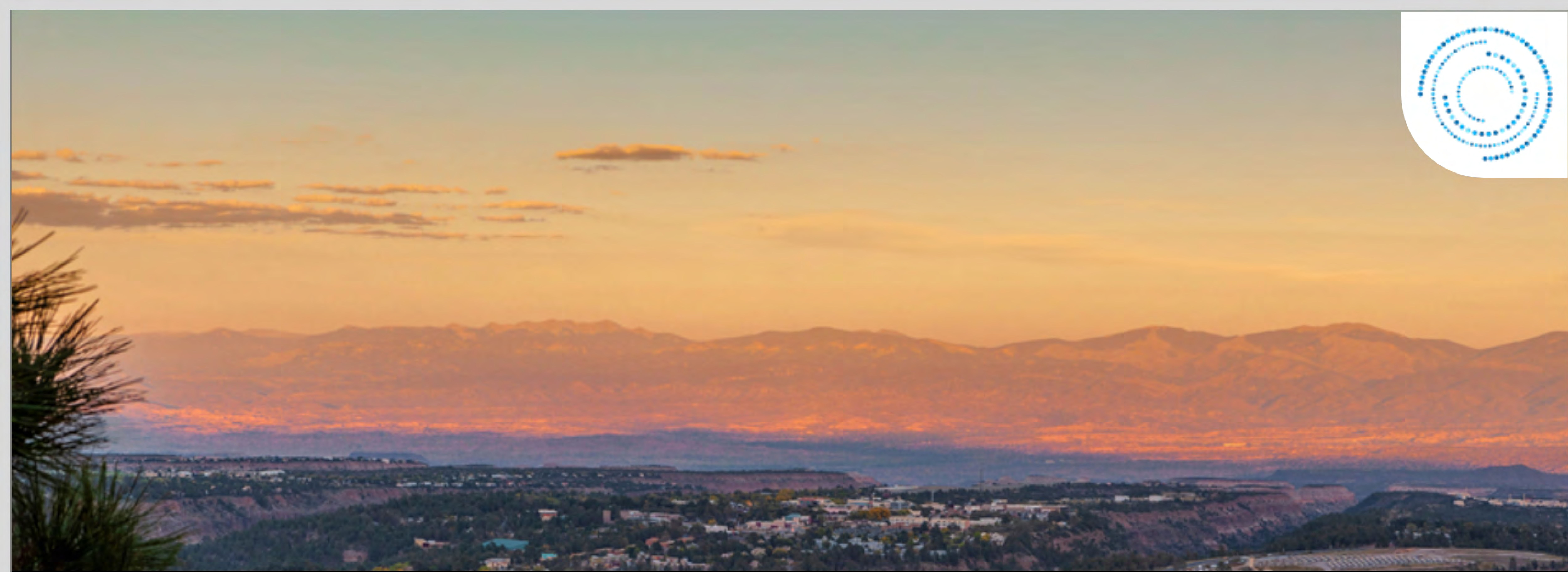
Per the report, "over eight-out-of-ten respondents (86%) had their issue or question resolved to

their satisfaction during their first contact with the DPU, which was an increase compared to the second half of 2025.”

The results for DPU representative characteristics were lower than in the second half of 2025, but notably improved when compared to the first half of 2025. The Customer Care staff could have been fielding questions about time-of-use or any number of water or electric outages, which are highly sensitive topics to a lot of customers. Customer Service received high positive ratings for clear communication, courtesy and professionalism, and being knowledgeable.

Attachments

A - Los Alamos Transactional Report CY2026 H1



Report of Findings

1st Half 2026 Transactional Study

Table of Contents

Section One

Project Overview

Section Two

Key Study Findings

Section Three

About GreatBlue

Section Four

Aggregate Data

(Provided Separately)

Project Overview



Research Objectives

- GreatBlue Research was commissioned by the Los Alamos County Department of Public Utilities (hereinafter “DPU”) to conduct market research to understand the nature of customers' most recent transactions with DPU employees.
- The primary goals of this research study were to assess reasons for contacting the DPU, track methods of interacting with the DPU, and understand how well DPU employees are servicing customers' needs.
- The outcome of this research will enable the DPU to a) more clearly understand the nature of transactions with DPU employees, b) act on near-term opportunities for improvement, and c) create a strategic roadmap to improve interactions with customers moving forward.

Areas of Investigation

The Los Alamos County Department of Public Utilities Transactional Survey leveraged a quantitative research methodology to address the following areas of investigation:

- Reasons for contacting the DPU
- Methods of interacting with the DPU
- Number of points of contact with the DPU needed to resolve issues
- Rating DPU representatives on a series of characteristics
- Demographic profiles of respondents



Research Methodology Snapshot

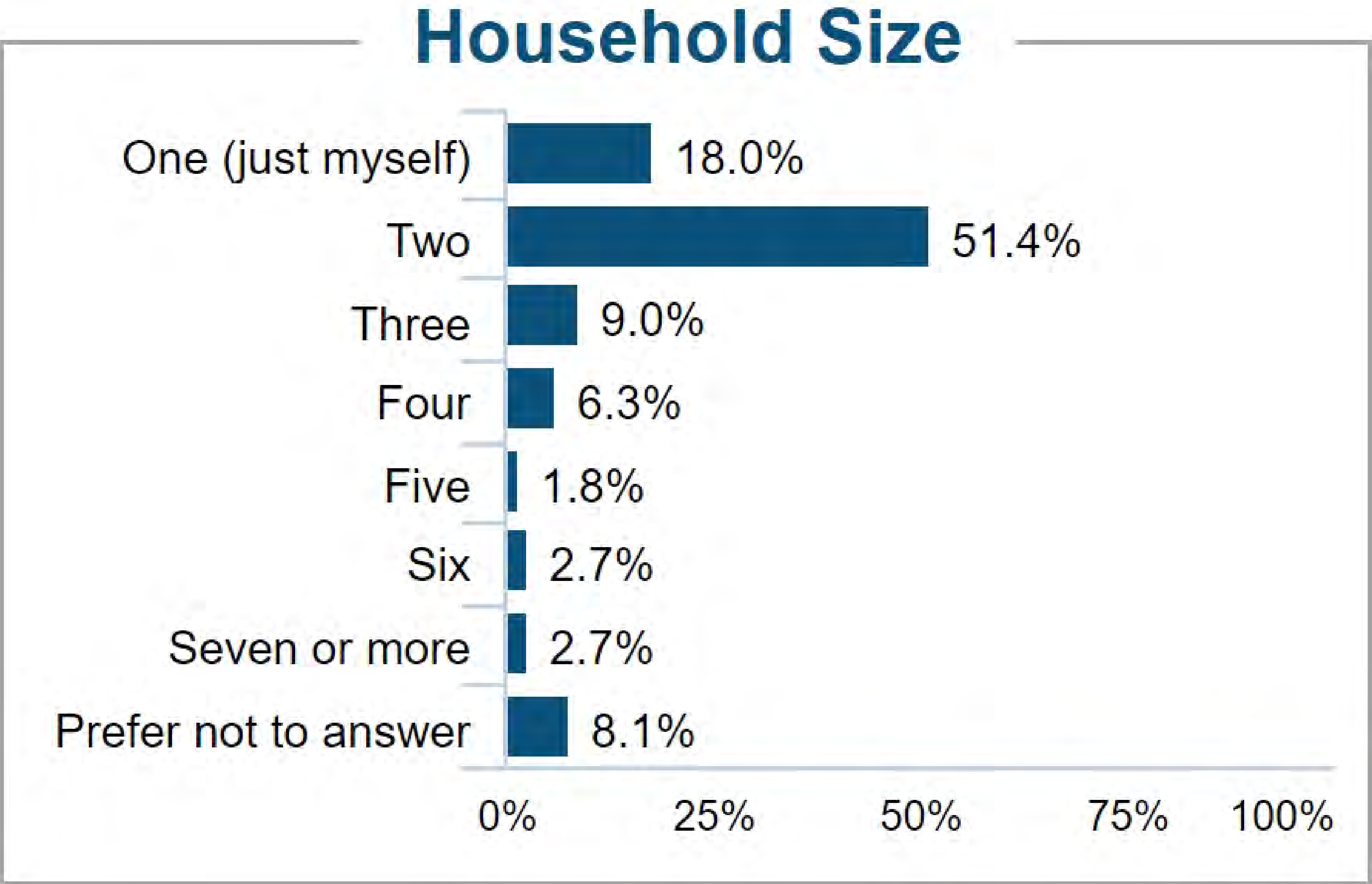
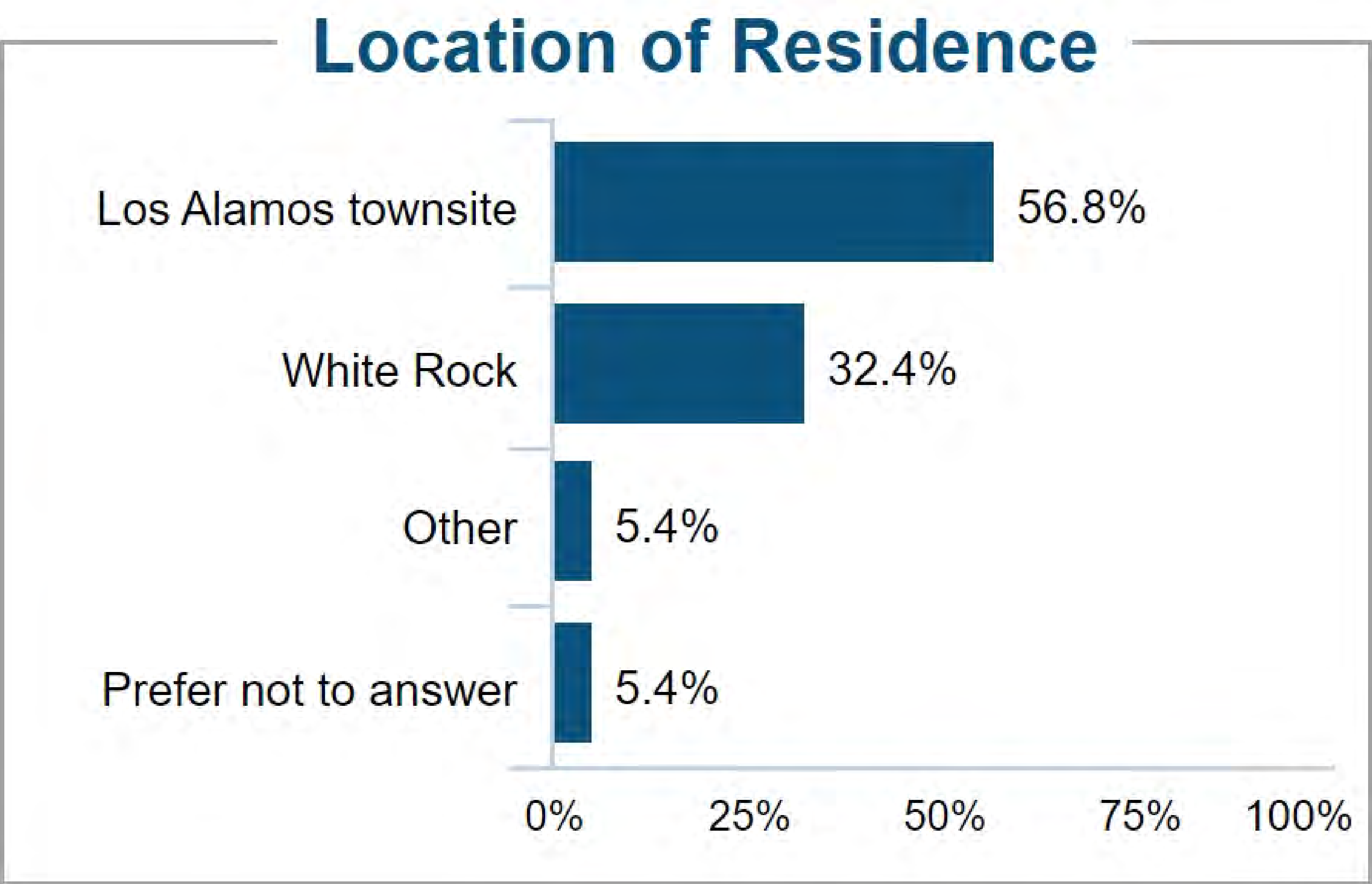
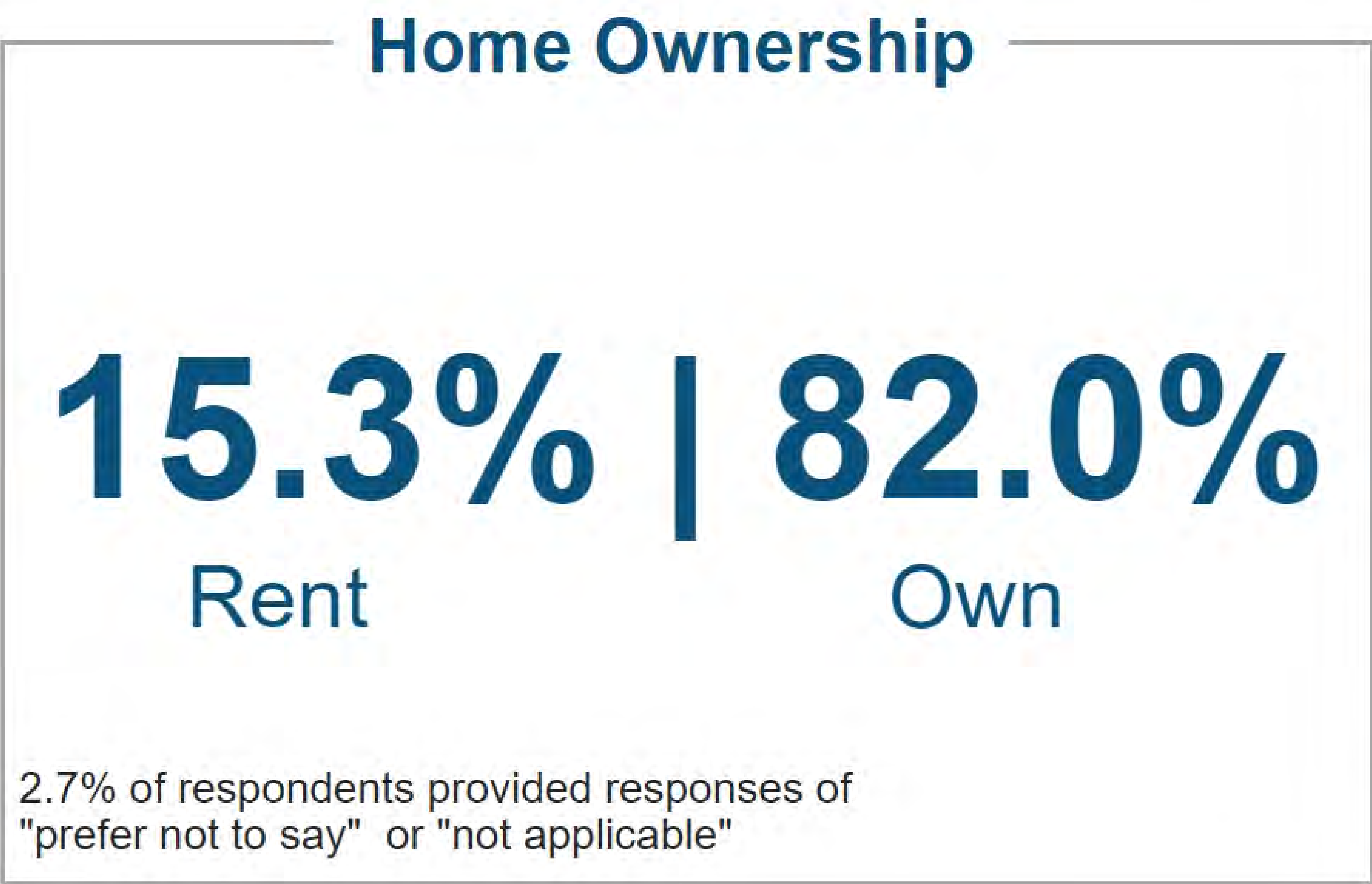
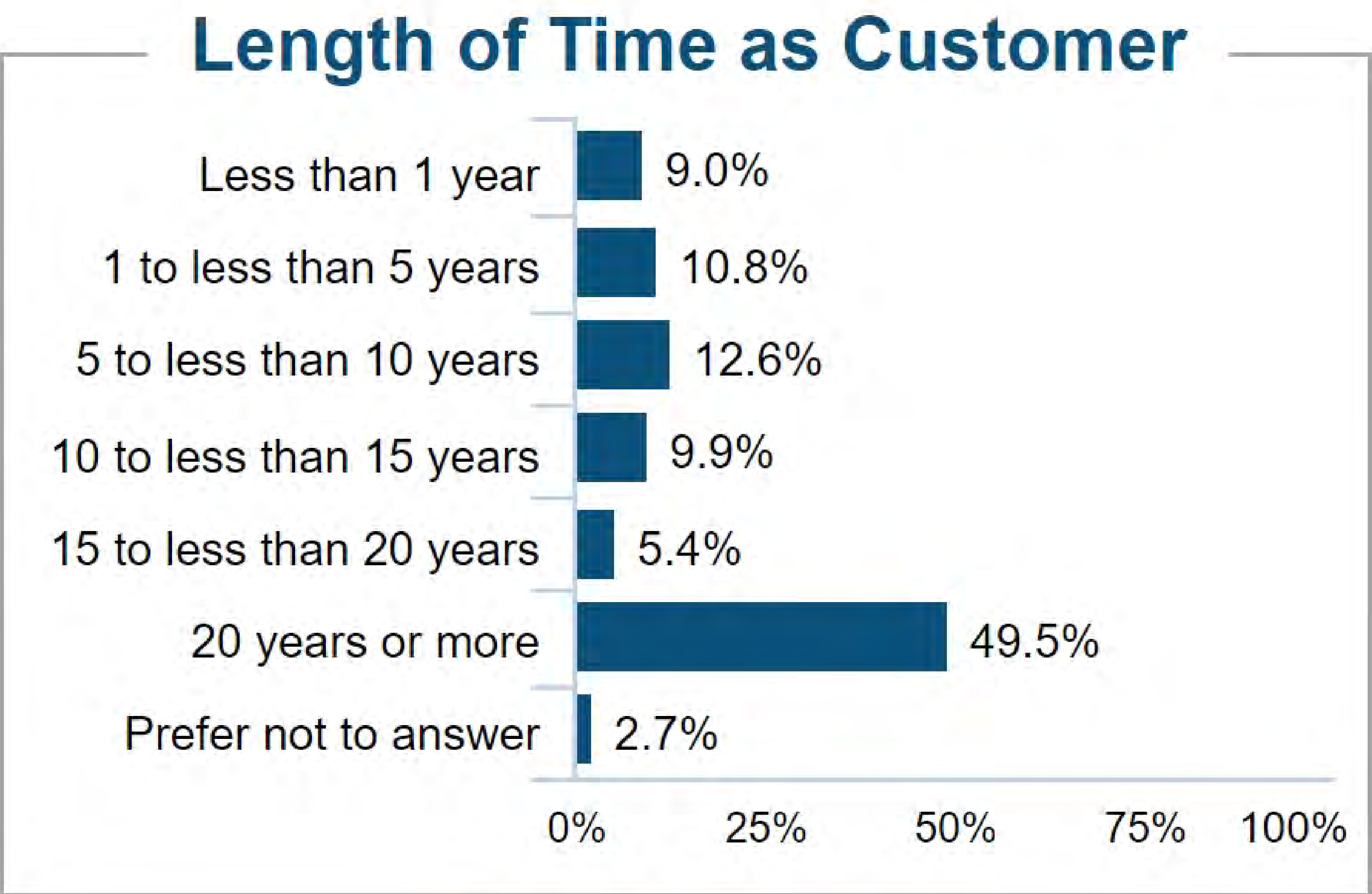
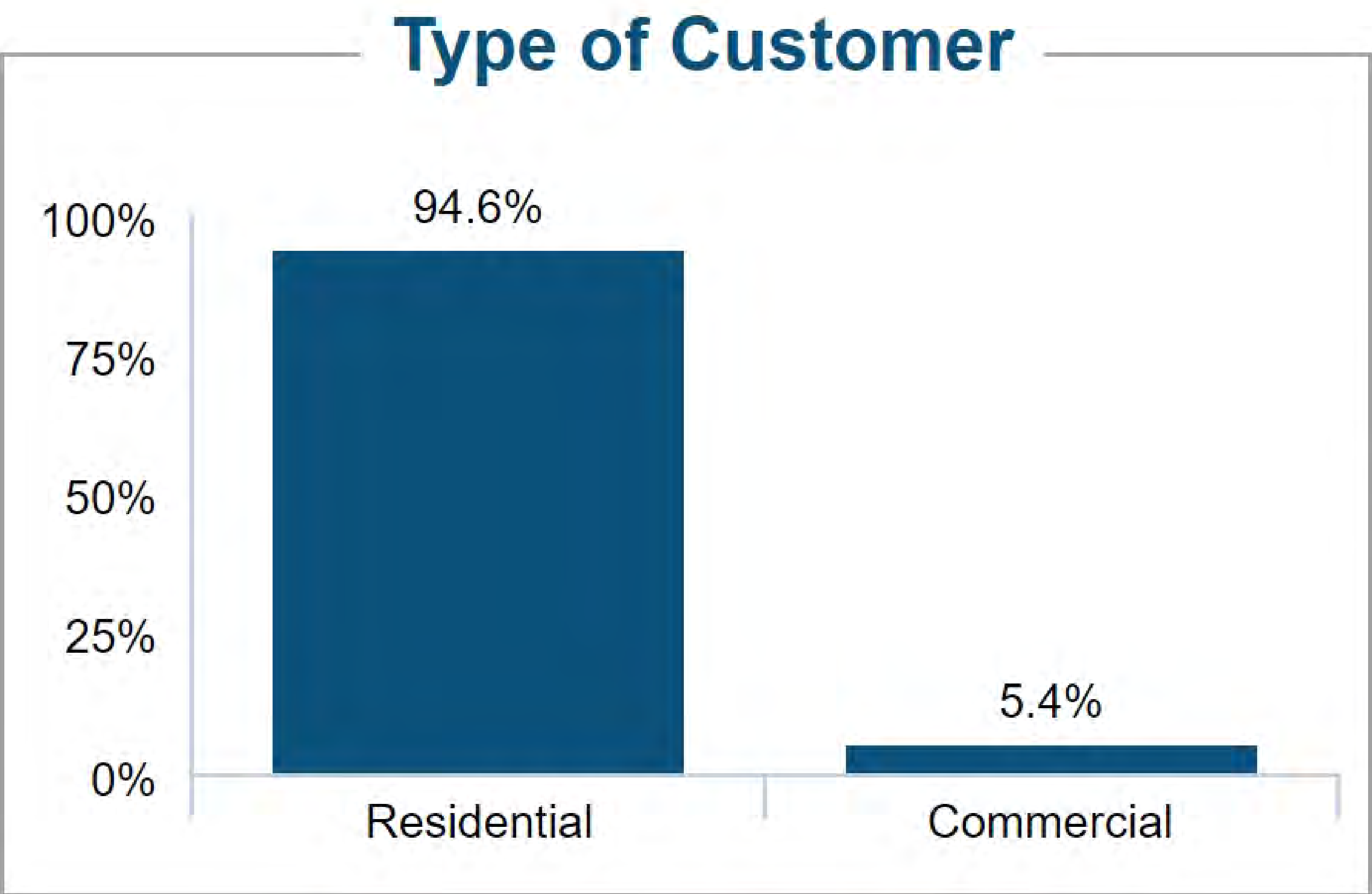
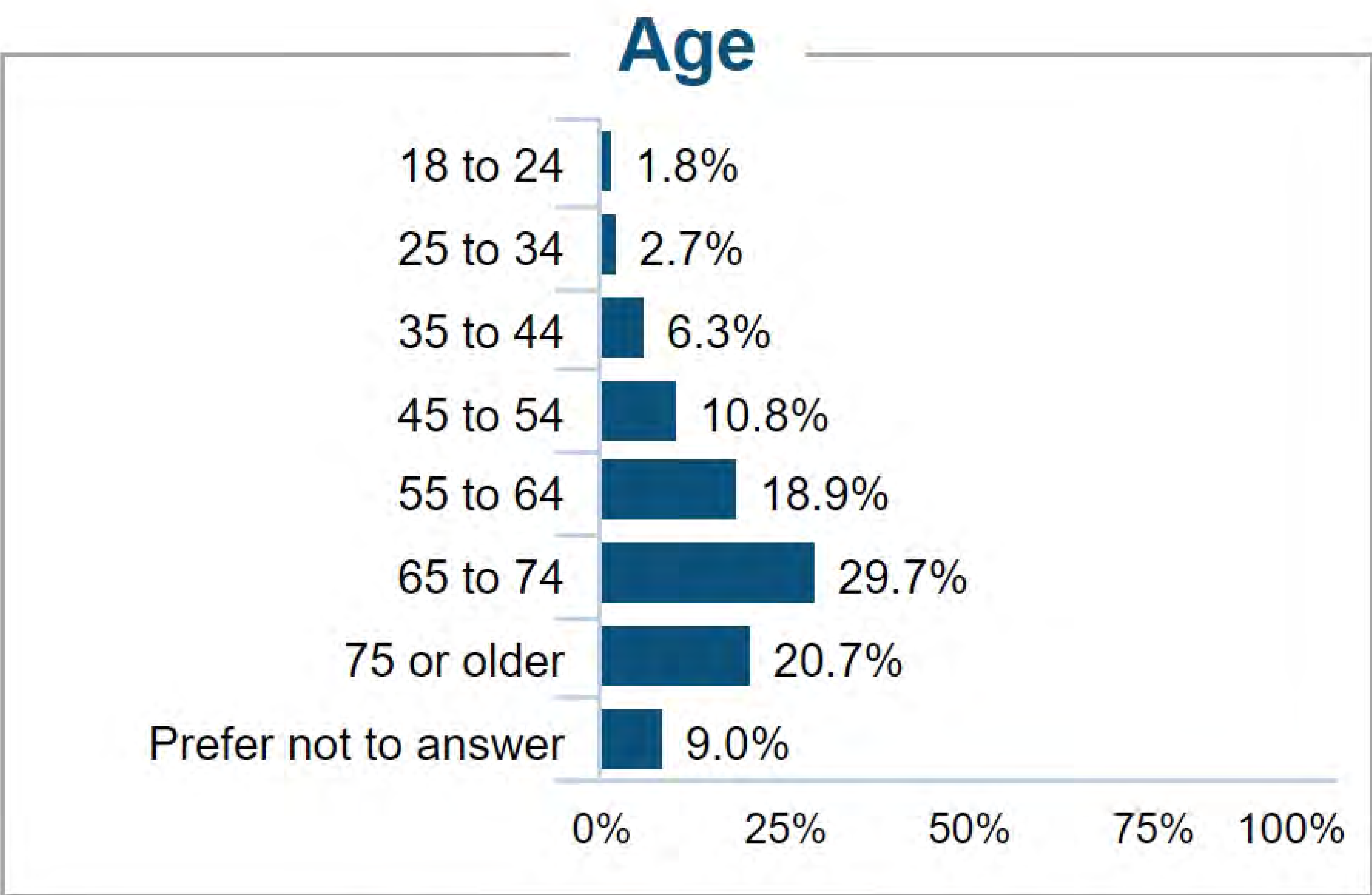


Methodology Digital	No. of Completes 111	No. of Questions 19*	Incentive None	Sample Distributed by the DPU
Target Customers who have had a recent transaction with the DPU	Quality Assurance Dual-level**	Margin of Error +/- 9.19%	Confidence Level 95%	Research Dates January 1, 2026 - June 30, 2026

* This represents the total possible number of questions; not all respondents will answer all questions based on skip patterns and other instrument bias.

** Supervisory personnel, in addition to a computer-aided interviewing platform, ensure the integrity of the data is accurate.

Respondent Profile | Demographics

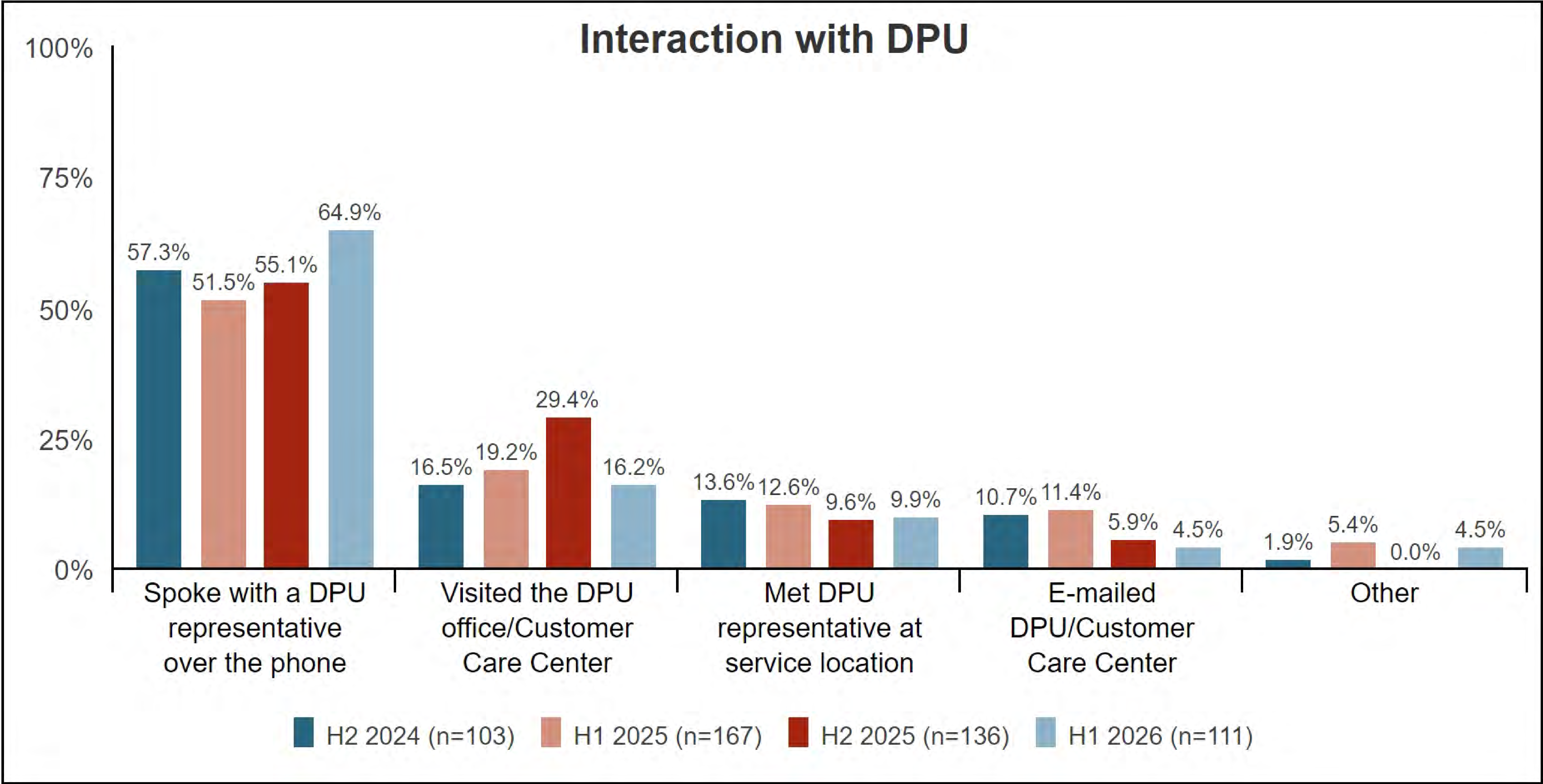
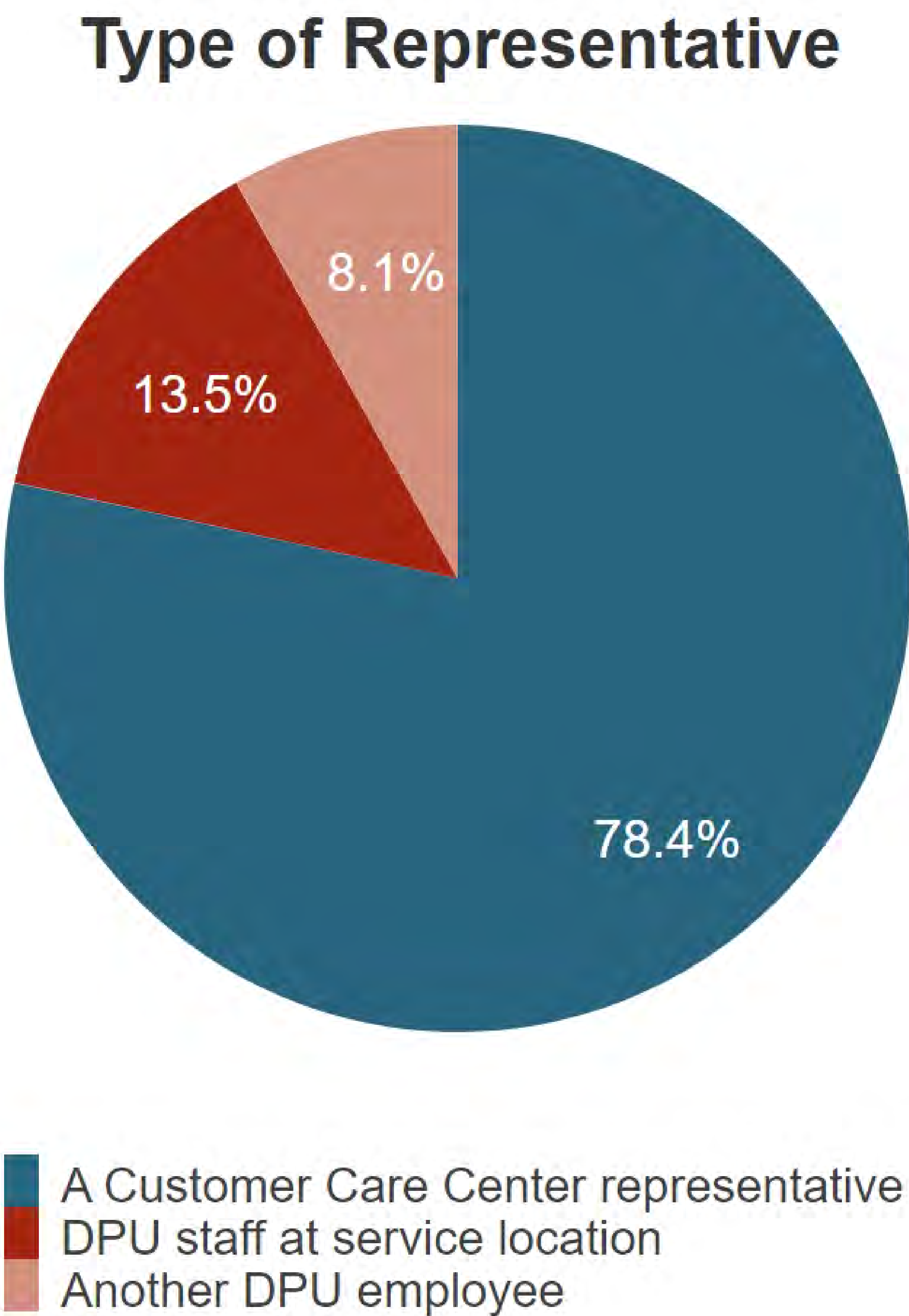


Key Study Findings



Customer Service | Interaction with DPU

Over three-quarters of respondents had a Customer Care Center representative assist them during their most recent interaction with the DPU. Additionally, nearly two-thirds of respondents spoke with a DPU representative over the phone during their most recent transaction, which was an increase compared to the second half of 2025 (+9.8 percentage points). Of note, fewer respondents visited the DPU office / Customer Care Center in the first half of 2026 in comparison to the second half of 2025 (-13.2 percentage points).



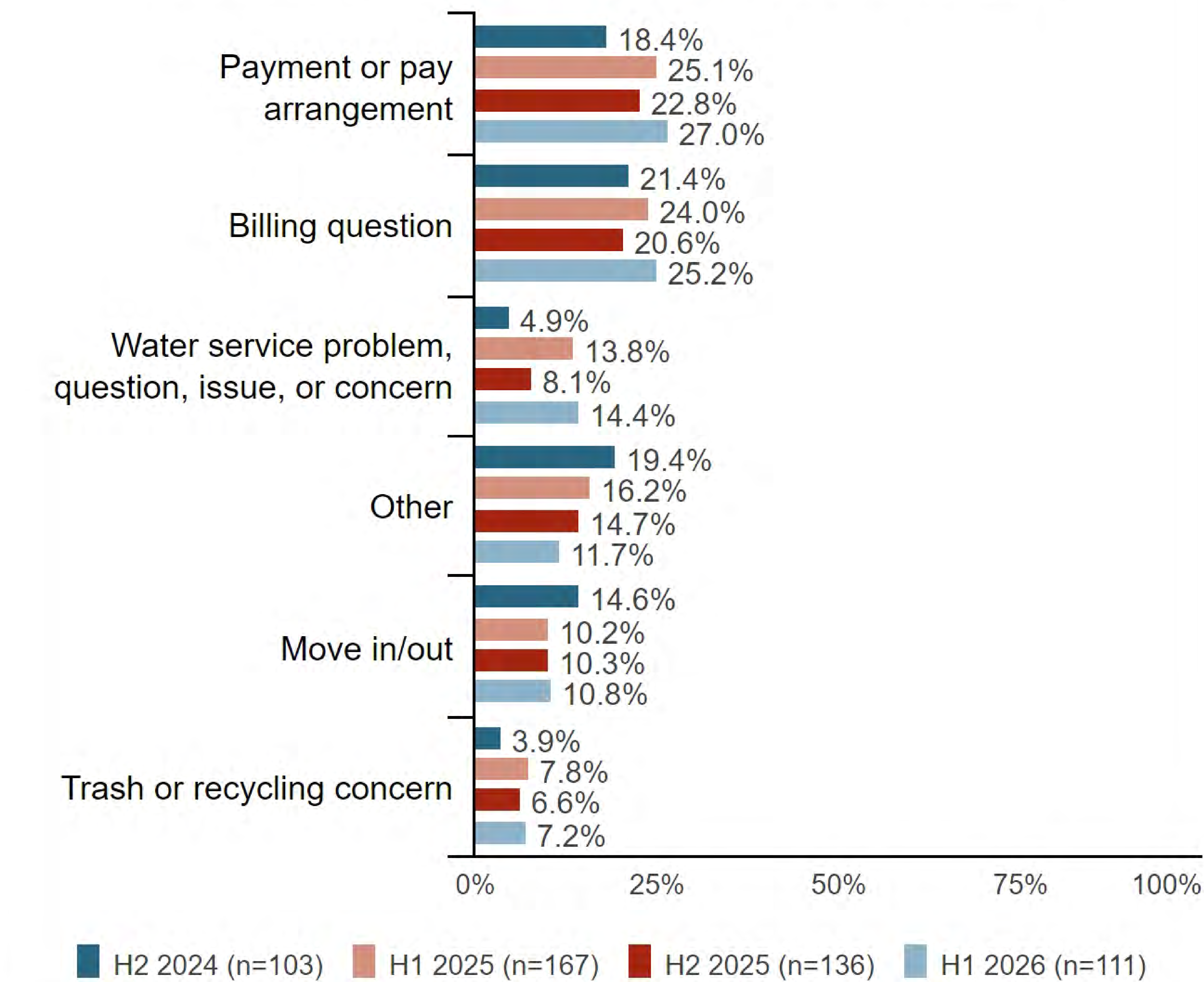
Q: Who assisted you in your most recent transaction with DPU?
Q: How did you interact with DPU?

Customer Service | Reason for Contact

"Payment or pay arrangement" was the top reason customers contacted the DPU in the first half of 2026, with more customers reporting this as their reason for contact compared to the second half of 2025 (+4.2 percentage points). "Billing question" remained the second most common reason for contact in the first half of 2026.

Of note, more customers contacted the DPU regarding a "water service problem, question, issue, or concern" compared to the second half of 2025 (+6.3 percentage points).

Reason for Most Recent Contact with DPU



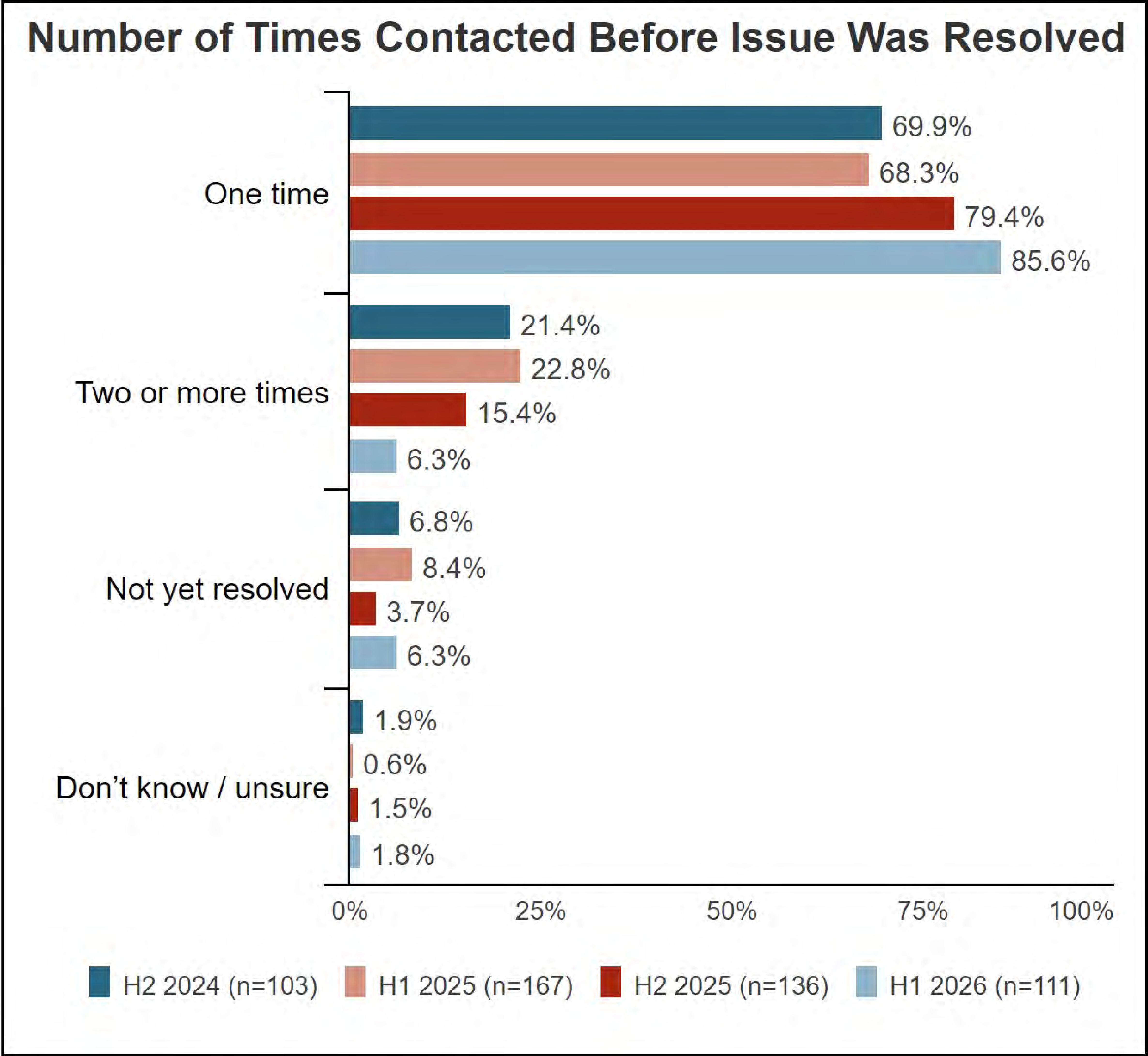
Top 6 responses shown

Q: What was the reason for your most recent contact with DPU? (Select all that apply)

Customer Service | Contact Resolution

Over eight-out-of-ten respondents had their issue or question resolved to their satisfaction during their first contact with the DPU, which was an increase compared to the second half of 2025 (+6.2 percentage points).

Furthermore, less than one-out-of-ten of respondents contacted the DPU more than once before their issue was resolved, which was a decrease compared to the second half of 2025 (-9.1 percentage points).



Q: Regarding your reason for contacting DPU, how many times did you need to contact DPU before your issue or question was resolved to your satisfaction?

Customer Service | Representative Characteristics

Overall, DPU representatives achieved an average positive rating of 91.3% in the first half of 2026, which was a slight decrease compared to the second half of 2025 (-2.0 percentage points), while representing a notable improvement compared to the first half of 2025 (+6.9 percentage points). This was driven by over nine-out-of-ten respondents providing positive ratings across nearly all representative characteristics evaluated. Respondents provided the highest positive ratings for the representative's clear communication, courtesy and professionalism, wait time or punctuality, and being knowledgeable.

Positive Ratings of DPU Representative Characteristics

	H2 2024	H1 2025	H2 2025	H1 2026
Clear communication	93.0%	83.8%	94.8%	93.5%
Courtesy and professionalism	93.1%	88.0%	94.7%	92.7%
Wait time or punctuality	90.2%	86.1%	93.9%	91.0%
Knowledgeable	93.0%	84.3%	92.4%	91.0%
Overall quality of service	90.1%	81.9%	94.6%	90.9%
Issue resolution	90.0%	82.4%	89.5%	89.0%
Average	91.6%	84.4%	93.3%	91.3%

Responses 7-10 shown, excluding "don't know" responses

H2 2024: n=103, H1 2025: n=167, H2 2025: n=136, H1 2026: n=111
Q: Please rate the DPU representative you most recently interacted with on the following characteristics, using a 10-point scale where one (1) is “very poor” and ten (10) is “very good.”

About GreatBlue





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Awareness and Perception Studies



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Journey Mapping



Creative and New Concept Testing

Michael Vigeant CEO

MJV@GreatBlueResearch.com

Chris Biggs SVP, Research & Strategy

Chris@GreatBlueResearch.com

Seamus McNamee VP, Research

Seamus@GreatBlueResearch.com

Courtney Moore Insights Manager

Courtney@GreatBlueResearch.com

Sofia Vigeant Research Analyst

Sofia@GreatBlueResearch.com

Evan Schmarr Project Assistant

Marketing@GreatBlueResearch.com



WHAT'S NEXT.



/GreatBlueResearch

20 Western Blvd
Glastonbury, CT 06033
(860) 740-4000



GreatBlue Research



County of Los Alamos

Staff Report

August 19, 2026

Los Alamos, NM 87544
www.losalamosnm.us

Agenda No.: 10.a.

Index (Council Goals):

Presenters: Philo Shelton, Utilities Manager

Legislative File: 21571-26

Title

Tickler File for August - December 2026

Attachments

A - Tickler File Aug-Dec 2026



County of Los Alamos

Los Alamos, NM 87544
www.losalamosnm.us

Combined Tickler

BPU & Council

August - December 2026

File Number

Title

Agenda Date: 08/25/2026

21707-26	Briefing/Report (Dept,BCC) - Action Requested	Business
	Possible Approval of 2026 Electric Coordination Agreement (ECA) between the Incorporated County of Los Alamos and the United States Department of Energy National Nuclear Security Administration (DOE/NNSA)	
	Department Name: DPU	Length of Presentation:
	Drop Dead Date:	Sponsors: Ben Olbrich, Deputy Utility Manager-Power Supply and Philo Shelton, Utilities Manager
AGR1218-26	General Services Agreement	Consent
	Approval of AGR26-62 with Bohannon Huston, Inc. (BHI) and their sub-consultant, John Shomaker & Associates, Inc. (JSAI), for the Revised Long-Range Water Supply Plan in the Amount of \$224,000.00 plus applicable NMGR	
	Department Name: DPU	Length of Presentation:
	Drop Dead Date:	Sponsors: James Martinez, Deputy Utility Manager-Engineering
22063-26	Construction Contract	Consent
	Approval of Task Order No. 35, Agreement No. AGR22-18a Otowi 2 and S-site Booster Station Renovations with Ritecon Construction, Inc. in the amount of \$338,619.65 and a contingency of \$100,000.00, plus Applicable Bond and Gross Receipts Tax, for the Purpose of the LAC Booster Station Rehabilitation	
	Department Name: DPU	Length of Presentation:
	Drop Dead Date:	Sponsors: James Martinez, Deputy Utility Manager-Engineering
OR1152-26	Ordinance	Introduction of Ordinance
	Introduction of Incorporated County of Los Alamos Ordinance No. 759; An Ordinance Authorizing the Execution and Delivery of a Water Project Fund Loan/Grant Agreement Between the New Mexico Finance Authority ("NMFA") and the Incorporated County of Los Alamos, New Mexico in the \$3,252,000 for the Purpose of Financing the Costs of Phases II and III of the Denver Steels Waterline Replacements	
	Department Name: DPU	Length of Presentation:
	Drop Dead Date:	Sponsors: James Martinez
CO0760-26b	Code Ordinance	Public Hearing
	Incorporated County of Los Alamos Code Ordinance No. 02-385; An Ordinance Amending Chapter 40, Article III, Sections 40-151, and 40-152 of the Code of the Incorporated County of Los Alamos Pertaining to Gas Service Rates	
	Department Name: DPU	Length of Presentation:

File Number	Title	
	Drop Dead Date:	Sponsors: Joann Gentry, Deputy Utility Manager-Finance & Admin. and Philo Shelton, Utilities Manager
Agenda Date: 08/26/2026		
21577-26a	Discussion Annual Strategic Planning for the Department of Public Utilities Department Name: DPU Drop Dead Date:	SPECIAL SESSION Length of Presentation: Sponsors: Board of Public Utilities
Agenda Date: 09/02/2026		
22024-26	Briefing/Report (Dept,BCC) - Action Requested Action to Suspend Procedural Rules for Work Session Department Name: DPU Drop Dead Date:	Approval of Agenda Length of Presentation: Sponsors: Board of Public Utilities
21577-26b	Briefing/Report (Dept, BCC) - No action requested Strategic Planning Update Department Name: DPU Drop Dead Date:	Business Length of Presentation: Sponsors: Philo Shelton, Utilities Manager
20742-26	Briefing/Report (Dept, BCC) - No action requested Discussion on Utility Data (after UNM Report) Department Name: DPU Drop Dead Date:	Business Length of Presentation: Sponsors: Philo Shelton, Utilities Manager
21387-26	Briefing/Report (Dept, BCC) - No action requested Department of Public Utilities Quarterly Report for Fiscal Year 2026 - Quarter 4 Department Name: DPU Drop Dead Date:	Business Length of Presentation: Sponsors: Abbey Hayward, Public Relations Manager
21575-26b	Discussion Approval and Reaffirmation of the BPU Procedural Rules Department Name: DPU Drop Dead Date:	Business Length of Presentation: Sponsors: Cristella Valdez, Assistant County Attorney
CO0768-26.4	Code Ordinance Incorporated County of Los Alamos Code Ordinance No. 02-387; An Ordinance Amending the Department of Public Utilities' Water Service Rate Schedules, Chapter 40, Article III, Sections 40-171, 40-173 and 40-175, and adding new Sections 40-176, 40-177, and 40-178 to the Incorporated County of Los Alamos Code Department Name: DPU	Public Hearing Length of Presentation:

File Number	Title

Drop Dead Date:

Sponsors: Joann Gentry, Deputy Utility Manager-Finance & Admin.

Agenda Date: 09/08/2026

CO0768-26 Code Ordinance Introduction of Ordinance

Introduction of Incorporated County of Los Alamos Code Ordinance No. 02-387; An Ordinance Amending the Department of Public Utilities' Water Service Rate Schedules, Chapter 40, Article III, Sections 40-171, 40-173 and 40-175, and adding new Sections 40-176, 40-177, and 40-178 to the Incorporated County of Los Alamos Code

Department Name: DPU

Length of Presentation:

Drop Dead Date:

Sponsors: Joann Gentry, Deputy Utility Manager-Finance & Admin.

OR1152-26b Ordinance Public Hearing

Incorporated County of Los Alamos Ordinance No. 759; An Ordinance Authorizing the Execution and Delivery of a Water Project Fund Loan/Grant Agreement Between the New Mexico Finance Authority ("NMFA") and the Incorporated County of Los Alamos, New Mexico in the \$3,252,000 for the Purpose of Financing the Costs of Phases II and III of the Denver Steels Waterline Replacements

Department Name: DPU

Length of Presentation:

Drop Dead Date:

Sponsors: James Martinez

Agenda Date: 09/16/2026

AGR1219-26a General Services Agreement Business

Approval of Services Agreement No. AGR___-___ with [vendor] in the amount of \$[amount], plus Applicable Gross Receipts Tax, for the Purpose of the Abiquiu and El Vado Condition Assessment for County of Los Alamos for the Term of _____

Department Name: DPU

Length of Presentation:

Drop Dead Date:

Sponsors: James Martinez, Deputy Utility Manager-Engineering

21065-26 Briefing/Report (Dept, BCC) - No action requested Business

Extended Day-Ahead Market (EDAM) Update by UAMPS

Department Name: DPU

Length of Presentation:

Drop Dead Date:

Sponsors: Philo Shelton, Utilities Manager

21577-26c Briefing/Report (Dept,BCC) - Action Requested Business

Approval of DPU Mission, Vision and Values, and the FY27 Strategic Goals and Objectives

Department Name: DPU

Length of Presentation:

Drop Dead Date:

Sponsors: Philo Shelton, Utilities Manager

21894-26a Construction Contract Consent

Award of Bid No. _____-___ for the Purpose of Installation of Conduit, Switches and Transformers at Camp May with [Name of Vendor] in the Amount of \$[amount of contract], plus Applicable Gross Receipts Tax for the Term of _____

Department Name: DPU

Length of Presentation:

Drop Dead Date:

Sponsors: Dennis Astley, Deputy Utility Manager-Electric Distribution

File Number	Title	
21897-26a	Construction Contract	Consent
	Award of Bid No. _____ - ____ for the Purpose of Establishing an On-Call Powerline Contract to Support the Make Ready Work for the Atomic Fiber Project with [Name of Vendor] in the Amount of \$[amount of contract], plus Applicable Gross Receipts Tax for the Term of _____	
	Department Name: DPU	Length of Presentation:
	Drop Dead Date:	Sponsors: Dennis Astley, Deputy Utility Manager-Electric Distribution
21713-26a	Budget Item	Consent
	Approval of Budget Revision No. 2027-xx for DPU Budget Carryovers from FY2026 to FY2027	
	Department Name: DPU	Length of Presentation:
	Drop Dead Date:	Sponsors: Joann Gentry, Deputy Utility Manager-Finance & Admin.
21625-26	Minutes	Consent
	Approval of Board of Public Utilities Meeting Minutes	
	Department Name: DPU	Length of Presentation:
	Drop Dead Date:	Sponsors: Board of Public Utilities
21626-26	Status Report	Status Reports
	Status Reports	
	Department Name: DPU	Length of Presentation:
	Drop Dead Date:	Sponsors: Philo Shelton, Utilities Manager
21627-26	Calendar	Tickler
	Tickler File	
	Department Name: DPU	Length of Presentation:
	Drop Dead Date:	Sponsors: Philo Shelton, Utilities Manager
Agenda Date: 09/29/2026		
21713-26	Budget Item	Consent
	Approval of Budget Revision No. 2027-xx for DPU Budget Carryovers from FY2026 to FY2027	
	Department Name: DPU	Length of Presentation:
	Drop Dead Date:	Sponsors: Joann Gentry, Deputy Utility Manager-Finance & Admin. and Tara Mariano, Senior Budget Analyst
21897-26	Construction Contract	Consent
	Award of Bid No. _____ - ____ for the Purpose of Establishing an On-Call Powerline Contract to Support the Make Ready Work for the Atomic Fiber Project with [Name of Vendor] in the Amount of \$[amount of contract], plus Applicable Gross Receipts Tax for the Term of _____	
	Department Name: DPU	Length of Presentation:
	Drop Dead Date:	Sponsors: Dennis Astley, Deputy Utility Manager-Electric Distribution
21894-26	Construction Contract	Consent
	Award of Bid No. _____ - ____ for the Purpose of Installation of Conduit, Switches and Transformers at Camp May with [Name of Vendor] in the Amount of \$[amount of contract], plus Applicable Gross Receipts Tax for the Term of _____	
	Department Name: DPU	Length of Presentation:

File Number	Title	
	Drop Dead Date: Sponsors: Dennis Astley, Deputy Utility Manager-Electric Distribution	
AGR1219-26	General Services Agreement Approval of Services Agreement No. AGR__ - ____ with [vendor] in the amount of \$[amount], plus Applicable Gross Receipts Tax, for the Purpose of the Abiquiu and El Vado Condition Assessment for County of Los Alamos for the Term of ____ Department Name: DPU Drop Dead Date:	Consent Length of Presentation: Sponsors: James Martinez, Deputy Utility Manager-Engineering
RE0681-26	Resolution Incorporated County of Los Alamos Resolution No. 26-xx; A Resolution Removing Uncollectible Utility Accounts from the Incorporated County of Los Alamos Accounts Receivables List for Fiscal Year 2022 Department Name: DPU Drop Dead Date:	Public Hearing Length of Presentation: Sponsors: Joann Gentry, Deputy Utility Manager-Finance & Admin.
CO0768-26b	Code Ordinance Incorporated County of Los Alamos Code Ordinance No. 02-387; An Ordinance Amending the Department of Public Utilities' Water Service Rate Schedules, Chapter 40, Article III, Sections 40-171, 40-173 and 40-175, and adding new Sections 40-176, 40-177, and 40-178 to the Incorporated County of Los Alamos Code Department Name: DPU Drop Dead Date:	Public Hearing Length of Presentation: Sponsors: Joann Gentry, Deputy Utility Manager-Finance & Admin.
Agenda Date: 10/07/2026		
21717-26	Briefing/Report (Dept, BCC) - No action requested Annual Update: Integrated Resource Plan (IRP) Implementation Department Name: DPU Drop Dead Date:	Business Length of Presentation: Sponsors: Ben Olbrich, Deputy Utility Manager-Power Supply
21718-26	Briefing/Report (Dept, BCC) - No action requested Annual Update - Gas Distribution System Department Name: DPU Drop Dead Date:	Business Business Length of Presentation: Sponsors: Clay Moseley, Deputy Utility Manager-GWS Services
21716-26	Closed Session Mid Year Review of Utilities Manager Performance Department Name: DPU Drop Dead Date:	CLOSED SESSION Length of Presentation: Sponsors: Board of Public Utilities
21421-26b	Briefing/Report (Dept, BCC) - No action requested Financial & Reserve Policies Department Name: DPU	Dept. Business Length of Presentation:

File Number	Title

Drop Dead Date:

Sponsors: Joann Gentry, Deputy Utility Manager-Finance & Admin.

Agenda Date: 10/21/2026

21629-26	Minutes	Consent
	Approval of Board of Public Utilities Meeting Minutes	
	Department Name: DPU	Length of Presentation:
	Drop Dead Date:	Sponsors: Board of Public Utilities
21630-26	Status Report	Status Reports
	Status Reports	
	Department Name: DPU	Length of Presentation:
	Drop Dead Date:	Sponsors: Philo Shelton, Utilities Manager
21631-26	Calendar	Tickler
	Tickler File	
	Department Name: DPU	Length of Presentation:
	Drop Dead Date:	Sponsors: Philo Shelton, Utilities Manager

Agenda Date: 11/04/2026

21691-26	Briefing/Report (Dept, BCC) - No action requested	Business
	DPU Cost Comparisons with National Data Collected by APPA and AWWA	
	Department Name: DPU	Length of Presentation:
	Drop Dead Date:	Sponsors: Philo Shelton, Utilities Manager
21719-26a	Discussion	Business
	Annual Self Evaluation of the Board of Public Utilities	
	Department Name: DPU	Length of Presentation:
	Drop Dead Date:	Sponsors: Board of Public Utilities
21508-26b	Briefing/Report (Dept, BCC) - No action requested	Business
	Continued Electric Distribution Undergrounding Discussion	
	Department Name: DPU	Length of Presentation:
	Drop Dead Date:	Sponsors: Dennis Astley
20743-26a	Briefing/Report (Dept, BCC) - No action requested	Business
	Biannual Review of DPU Rules & Regulations - Fee Schedule	
	Department Name: DPU	Length of Presentation:
	Drop Dead Date:	Sponsors: Philo Shelton and Joann Gentry

Agenda Date: 11/18/2026

21719-26b	Briefing/Report (Dept,BCC) - Action Requested	Business

File Number	Title	
	Review & Possible Approval of the Board of Public Utilities Annual Evaluation Results	
	Department Name: DPU	Length of Presentation:
	Drop Dead Date:	Sponsors: Board of Public Utilities
20743-26	Briefing/Report (Dept,BCC) - Action Requested	Consent
	Approval of Changes to the Department of Public Utilities Rules & Regulations - Fee Schedule	
	Department Name: DPU	Length of Presentation:
	Drop Dead Date:	Sponsors: Joann Gentry, Deputy Utility Manager-Finance & Admin.
21632-26	Minutes	Consent
	Approval of Board of Public Utilities Meeting Minutes	
	Department Name: DPU	Length of Presentation:
	Drop Dead Date:	Sponsors: Board of Public Utilities
21638-26	Calendar	General Board Business
	Discussion and Possible Approval of the 2027 Board of Public Utilities Meeting Calendar	
	Department Name: DPU	Length of Presentation:
	Drop Dead Date:	Sponsors: Board of Public Utilities
21633-26	Status Report	Status Reports
	Status Reports	
	Department Name: DPU	Length of Presentation:
	Drop Dead Date:	Sponsors: Philo Shelton, Utilities Manager
21634-26	Calendar	Tickler
	Tickler File	
	Department Name: DPU	Length of Presentation:
	Drop Dead Date:	Sponsors: Philo Shelton, Utilities Manager
Agenda Date: 12/09/2026		
21234-26	Briefing/Report (Dept, BCC) - No action requested	Business
	Annual Update on Electric Production - Hydroelectric Facilities (and Long-Term Plan)	
	Department Name: DPU	Length of Presentation:
	Drop Dead Date:	Sponsors: Ben Olbrich, Deputy Utility Manager-Power Supply
21420-26	Briefing/Report (Dept, BCC) - No action requested	Business
	Hydroelectric Plants Condition Assessment Including Long-Term Plan for El Vado	
	Department Name: DPU	Length of Presentation:
	Drop Dead Date:	Sponsors: Ben Olbrich, Deputy Utility Manager-Power Supply
21721-26	Status Report	Business
	DPU Quarter 1 Report for Fiscal Year 2027 (Jul-Sep)	

File Number	Title	
	Department Name: DPU Drop Dead Date:	Length of Presentation: Sponsors: Abbey Hayward, Public Relations Manager
21635-26	Minutes Approval of Board of Public Utilities Meeting Minutes Department Name: DPU Drop Dead Date:	Consent Length of Presentation: Sponsors: Board of Public Utilities
21636-26	Status Report Status Reports Department Name: DPU Drop Dead Date:	Status Reports Length of Presentation: Sponsors: Philo Shelton, Utilities Manager
21637-26	Calendar Tickler File Department Name: DPU Drop Dead Date:	Tickler Length of Presentation: Sponsors: Philo Shelton, Utilities Manager
Agenda Date: 12/27/2026		
21694-26	Presentation PARKING LOT: Mozart Presentation Department Name: DPU Drop Dead Date:	Business Length of Presentation: Sponsors: Philo Shelton, Utilities Manager
21644-26b	Briefing/Report (Dept, BCC) - No action requested PARKING LOT: Discussion & Possible Approval of the On Bill Financing Program Department Name: DPU Drop Dead Date:	Dept. Business Length of Presentation: Sponsors: Abbey Hayward, Public Relations Manager and Angelica Gurule, Sustainability Manager

INCORPORATED COUNTY OF LOS ALAMOS RESOLUTION NO. 26-01

A RESOLUTION ESTABLISHING MINIMUM STANDARDS OF REASONABLE NOTICE TO THE PUBLIC FOR ALL MEETINGS OF THE COUNCIL, COUNTY BOARDS, COMMISSIONS, AND OTHER PUBLIC BODIES CREATED BY THE STATE AND THOSE APPOINTED BY THE COUNCIL (COLLECTIVELY “APPOINTED COUNTY COMMITTEES”)

WHEREAS, the democratic ideal is best served by a well-informed public, and sunshine laws generally require that public business be conducted in full public view, that the actions of public bodies be taken openly, and that the deliberations of public bodies be open to the public; and

WHEREAS, the Open Meetings Act states that, except as may be otherwise provided in the Constitution or the provisions of the Open Meetings Act, all meetings of a quorum of members of any board, council, commission, administrative adjudicatory body or other policymaking body held for the purpose of formulating public policy, discussing public business, or for the purpose of taking any action within the authority of or the delegated authority of such body, are declared to be public meetings open to the public at all times [Section 10-15-1(B) NMSA 1978]; and

WHEREAS, when it is difficult or impossible for a member to attend a meeting in person, the member may participate by means of a conference telephone, video communications, or similar communications equipment [Section 10-15-1(C) NMSA 1978]; and

WHEREAS, any meetings subject to the Open Meetings Act at which the discussion or adoption of any proposed resolution, rule, regulation or formal action occurs shall be held only after reasonable notice to the public [Section 10-15-1(D) NMSA 1978]; and

WHEREAS, the Open Meetings Act requires the Council of the Incorporated County of Los Alamos (“Council”) to determine annually what constitutes reasonable notice of its public meetings and those of all County boards, commissions and policymaking bodies [Section 10-15-1(D) NMSA 1978]; and

WHEREAS, the Council wishes to establish the minimum standards of reasonable notice to the public for all public meetings of the Council and all Appointed County Committees, as defined herein, for the remainder of the year 2026, and until a new resolution concerning public meetings is adopted.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Incorporated County of Los Alamos as follows:

I. General Provisions

A. All meetings of a quorum of the Council of the Incorporated County of Los Alamos shall be open to the public except where specifically provided for in the State of New Mexico’s Open Meetings Act, NMSA 1978 §10-15-1, and as provided herein.

B. All meetings of a quorum of an Appointed County Committee shall be open to the public except where specifically provided for in the State of New Mexico’s Open Meetings Act, NMSA 1978 §10-15-1, and as provided herein. Appointed County Committees are defined as the



Boards, Commissions, Committees, Task Forces, etc., that are created by State Statute, County ordinance, or through formal Council action, and include but are not limited to the following:

- Art in Public Places Board
- Board of Appeals
- Board of Public Utilities
- DWI Planning Council
- Environmental Sustainability Board
- Historic Preservation Advisory Board
- Library Board
- Lodgers' Tax Advisory Board
- Los Alamos County Health Council
- Parks and Recreation Board
- Personnel Board
- Planning and Zoning Commission
- Transportation Board
- Valuation Protests Board

II. Regular Meetings.

A. Council Meetings.

All meetings of the Council shall be held on the dates specified in the schedule attached to this Resolution as Schedule A unless notice is otherwise provided at least seventy-two (72) hours in advance of the meeting date. An agenda for all regular meetings of the Council shall be available at least seventy-two (72) hours prior to the meeting from personnel in the Office of the County Manager. All agendas shall be posted on the County's website, provided the website is operational during the period of seventy-two (72) hours prior to the meeting.

B. Appointed County Committee Meetings.

Notice of regular meetings of all Appointed County Committees shall be given no less than ten (10) days in advance of the meeting date. The notice may include an agenda for the meeting or indicate how a copy of the agenda may be obtained. An agenda shall be available at least seventy-two (72) hours prior to the meeting. All meetings of each Appointed County Committee shall be held at the time and at the place indicated in the meeting notice. Each Appointed County Committee may adopt a schedule of its regular meetings for the present calendar year or the balance thereof. Such a schedule shall contain the date, time, and place of each regular meeting. For purposes of Paragraph V of this Resolution, notice of all regular meetings contained in such schedule is met if a copy of the schedule is posted and provided to the media as provided for in Paragraph V of this Resolution; provided, however, that Appointed County Committee must still post and provide to the media a copy of the agenda prior to each regularly scheduled meeting as required under this Resolution. All agendas shall be posted on the County's website, provided the website is operational during the period of seventy-two (72) hours prior to the meeting.

III. Special meetings.

Special Meetings may be called by the Chair or a majority of the members of the Council or respective Appointed County Committee upon at least seventy-two (72) hours' notice. The

notice shall include an agenda for the meeting or information to indicate how a copy of the agenda may be obtained. An agenda for the meeting shall be available to the public and posted on the County's website at least seventy-two (72) hours before any special meeting, provided the website is operational during the period of seventy-two (72) hours prior to the meeting.

IV. Emergency meetings.

Emergency Meetings may only be called under unforeseen circumstances which demand immediate action to protect the health, safety and property of citizens or to protect the public body from substantial financial loss. The Council and all Appointed Council Committees shall avoid emergency meetings whenever possible. Emergency meetings may be called by the Chair or a majority of the members of the Council or the respective Appointed Council Committee upon twenty-four (24) hours' notice, unless threat of personal injury or property damage requires less notice. The notice for all emergency meetings shall include an agenda for the meeting or information on how the public may obtain a copy of the agenda, which shall be posted on the County's website as soon as is practicable after the agenda is created, provided the website is operational during the period prior to the meeting.

V. Notice Requirements.

A. For the purposes of regular meetings described in Paragraph II of this Resolution, notice requirements are met if notice of the date, time, and place is posted in a conspicuous place in the vicinity of the front door of the Municipal Building located at 1000 Central Avenue, Los Alamos, New Mexico and visible from the exterior of the building, as well as being posted on the County's website, provided the website is operational. Copies of the notice shall be provided to those broadcast stations licensed by the Federal Communications Commission and newspapers of general circulation which have made a written request for notice of public meetings for the coming calendar year. Only one such written request shall be required for each calendar year.

B. For the purposes of special meetings described in Paragraph III of this Resolution, notice requirements are met if notice of the date, time, place and agenda is posted in a conspicuous place in the vicinity of the front door of the Municipal Building at 1000 Central Avenue, Los Alamos, New Mexico and visible from the exterior, as well as being posted on the County's website, provided the website is operational. Copies of the notice shall be provided to those broadcast stations licensed by the Federal Communications Commission and newspapers of general circulation which have made a written request for notice of public meetings for the coming calendar year. Only one such written request shall be required for each calendar year.

C. For the purposes of emergency meetings described in Paragraph IV of this Resolution, notice requirements are met if notice of the date, time, place and agenda is posted in a conspicuous place in the vicinity of the front door of the Municipal Building at 1000 Central Avenue, Los Alamos, New Mexico and visible from the exterior and posted on the County's website as soon as is practicable, provided the website is operational. Copies of the notice shall be provided to those broadcast stations licensed by the Federal Communications Commission and newspapers of general circulation which have made a written request for notice of public meetings for the coming calendar year. Only one such written request shall be required for each calendar year.

D. In addition to the information specified above, all notices shall include the following language:

"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 of the meeting, please contact the County Human Resources Department at (505)662-8040 at least one (1) week prior to the meeting or as soon as possible. Public documents, including the agenda and minutes, can be provided in various accessible formats. Please contact the personnel in the Office of the County Manager at (505)663-1750, if a summary or other type of accessible format is needed."

VI. Closure of Public Meetings.

The Council and all Appointed Council Committees may close a meeting to the public only if authorized by the Open Meetings Act [Section 10-15-1H NMSA 1978]:

A. If any meeting is closed during an open meeting, such closure shall be approved by a majority vote of a quorum of the Council or respective Appointed Council Committee, as applicable, taken during the open meeting. The authority for the closure and the subjects to be discussed shall be stated with reasonable specificity in the motion for closure and the vote on closure of each individual member shall be recorded in the minutes. Only those subjects specified in the motion may be discussed in the closed meeting.

B. If the decision to hold a closed meeting is made when the Council or an Appointed Council Committee is not in an open meeting, the closed meeting shall not be held until public notice, appropriate under the circumstances, stating the specific provision of law authorizing the closed meeting and the subjects to be discussed with reasonable specificity is given to the members and to the general public.

C. Following completion of any closed meeting, the minutes of the open meeting that was closed, or the minutes of the next open meeting if the closed meeting was separately scheduled, shall state whether the matters discussed in the closed meeting were limited only to those specified in the motion or notice for closure.

D. Except as provided in the Open Meetings Act, any action taken as a result of discussions in a closed meeting shall be made by a vote of the Council or respective Appointed Council Committee, in an open public meeting [Section 10-15-1(H) NMSA 1978].

VII. Remote Attendance.

Any member may participate by means of a conference telephone, video communication, or similar communications equipment when it is difficult or impossible for a member to attend a meeting in person, provided that each member participating by other means can be identified when speaking, all participants are able to hear each other at the same time and members of the public meeting attending the meeting are able to hear any member of the public body who speaks during the meeting.

VIII. Public Health Emergency.

In the event this Resolution is in effect during a public health emergency, the conduct of public meetings shall comport with any and all public health orders issued by the New Mexico

Department of Health and comply with all guidance documents including advisory opinions issued by the Open Government Division of the Office of the Attorney General for the State of New Mexico. To the degree that this Resolution conflicts with these public health orders or the advisory opinions of the Attorney General, the provisions of the public health orders and the advisory opinions of the Attorney General shall control.

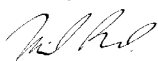
PASSED AND ADOPTED this 6th day of January 2026.

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



**Randall T. Ryti,
Council Chair**

ATTEST:



**Michael D. Redondo,
Los Alamos County Clerk**





2026 Los Alamos County Council Calendar

Regular meetings will be held in Council Chambers in the Municipal Building at 1000 Central Avenue or at Fire Station 3, 129 State Road 4 in White Rock. Tuesday meetings start at 6:00 PM. Work Sessions maybe held at Fire Station No. 3, 129 State Road 4 in White Rock. Special meetings are scheduled as needed.

NMC Legislative Conf.
Jan. 19 - 22
Santa Fe

Martin Luther King Jr. Day

2026 State Legislative
Session
1/20 - Opening Day
2/19 - Session Ends

NMML Municipal Day
2/6 - Santa Fe
DC Advocacy Trip
3/22-3/26 Tentative

Presidents' Day

Washington, DC CONFERENCES

NACO legislative
Conference
Feb 21 - 24
Washington D.C.

NLC Congressional
City Conference
March 16 - 18
Washington, D.C.

Waste Management
Symposium
March 8 - 12
Phoenix, AZ

LAPS Spring Break
March 30-Apr 3

NACO Western
Region Conf. (WIR)
May 5-8
Maui County, Hawaii

Memorial Day

NMC Annual
Conference
June 15 - 18
McKinley County

Juneteenth

January						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

LA

WR

LA

February						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28

LA

WR

LA

March						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

LA

WR

LA

April						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

LA

LA

May						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

WR

WR

WR

June						
S	M	T	W	T	F	S
	1		3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

LA

WR

LA

July						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

4th of July

LA

WR

LA

August						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

LA

WR

LA

September						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

LA

WR

LA

October						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

WR

Indigenous People Day

WR

WR

November						
S	M	T	W	T	F	S
1	2		4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

LA Veteran's Day

LA

Thanksgiving and day after

December						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

LA

LA

Christmas Day Holiday

January 2027						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

NACO Annual Conf.
July 17-20
New Orleans, LA

NMML—Annual Conf.
Sept. 1-4
Las Cruces, NM

ECA Cleanup Workshop.
Sept. 14 - 16
Washington, DC

LA Labor Day, Rosh Hashanah

WR

Yom Kippur

LA

- Council Regular Meeting
- Council Work Session
- Holidays
- Budget Hearings
- Strategic Planning
- Election

ICMA Annual Conf.
Oct. 17-21
Long Beach, CA

LAPS Fall Break
Oct. 9-12
Tentative

NLC City Summit
Nov. 18-21
Nashville, TN

NMC - BIPO
Dec. 8-10
Bernalillo County ABQ

Budget Revision 2027-13

BPU Meeting Date: August 19, 2026

Council Meeting Date: September 8, 2026

Council Agenda Item #:

Fund	Department	Org	Object	Revenue (decrease)	Expenditures (decrease)	Transfers In	Transfers Out	Fund Balance (decrease)
Joint Utilities Fund	Water Distribution	54185499	8369		\$ 525,000			\$ (525,000)
Joint Utilities Fund	Water Distribution	54185495	7118	\$ 525,000				\$ 525,000
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
Purpose of Revision: The purpose of this budget revision is to cover the additional funding needed for the Denver Steels Phase II Water Service Line Replacement Project. The New Mexico Finance Authority's Board of Directors approved the request from Los Alamos County to increase the DW-6651 loan by \$525,000 at its May 28, 2026 meeting.								
Fiscal Impact: The net fiscal impact to the Joint Utilities Fund is an increase in expenditures of \$525,000 and an increase in revenue of \$525,000, resulting in a zero net impact to fund balance.				\$ 525,000	\$ 525,000	\$ -	\$ -	\$ -

Joann Gentry

Preparer

8/11/2026

Date

Philo Shelton

Department Director Signature



Budget Manager/Analyst Signature

County Manager Approval if Required

Council Chair Approval if Required