



Date: October 20, 2021

Time: 9:30 a.m.

Places: Online Zoom meeting

Event: Regular Board Meeting

Name	Company Name	Contact Information Phone Number	Email Address
Karen Nichols	LRG- Projects Manager	575-233-5742 Ext1018	
Kathi Jackson	LRG - Finance Manager	575-233-5742 Ext1005	
Patricia Charles	LRG- Projects Specialist	575-233-5742 Ext1021	
Furman Smith	LRG- Board Vice Chair	575-382-5982	
Mike Lopez	LRG- Operations Manager	575-233-5742 Ext1011	
John Schroder	LRG- Accounting Assistant	575-233-5742 Ext1006	
Martin Lopez	LRG- General Manager	575-233-5742 Ext1004	
Henry Magallanez	LRG- Board Director	575-525-9683	
Glory Juarez	LRG- Board Director	575-494-2750	
Paul Smith	LRG- Board Director	505-710-4671	
Joe Evaro	LRG- Board Secretary	575-618-0182	
Lilla Reid	Souder, Miller & Associates	575-647-0799	
Tyler Hopkins	Bohannon Huston	575-532-2670	

LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY

Draft Minutes —REGULAR BOARD OF DIRECTORS MEETING

9:30 a.m. Wednesday, October 20, 2021 ONLINE VIA ZOOM

Contact us at 575-233-5742 or board@LRGauthority.org for information, assistance, online meeting link, or to subscribe to email board meeting reminders. Email the board address or dial extension 1021 or 1018 and leave a message if requesting phone or log-in information for online meetings. Agendas are final 72 hours prior to the meeting and may be obtained at any LRGPWWA Office or at www.LRGauthority.org/noticesavisos.html

- I. **Call to Order, Roll Call to Establish Quorum:** Vice Chair Mr. F Smith called the meeting to order at 9:36 a.m. Mr. P Smith representing District #1 was present, District #2 is vacant, Mr. Evaro representing District #3 was present, Mrs. Holguin representing District #4 was absent, Mr. Magallanez representing District # 5 was present, Mrs. Juarez representing District #6 was absent, Mr. F Smith representing District #7 was present. Staff members present were General Manager Martin Lopez, Projects Manager Karen Nichols, Projects Specialist Patricia Charles, Finance Manager Kathi Jackson, Accounting Assistant John Schroder, Operations Manager Mike Lopez. Guests present were Tyler Hopkins from Bohannon, Huston and Lilla Reid from Souder, Miller & Associates.
- II. **Pledge of Allegiance:** Postponed due to online meeting
- III. **Motion to approve Agenda:** Mr. Magallanez made the motion to approve the agenda, Mrs. Juarez seconded the motion, the motion passed with all in favor.
- IV. **Approval of Minutes: Motion to approve the minutes for**

September 15, 2021 Regular Board Meeting and October 6, 2021 Special Board Meeting
Mr. Evaro made the motion to approve the minutes for September 15th and October 6th Board Meetings. Mr. Magallanez seconded the motion, the motion passed with all in favor.
- V. **Presentations:** NONE
- VI. **Public Input** - NONE
- VII. **Managers' Reports**
 - A. **General Manager:** Mr. Lopez provided a written report and stood for questions. He congratulated Mike Lopez and the Operations department for a satisfactory NMED Sanitary Survey for Valle Del Rio, South Valley System and Alto De Las Flores MDWCA System. Congratulations to Kathi Jackson and her staff for a 2020 Audit with no findings. Mr. F Smith asked how long it took for a system to become a Mutual Domestic. Mr. Lopez said in the case of Rincon they will file with the Secretary of State. They will probably try to disorganize as a Water Cooperative and form a Mutual Domestic. After submitting to the Secretary of State it should he guesstimates, it will take a month or less.
 - B. **Operations:** Mr. M Lopez provided a written report and stood for questions. The recent Sanitary Survey's were satisfactory (no deficiencies) for Valle Del Rio, South Valley System and the Alto De las Flores MDWCA. Tomorrow morning Operations is going to have Sanitary Survey's on High Valley and Talavera systems, looking forward to getting satisfactory marks on both Survey's. The

water usage was very low compared to same time last year, September this year was 39.63 million gallons and September last year usage was 53.20 million gallons.

- C. Finance:** Ms. Jackson provided a written report and stood for questions. We took in \$335,142.29 for the month of September and expenses were \$275,518.94. For the quarter our revenue was \$1,147,010.32 and expenses were \$990,834.33. She recalled that our first year in business the budget for the year was \$900,000.00 and now our expenses for the quarter are that amount, so we have grown a bit. Ms. Nichols asked if the Audit was complete, Ms. Jackson said it was pretty much complete. Auditor is finishing it up but it is a clean Audit, no findings it should be finished up in the next week or two.
- D. Projects:** Ms. Nichols provided a written report and stood for questions. She said Today's agenda includes closing documents for additional DWSRLF funds \$300K. Negotiations have been completed with the low bidder, and sole-source posting has been made on the State Procurement. The Forty-Year Water Plan has been completed, needs update for new mergers after Brazito combine and commingle. On the agenda as well is the award of construction for Vado Water System Improvement Project.

VIII. Unfinished Business: NONE

IX. New Business:

- A. Motion to adopt Resolution FY2022-12 Adopting FY2022 1st Quarter Budget:** Mr. Evaro made the motion to adopt Resolution FY2022-12 adopting FY2022 1st quarter budget. Mrs. Juarez seconded the motion, the motion passed with all in favor.
- B. Motion to accept engineer's recommendation for award of construction contract for Vado Water System Improvement Project to Ducross Construction:** Ms. Nichols said Ducross Construction was the lowest bidder, we have not worked with them before. Souder, Miller & Associates has worked with them on other Projects before. Mr. Magallanez made the motion to accept engineers' recommendation for award of construction contract. Mr. P Smith seconded the motion, the motion passed with all in favor.
- C. Motion to adopt RFP Committee report and recommendation for Stern Drive Phase II Waterline Extension Project and select Souder, Miller & Associates for the project:** Ms. Nichols said we received one proposal for this project, it was from Souder, Miller & Associates. They designed the Project previously and the RFP Committee recommended their selection. Mr. Evaro made the motion to adopt RFP Committee recommendation for selecting Souder, Miller & Associates for this Project. Mr. Magallanez seconded the motion, the motion passed with all in favor.
- D. Motion to award construction contract for the Central Operations Facility Project to C&E Industrial Services, Inc. contingent upon NMED-CPB approval and provided that no valid protests of the sole-source procurement are received by end-of-business today (OR SEE X. B. AND POSTPONE THIS UNTIL SPECIAL BOARD MEETING DATE IS SET):** Ms. Nichols said we had bid this project twice. The first time we received no bids and the second time we received three bids but all very high. All bids were rejected and had Wilson & Company negotiate with the lowest bidder to

configure a project we could build. We have secured the Capital Outlay funding and have determined that will use it for construction. We are in the process of securing \$300k from Drinking Water State loan funds. She could not provide a contract at the moment because a clause had to be added to the Contract and was not ready for this meeting. Mr. Magallanez made the motion to award construction contract for the Central Operations Facility Project to C&E Industrial Services, Inc. contingent upon NMED-DPB approval and provided that no valid protests of the sole-source procurement are received by end-of-business today. Mr. Evaro seconded the motion, the motion passed with four yes, Mrs. Juarez abstained from the vote.

E. Motion to adopt Resolution FY2022-13 Approving Amended & Restated DW-4213 Loan

Agreement for Central Operations Facility Project additional funding: Ms. Nichols said our funding 100% loan and instead of adding the additional \$300,000 loan to the package, NMFA restricted the entire loan at a lower interest rate to save us a significant amount of money. Mr. P Smith made the motion to adopt Resolution FY2022-13 approving amended & restated DW-4213 Loan Agreement for Central Operations Facility Project additional funding. Mr. Evaro seconded the motion, the motion passed with four yes, Mrs. Juarez abstained from the vote.

F. Motion to approved terminations of memberships: Ms. Charles said the members on this list had gone thru the Collections process and had arrived to the last step in the process. She requested that the members listed have their membership terminated. Mr. Lopez said we had collected ½ of the money owed from one of the members on this list. Mr. P Smith made the motion to approve the termination of membership. Mr. Magallanez seconded the motion, the motion passed with all in favor.

G. Motion for Authorization to develop Iron and Manganese projects for the Valle Del Rio and Brazito systems: Ms. Nichols said we get a lot of brown and black water complaints from Valle Del Rio and Brazito customers. We would like to develop a Project for removal of these constituents. We currently have an Arsenic system at a well at Desert Sands. The well will probably not be used any longer so the Arsenic system could be moved to Valle Del Rio and used for the removal of Iron and Manganese there. The Brazito wells are larger capacity so we would need to develop a Project for those wells. Mr. P Smith made the motion to authorize the development of an Iron and Manganese Project for Valle Del Rio and Brazito Systems. Mrs. Juarez seconded the motion, the motion passed with all in favor.

X. Other discussion and agenda items for next meeting at 9:30 a.m. Wednesday, November 10, 2021

A. Have any Board Members participated in training? If so, please give us a copy of your certificate:

Ms. Nichols thanked Mrs. Juarez for attending the Open Meeting Act and Inspection of Public Records Act compliance training. We will add her training to our Board Training Certificates files. No other directors provided training certificates.

B. Set date for Special Board meeting to award Central Operations Facility Project construction contract or recess this meeting to reconvene at 9:30 a.m. on date of Special Board Meeting. No action was needed on this item.

C. GM Evaluation: Mr. Lopez said Ms. Nichols is working on a password protected web page with the evaluation form on it. The board members will then be able to fill out the form and send it directly from there to the Board Chair. Mrs. Juarez asked when the evaluation would be needed. An email will be sent to all board members as soon as the web page is ready.

D. Please turn in your Board Member Handbook to Patty no later than the November 10th meeting so we can update it.

XI. Motion to Adjourn: Mrs. Juarez made the motion to adjourn the board meeting at 10:13 a.m. Mr. P Smith seconded the motion, the motion passed with all in favor.

These minutes will be presented to the board for approval on the 11th Day of November, 2021 at a regular meeting of the Board of Directors:

SEAL:

Esperanza Holguin, Board Chair

Attest:

Joe Evaro, Secretary

LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY

Meeting Notice & Agenda—REGULAR BOARD OF DIRECTORS MEETING

9:30 a.m. Wednesday, October 20, 2021 ONLINE VIA ZOOM

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- I. Call to Order, Roll Call to Establish Quorum: District #1 (Mr. P. Smith) __, #2 (Vacant) __, #3 (Mr. Evaro) __, #4 (Mrs. Holguin) __, #5 (Mr. Magallanez) __, District #6 (Mrs. Juarez) __, #7 (Mr. F. Smith) __
- II. Pledge of Allegiance
- III. Motion to approve Agenda
- IV. Approval of Minutes: Motion to approve the minutes for

September 15, 2021 Regular Board Meeting and October 6, 2021 Special Board Meeting
- V. Presentations: NONE
- VI. Public Input - 15 minutes are allotted for this item, 3 minutes per person
- VII. Managers' Reports
 - A. General Manager
 - B. Operations
 - C. Finance
 - D. Projects
- VIII. Unfinished Business
- IX. New Business
 - A. Motion to adopt Resolution FY2022-12 Adopting FY2022 1st Quarter Budget
 - B. Motion to accept engineer's recommendation for award of construction contract for Vado Water System Improvement Project to Ducross Construction
 - C. Motion to adopt RFP Committee report and recommendation for Stern Drive Phase II Waterline Extension Project and select Souder, Miller & Associates for the project
 - D. Motion to award construction contract for the Central Operations Facility Project to C&E Industrial Services, Inc. contingent upon NMED-CPB approval and provided that no valid protests of the sole-source procurement are received by end-of-business today (OR SEE X. B. AND POSTPONE THIS UNTIL SPECIAL BOARD MEETING DATE IS SET)
 - E. Motion to adopt Resolution FY2022-13 Approving Amended & Restated DW-4213 Loan Agreement for Central Operations Facility Project additional funding
 - F. Motion to approved terminations of memberships

- G. Motion for Authorization to develop Iron and Manganese projects for the Valle Del Rio and Brazito systems
- X. Other discussion and agenda items for next meeting at 9:30 a.m. Wednesday, November 10, 2021
 - A. Have any Board Members participated in training? If so, please give us a copy of your certificate
 - B. Set date for Special Board meeting to award Central Operations Facility Project construction contract or recess this meeting to reconvene at 9:30 a.m. on date of Special Board Meeting.
 - C. GM Evaluation
 - D. **Please turn in your Board Member Handbook to Patty no later than the November 10th meeting so we can update it.**
- XI. Motion to Adjourn (OR Recess until the date of the Special Board Meeting or November 10th Regular Board Meeting)

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 aide or service to attend or participate in the hearing or meeting, please contact the LRGPWWA office at 575-233-5742, PO Box 2646, Anthony NM 88021 OR 215 Bryant St., Mesquite NM 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 LRGPWWA office if a summary or other type of accessible format is needed.

Si usted es una persona con una discapacidad que necesita un lector, amplificador, intérprete de lenguaje de signos o cualquier otra forma de ayudante auxiliar o servicio para asistir o participar en la audiencia o reunión, póngase en contacto con la oficina de LRGPWWA, 575-233-5742, PO Box 2646, Anthony, NM 88021 o 215 Bryant St., Mesquite, NM por lo menos una semana antes de la reunión o tan pronto como sea posible. Documentos públicos, incluyendo el orden del día y actas, pueden proporcionarse en diferentes formatos accesibles. Póngase en contacto con la oficina LRGPWWA si es necesario un resumen u otro tipo de formato accesible.

LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY

Minutes —REGULAR BOARD OF DIRECTORS MEETING

9:30 a.m. Wednesday, September 15, 2021 ONLINE VIA ZOOM and In-Person at

LRGPWWA East Mesa Office, 9774 Butterfield Blvd., Las Cruces NM 88011

Contact us at 575-233-5742 or board@LRGauthority.org for information, assistance, or to subscribe to email board meeting reminders. Email the board address or dial extension 1021 or 1018 and leave a message if requesting phone or log-in information for online meetings. Agendas are final 72 hours prior to the meeting and may be obtained at any LRGPWWA Office or at www.LRGauthority.org/noticesavisos.html

- I. **Call to Order, Roll Call to Establish Quorum:** Chair Mrs. Holguin called the meeting to order at 9:32 a.m. Mr. P. Smith representing District #1 was present, District #2 vacant, Mr. Evaro representing District #3 was present, Mrs. Holguin representing District #4 was present, Mr. Magallanez representing District #5 was present via Zoom, Mrs. Juarez representing District #6 Juarez was present, Mr. F. Smith representing District #7 was present. Staff present were General Manager Martin Lopez, Projects Manager Karen Nichols, Projects Specialist Patricia Charles, Finance Manager Kathi Jackson, Accounting Assistant John Schroder, Operations Manager Mike Lopez and Josh Smith LRGPWWA Attorney. Guests present were Lilla Reid & Marty Howell from Souder Miller & Associates, Tyler Hopkins from Bohannon Huston and Silvia Ulloa.
- II. **Pledge of Allegiance:**
- III. **Oath of Office: Glory Juarez, District 6 Director:** Mr. Lopez read the Oath of Office to Mrs. Juarez. Mrs. Juarez accepted the oath of office.
- IV. **Motion to approve Agenda:** Mr. F. Smith made the motion to approve the agenda. Mr. Evaro seconded the motion, the motion passed with all in favor.
- V. **Approval of Minutes: Motion to approve the minutes of the August 18, 2021 Regular Board Meeting:** Mr. Evaro made the motion to approve the minutes for the August 18, 2021 Regular Board Meeting. Mr. F. Smith seconded the motion, the motion passed with all in favor.
- VI. **Presentations:** NONE
- VII. **Public Input:** NONE
- VIII. **Managers' Reports**
 - A. **General Manager:** Mr. Lopez provided a written report and stood for questions. Our legal firm has dissolved; we will continue with Mr. Josh Smith. At our next meeting he will be requesting authorization to initiate a project to address Iron and Manganese issues in the Valle Del Rio and Brazito water systems. They are secondary drinking water contaminants, so grant fundings may be limited, we might have to take on some debt. Karen and I will be the keynote speakers at an RCAC Regionalization Summit on September 22nd.
 - B. **Finance:** Ms. Jackson provided a written report and stood for questions. She reported that revenues for the month of August 2021 were \$437,244.00 and expenses were \$371,685.00 ending

with a bit of a surplus. Finance department has been busy with providing samples and answering questions for the Audit. There were no large expenditures in August.

- C. Projects:** Ms. Nichols provided a written report and stood for questions. The South Valley Water Supply & Treatment Project, this project for Berino area and is for a new well and arsenic treatment plant, there were 3 bids for this project. This project will be very short in funding. She has almost completed the application for additional funds at USDA-RD for close to \$900,000.00. Tyler Hopkins with Bohannon Huston said the cost was much higher than previously forecasted. Funding for this project was secured years ago and the cost of construction is much higher now.
- D. Operations:** Mr. Mike Lopez provided a written report and stood for questions. We have had a lot of erosion problems with the heavy rains, a dam broke above Calle Al Rumbo in Berino. It did not affect the distribution system in that area as it has in the past. We want to contact DAC to see if they know who owns the dam. We used considerably less water in August this year than last year. People have gone back to work and the rain have helped with the low usage.

IX. Unfinished Business: NONE

X. New Business:

- A. Award of Construction Contract for S. Valley Water Supply & Treatment Project:** Ms. Nichols mentioned that this item needs to be postponed. A Special Board Meeting will be needed for this project and possibly for the Central Office Project. Mrs. Holguin asked that Ms. Nichols give her some dates so the Special meeting can be setup.
- B. Motion to adopt Resolution #FY2022-08 Authorizing CIF-5535 Colonia's Infrastructure Grant/Loan Agreement for East Mesa Water System Improvements Phase II Design Project:** East Mesa Phase I Design is complete and approved. This resolution is for Phase II Design. Mr. F. Smith made the motion to adopt Resolution #FY2022-08 authorizing FIC-54535 Colonia's Infrastructure Grant/Loan Agreement. Mr. Evaro seconded the motion, the motion passed with all in favor.
- C. Motion to adopt Resolution #FY2022-09 Authorizing CIF-5536 Colonia's Infrastructure Grant/Loan Agreement for High Valley Water System Improvements Phase III:** This project is for the small community near Vado with 24 connections. Phase I has been completed, Phase II is construction. This is Phase III, she asked Marty Howell from Souder, Miller & Associates to add to the update. Mr. Howell said they rehabbed their existing well with Phase I. Drilling a new well with Phase II and connecting to neighboring system Vista Del Rey. Phase III will replace the old booster system; replace the building it is in and take the old tank this is there out. Mr. Magallanez made the motion to adopt Resolution #FY2022-09 authorizing CIF-5536 Colonia's Infrastructure Grant/Loan Agreement. Mrs. Juarez seconded the motion, the motion passed with all in favor.
- D. Motion to adopt Resolution #FY2022-10 Authorizing RCAC Interim Loan Application for Mesquite-Brazito Sewer Project:** Mr. Lopez said we already have the funding in place from USDA. But the new process requires that we have a bridge loan in place now. Ms. Nichols said USDA-RD's authorization to bid was received 8/31/21 and rescinded on 9/1/21 because our RCAC interim loan for construction was not yet in place. Mr. F Smith made the motion to adopt Resolution #FY2022-

10 authorizing RCAC Interim Loan Application. Mr. Evaro seconded the motion, the motion passed with all in favor.

- E. Motion to adopt Resolution #FY2022-11 Authorizations for SAP 21-F2723-STB - Central Operations Facility Project:** Ms. Nichols said this resolution is for the Capital Outlay for the Central Office Building Project for 1.2 million dollars. Additional DWSRLF funds (\$300K) are in process at NMFA. Ms. Fuller from Wilson & Co. has met with the low bidder to begin negotiations. Mr. Evaro made the motion to adopt Resolution #FY2022-11 authorization for SAP 21-F2723-STB. Mr. F Smith seconded the motion. The motion passed with Mr. F Smith, Mr. P Smith, Mr. Magallanez and Mr. Evaro with yes and Mrs. Holguin and Mrs. Juarez abstained to vote due to conflict of interest.
- F. Motion to convene in closed session pursuant to NMSA 1978 10-15-1 H.8 regarding the acquisition of real property or water rights:** Mr. F Smith made the motion to convene to closed session at 10:24 a.m., Mr. Evaro seconded the motion, the motion passed with all in favor.
- i. **Roll Call Vote:** District #1 (Mr. P. Smith) **yes**, #2 (Vacant), #3 (Mr. Evaro) **yes**, #4 (Mrs. Holguin) **yes**, #5 (Mr. Magallanez) **yes**, #6 (Mrs. Juarez) **yes**, #7 (Mr. F. Smith) **yes**
 - ii. **Motion to reconvene in open session:** Mr. P Smith made the motion to reconvene in open session at 10:39 a.m., Mr. Evaro seconded the motion. The motion passed with all in favor.
 - iii. **Statement by the Chair:** *The matters discussed in the closed meeting were limited only to those specified in the motion for closure:* Chair, Mrs. Holguin stated that the matters discussed in the closed meeting were limited only to those specified in the motion for closure.
 - iv. **Motion to approve CVE North America, Inc. Ground Lease and Easement Agreement:** Mr. F Smith made the motion to approve CVE North American, Inc. Ground Lease & Easement Agreement. Mr. Magallanez seconded the motion, the motion passed with all in favor.
 - v. **Motion to approve a merger with Rincon Water Co-op contingent upon their successful conversion to a mutual domestic water consumers association and execution of a joint resolution for merger with the Lower Rio Grande Public Water Works Authority:** Mr. P Smith made the motion to approve a merger with Rincon Water Co-Op contingent upon their successful conversion to a mutual domestic water consumers association & execution of a joint resolution for merger with the Lower Rio Grande Public Water Works Authority. Mr. F Smith seconded the motion, the motion passed with all in favor.
 - vi. **Other motions pertaining to the closed session if any:** NONE

- XI. Other discussion and agenda items for next meeting at 9:30 a.m. Wednesday, October 20, 2021 at the East Mesa Office:**

- A. Have any Board Members participated in training? If so, please give us a copy of your certificate
- B. Terminations of Memberships
- C. 1st Quarter Budget Resolution
- D. GM Evaluation
- E. Please turn in your Board Member Handbook to Patty no later than the November 10th meeting so we can update it.

XII. Motion to Adjourn: Mr. F Smith made the motion to adjourn the board meeting at 11:12 a.m. Mr. Evaro seconded the motion, the motion passed with all in favor.

These minutes will be presented to the board for approval on the 20th Day of October, 2021 at a regular meeting of the Board of Directors:

SEAL:

Esperanza Holguin, Board Chair

Attest:

Joe Evaro, Secretary

LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY

Minutes — SPECIAL BOARD OF DIRECTORS MEETING

9:30 a.m. Wednesday, October 6, 2021 ONLINE VIA ZOOM

Contact us at 575-233-5742 or board@LRGauthority.org for information, assistance, online meeting link, or to subscribe to email board meeting reminders. Email the board address or dial extension 1021 or 1018 and leave a message if requesting phone or log-in information for online meetings. Agendas are final 72 hours prior to the meeting and may be obtained at any LRGPWWA Office or at www.LRGauthority.org/noticesavisos.html

- I. **Call to Order, Roll Call to Establish Quorum:** Chair Mrs. Holguin called the meeting to order at 9:31 a.m. Mr. P. Smith representing District #1 was present, District #2 is vacant, Mr. Evaro representing District #3 was present, Mrs. Holguin representing District #4 was present, Mr. Magallanez representing District # 5 was present, Mrs. Juarez representing District #6 was present, Mr. F. Smith representing District #7 was present. Staff present were General Manager Martin Lopez, Projects Manager Karen Nichols, Projects Specialist Patricia Charles, Finance Manager Kathi Jackson, Accounting Assistant John Schroder. Guests present were Tyler Hopkins, Diana Gomez and Matt Thompson from Bohannon Huston, Inc.
- II. **Pledge of Allegiance:** POSTPONED DUE TO ONLINE MEETING
- III. **Motion to approve Agenda:** Mr. P Smith made the motion to approve the agenda. Mr. F. Smith seconded the motion, the motion passed with all in favor.
- IV. **New Business**
 - A. **Motion to Approve Engineer's Recommendation and Award Construction Contract for S. Valley Water Supply & Treatment Project to Morrow Enterprises contingent upon USDA Rural Development concurrence:** Ms. Nichols said Rural Development has obligated additional funds for this project. We received three bids and Morrow Enterprises was the lowest. Mr. F. Smith made the motion to approve and award the construction contract for S. Valley Water Supply & Treatment Project to Morrow Enterprises contingent upon USDA Rural Development concurrence. Mr. P. Smith seconded the motion, the motion passed with all in favor.
- V. **Other discussion and agenda items for next meeting at 9:30 a.m. Wednesday, November 10, 2021**
 - A. **Have any Board Members participated in training? If so, please give us a copy of your certificate**
 - B. **Please turn in your Board Member Handbook to Patty no later than the November 10th meeting so we can update it.**
- VI. **Motion to Adjourn:** Mr. F. Smith made the motion to adjourn the special board meeting at 9:46 a.m. Mr. P. Smith seconded the motion, the motion passed with all in favor.

These minutes will be presented to the board for approval on the 20th Day of October, 2021 at a regular meeting of the Board of Directors:

SEAL:

Esperanza Holguin, Board Chair

Attest:

Joe Evaro, Secretary

LRGPWWA
Manager's Report
October 20, 2021

- As I mentioned last month, we began renewal process for Insurance Policies. We are looking a possible 16.5% increase for Health. Broker is looking at other plans. General Liability insurance will require enhanced Cyber Security measures for our network and staff. Patty and Karen are addressing the employee's training and John is coordinating the Multi-factor authentication for remote connections with DSI.
- We did have an incident in which an employee direct deposit bank information was changed. We did not recover the funds and are developing a heightened security process to make changes. No other incidents have been detected.
- Rincon Water Cooperative is moving forward to reorganize as a Mutual Domestic for merger consideration.
- Mountain Valley Subdivision (Berino) will seek DAC BOCC approval on October 26
- Las Flores Phase II Subdivision (Berino) will be requesting water service from LRGPWWA within the next couple of weeks.
- It appears the 2020 Audit will be a clean one (no findings)-congratulations to Kathi and her staff
- Congratulations to Mike and his staff for satisfactory (no deficiencies) NMED Sanitary Surveys for the Valle Del Rio and South Valley system as well as the Alto De Las Flores MDWCA system
- Just a reminder that the Minimum Wage is set to increase on January 1, 2022 from \$10.50 to \$11.50; impacts one employee directly making more than the current rate, but less than new rate; indirectly impacts all other staff

Lower Rio Grande PWWA

Operators Report

October 20, 2021

System Problems and Repairs.

- Backflow inspections are Current. (Mesquite District)
- For the month of September, we were issued 258 work and service orders.
- For the month of August, we were issued 231 work and service orders.
- For the month of September, we installed 8 new water service connections in the South Valley.
- We had one main line break and one new service at Alto De las Flores.
- We extended 300' of a 4" water line off of Brahman Rd at the East Mesa.
- We had no main line breaks at Talavera MDWCA.
- We had four Main line water breaks in South valley area.
- Well #6 was hit by a power surge or some other source because the motor was damaged and we had to pull and replace it.

- We are installing a Gas Chlorine system at the El Centro well at the East Mesa System.

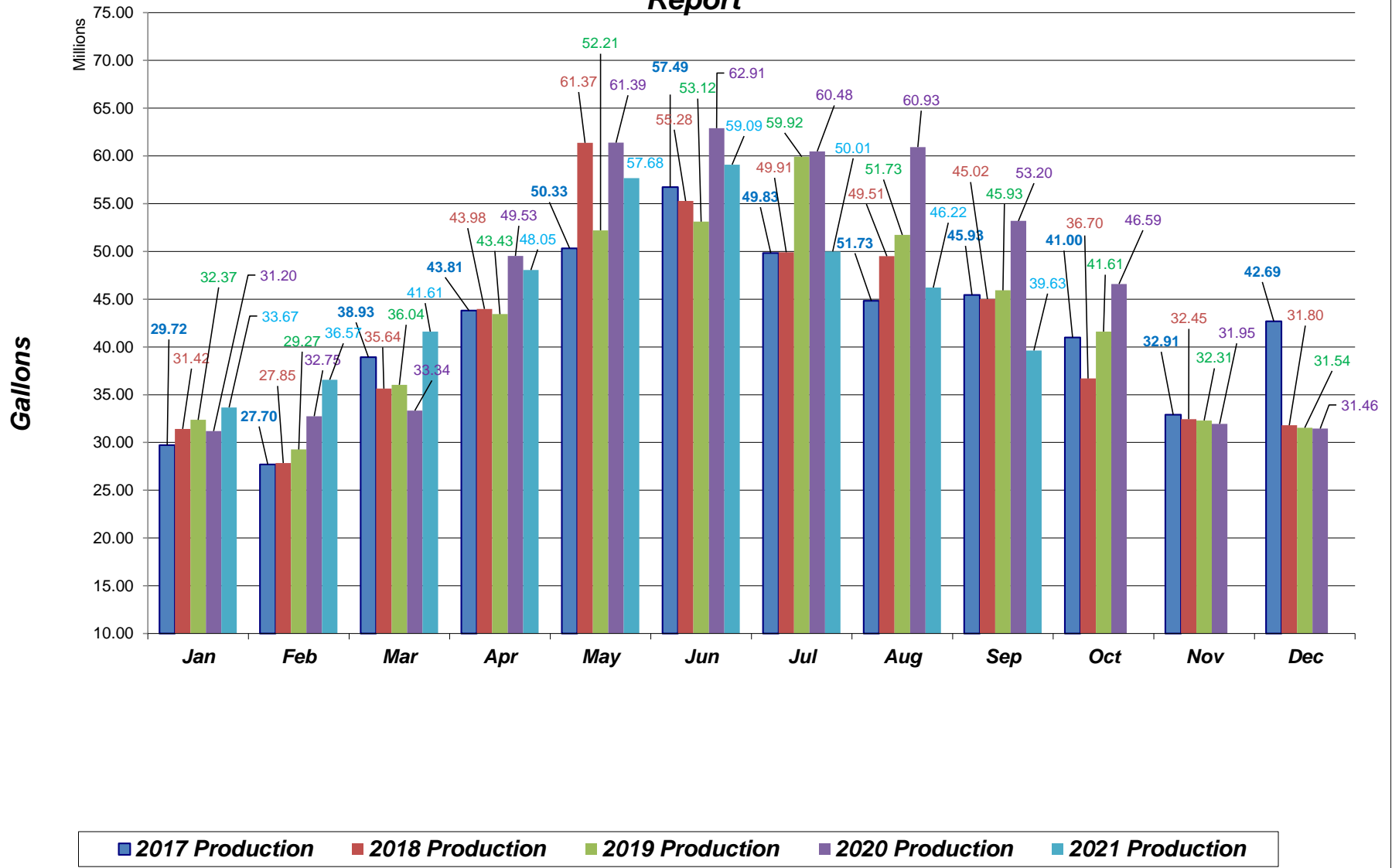
NMED: All of our Monthly Bac-T-Samples were taken for the month of September and all samples were negative.

Mesquite and Organ Sewer Reports. The Organ and the Mesquite Wastewater reports have been sent out July 1st.

Chlorine: No problems.

Reports: NMED, State Engineers, and the water conservation reports have been sent.

Lower Rio Grande PWWA Water Production Report





Lower Rio Grande Public Water Works Authority

Income Statement

Group Summary

For Fiscal: FYE 2022 Quarter Ending: 09/30/2021

AcctNumber	Current Total Budget	MTD Activity	QTD Activity	YTD Activity	Budget Remaining
Revenue					
40000 - Operating Revenue	3,122,500.00	274,890.66	934,960.13	934,960.13	2,187,539.87
40001 - Activation & Connection Fees-Sev	500.00	266.67	1,333.33	1,333.33	-833.33
40002 - Installation Fees	75,000.00	9,722.13	28,757.48	28,757.48	46,242.52
40003 - Activation & Connection Fees-Wa	5,000.00	3,050.00	6,497.00	6,497.00	-1,497.00
40005 - Backflow Testing	7,000.00	375.00	1,075.00	1,075.00	5,925.00
40006 - Tampering Fee/Line Breaks	0.00	1,000.00	1,117.88	1,117.88	-1,117.88
40007 - Delinquency Fee	75,000.00	10,050.00	23,250.00	23,250.00	51,750.00
40008 - Penalties-Water	75,000.00	2,974.37	18,889.02	18,889.02	56,110.98
40009 - Membership Fees	5,000.00	900.00	1,900.00	1,900.00	3,100.00
40010 - Impact Fees	40,000.00	11,758.33	25,466.04	25,466.04	14,533.96
40011 - Returned Check Fees	500.00	0.00	70.00	70.00	430.00
40012 - Credit Card Fees	12,000.00	1,502.00	4,610.00	4,610.00	7,390.00
40013 - Miscellaneous Revenue	200.00	924.30	974.30	974.30	-774.30
40015 - Penalties-Sewer	6,000.00	7,269.91	10,228.17	10,228.17	-4,228.17
40017 - Hydrant Meter Rental Fee	5,000.00	0.00	500.00	500.00	4,500.00
40019 - DAC Trash Coupons	1,000.00	74.00	206.00	206.00	794.00
40020 - Miscellaneous Revenue-Sewer	5,000.00	61.93	183.59	183.59	4,816.41
40025 - DAC Sewer Revenue	0.00	0.00	14,486.01	14,486.01	-14,486.01
45000 - Tower Rent	5,000.00	500.00	1,500.00	1,500.00	3,500.00
45001 - Billing Adjustments-Water	0.00	-280.21	-280.21	-280.21	280.21
45005 - Fiscal Agent Fees	50,000.00	4,646.05	13,828.88	13,828.88	36,171.12
45010 - Interest	0.00	28.17	84.73	84.73	-84.73
45015 - Copy/Fax	100.00	6.25	23.75	23.75	76.25
45020 - Other Income	45,000.00	1,944.61	45,072.21	45,072.21	-72.21
45022 - Annual Farm Rental	5,000.00	0.00	0.00	0.00	5,000.00
45025 - Contract Services	40,000.00	3,278.12	11,577.01	11,577.01	28,422.99
45030 - Transfers In	0.00	0.00	0.00	0.00	0.00
49000 - Recovered Bad Debts	0.00	200.00	700.00	700.00	-700.00
Revenue Total:	3,579,800.00	335,142.29	1,147,010.32	1,147,010.32	2,432,789.68
Expense					
60000 - Cost of Goods Sold-Sewer	1,000.00	0.00	0.00	0.00	1,000.00
60001 - Transfer to Reserves	0.00	10,000.00	30,000.00	30,000.00	-30,000.00
60005 - Accounting Fees	500.00	0.00	0.00	0.00	500.00
60010 - Audit	14,000.00	0.00	0.00	0.00	14,000.00
60020 - Bank Service Charges	15,000.00	3,599.20	9,376.74	9,376.74	5,623.26
60025 - Cash Short/Over	500.00	20.08	62.02	62.02	437.98
60026 - Computer Hardware	10,000.00	0.00	0.00	0.00	10,000.00
60030 - Dues and Subscriptions	3,000.00	0.00	2,403.56	2,403.56	596.44
60035 - Engineering Fees	60,000.00	0.00	19,328.37	19,328.37	40,671.63
60045 - Late Fees	1,000.00	0.00	0.00	0.00	1,000.00
60050 - Legal Fees	5,000.00	0.00	636.96	636.96	4,363.04
60055 - Legal Notices	2,500.00	0.00	482.50	482.50	2,017.50
60060 - Licenses & Fees	5,000.00	125.00	350.00	350.00	4,650.00
60065 - Meals	2,500.00	0.00	0.00	0.00	2,500.00
60075 - Permit Fees	1,500.00	0.00	1,830.48	1,830.48	-330.48
60080 - Postage	3,000.00	0.00	117.20	117.20	2,882.80
60090 - Professional Fees-Other	10,000.00	0.00	0.00	0.00	10,000.00
60100- Project Development	0.00	13,000.00	14,000.00	14,000.00	-14,000.00
60120 - Retirement Account Fees	6,500.00	2,206.62	3,605.55	3,605.55	2,894.45

60125 - Easments & Leases	10,000.00	0.00	0.00	0.00	10,000.00
60130 - Training	5,000.00	0.00	583.89	583.89	4,416.11
60140 - Travel:Airfare Per Diem	3,000.00	0.00	0.00	0.00	3,000.00
60150 - Travel:Lodging Per Diem	4,000.00	0.00	483.95	483.95	3,516.05
60155 - Travel:Meals Per Diem	2,000.00	0.00	0.00	0.00	2,000.00
60160 - Travel:Mileage/Parking Per Diem	1,500.00	0.00	0.00	0.00	1,500.00
60165 - Travel:Vehicle Rental Per Diem	1,000.00	0.00	0.00	0.00	1,000.00
60600 - Debit Service	148,000.00	8,967.57	14,578.22	14,578.22	133,421.78
60625 - Interest paid to NMED	14,000.00	0.00	0.00	0.00	14,000.00
60650 - Interest paid to NMFA	37,000.00	2,966.59	8,216.92	8,216.92	28,783.08
60675 - Interest paid to USDA	125,000.00	11,596.26	34,788.78	34,788.78	90,211.22
63000 - Regular Pay	1,120,000.00	81,778.86	299,495.54	299,495.54	820,504.46
63001 - Overtime	54,500.00	6,218.09	16,073.04	16,073.04	38,426.96
63006 - Holiday Pay	56,500.00	5,032.06	10,051.08	10,051.08	46,448.92
63007 - Sick Pay	50,000.00	4,776.38	17,336.58	17,336.58	32,663.42
63008 - Annual Leave Pay	118,000.00	8,608.08	23,913.54	23,913.54	94,086.46
63010 - 401K 10% Company Contribution	5,000.00	0.00	0.00	0.00	5,000.00
63020 - 401K Employee Contribution	2,000.00	0.00	0.00	0.00	2,000.00
63040 - Administrative Labor	5,000.00	0.00	0.00	0.00	5,000.00
63070 - Employee Benefits-401K Contrib	168,500.00	3,054.70	10,762.03	10,762.03	157,737.97
63100 - Insurance-Dental	12,500.00	1,183.50	3,550.50	3,550.50	8,949.50
63110 - Insurance-Health	250,000.00	24,967.06	74,901.18	74,901.18	175,098.82
63115 - Salaries: Insurance - Work Comp	15,000.00	0.00	2,763.00	2,763.00	12,237.00
63125 - Insurance: Life & Disability	12,500.00	0.00	37.45	37.45	12,462.55
63130 - Mileage	1,500.00	0.00	0.00	0.00	1,500.00
63135 - Drug Testing	500.00	0.00	35.00	35.00	465.00
63160 - Payroll Taxes-Medicare	20,500.00	1,542.97	5,319.51	5,319.51	15,180.49
63170 - Payroll Taxes-Social Security	80,500.00	6,597.65	22,745.92	22,745.92	57,754.08
63195 - Taxes, Liability, Insurance: Cobra	0.00	75.00	225.00	225.00	-225.00
63200 - Vision Insurance	4,000.00	328.36	985.23	985.23	3,014.77
64100 - Sewer:DAC Waste Water Flow Ch	50,000.00	0.00	15,616.64	15,616.64	34,383.36
64200 - Sewer:Electricity-Sewer	9,000.00	2,096.87	4,005.22	4,005.22	4,994.78
64300 - Sewer:Lab & Chemicals-Sewer	10,000.00	0.00	3,570.20	3,570.20	6,429.80
64500 - Sewer:Supplies & Materials	28,500.00	0.00	0.00	0.00	28,500.00
64501 - Pre Paid Tank Site Lease	1,625.00	0.00	0.00	0.00	1,625.00
65010 - Automobile Repairs & Maint.	50,000.00	3,334.57	9,317.00	9,317.00	40,683.00
65230 - Computer Maintenance	70,000.00	3,336.52	35,666.91	35,666.91	34,333.09
65240 - Equipment Rental	2,500.00	117.52	377.15	377.15	2,122.85
65250 - Fuel	60,000.00	8,555.97	28,901.88	28,901.88	31,098.12
65255 - GPS Insights Charges	7,000.00	570.50	1,720.99	1,720.99	5,279.01
65260 - Kitchen & Cleaning Supplies	1,000.00	0.00	0.00	0.00	1,000.00
65270 - Lab Chemicals-Water	5,000.00	107.88	628.50	628.50	4,371.50
65275 - SCADA Maintenance Fee	2,000.00	0.00	0.00	0.00	2,000.00
65276 - Test Equipment Calibration	2,000.00	0.00	0.00	0.00	2,000.00
65277 - Generator Maintenance Contract	3,000.00	5,662.96	5,662.96	5,662.96	-2,662.96
65278 - Meter Testing/Repair/Replacemer	61,175.00	30.00	75.00	75.00	61,100.00
65280 - Lab Chemicals-Water:Chemicals	35,000.00	984.11	10,242.24	10,242.24	24,757.76
65300 - Locates	2,500.00	0.00	0.00	0.00	2,500.00
65310 - Maint. & Repairs-Infrastructure	65,000.00	12,049.16	52,828.79	52,828.79	12,171.21
65320 - Maint. & Repairs-Office	12,500.00	1,039.25	2,743.10	2,743.10	9,756.90
65330 - Maintenance & Repairs-Other	21,500.00	5,029.97	14,013.41	14,013.41	7,486.59
65340 - Materials & Supplies	94,000.00	3,878.89	15,084.80	15,084.80	78,915.20
65345 - Non Inventory-Consumables	50,000.00	894.13	14,418.66	14,418.66	35,581.34
65350 - Office Supplies	10,000.00	-47.16	2,113.44	2,113.44	7,886.56
65360 - Printing and Copying	47,500.00	3,887.47	15,185.48	15,185.48	32,314.52
65370 - Tool Furniture	10,000.00	1,647.09	16,529.49	16,529.49	-6,529.49
65390 - Uniforms-Employee	15,000.00	821.55	3,042.77	3,042.77	11,957.23
65490 - Cell Phone	20,000.00	3,996.99	7,430.61	7,430.61	12,569.39

65500 - Electricity-Lighting	6,000.00	651.12	1,573.41	1,573.41	4,426.59
65510 - Electricity-Offices	15,000.00	1,413.17	4,854.44	4,854.44	10,145.56
65520 - Electricity-Wells	200,000.00	17,076.00	64,076.56	64,076.56	135,923.44
65530 - Garbage Service	3,000.00	220.08	660.24	660.24	2,339.76
65540 - Natural Gas	3,000.00	125.83	348.70	348.70	2,651.30
65550 - Security/Alarm	5,000.00	0.00	3,082.93	3,082.93	1,917.07
65560 - Telephone	20,000.00	7.96	3,356.60	3,356.60	16,643.40
65561 - Telstar Maintenance Contract	7,000.00	0.00	0.00	0.00	7,000.00
65570 - Wastewater	2,000.00	0.00	0.00	0.00	2,000.00
66200 - Insurance-General Liability	90,000.00	0.00	20,007.00	20,007.00	69,993.00
66700 - Water Conservation Fee	15,000.00	1,386.51	4,659.47	4,659.47	10,340.53
Expense Total:	3,579,800.00	275,518.94	990,834.33	990,834.33	2,588,965.67
Total Surplus (Deficit):	0.00	59,623.35	156,175.99	156,175.99	-156,175.99

**LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY
PROJECTS REPORT – 10/20/2021**

LRG-17-01 – Mesquite-Brazito Sewer Project 2 – Bohannon Huston, Inc. – Design Stage – USDA-RD LOC \$15,030,780 (\$6,189,000 Loan/\$8,030,000 Grant) –27th Request for Funds from RCAC bridge loan has been submitted. LOC documents were submitted 4/26/21. Closing instructions were received from RD. RD Authorization to bid was received 8/31/21 and rescinded on 9/1/21 because our RCAC interim loan for construction was not yet in place, although we had requested it. Loan resolution was adopted at the September meeting, and RCAC is processing the loan application.

LRG-11-03 – Interconnect & Looping Project – see LRG-18-02 for current portion – Stern Drive Line Ext.

LRG-11-05 – South Valley Water Supply & Treatment Project WTB #252– Bohannon Huston - Design stage - \$750,000 WTB – 10% Loan 10% Match: RCAC loan was approved, and loan commitment has been extended twice. Three bids were received, all greater than available funding. New funding application was submitted to RD for additional funds, and funding has been obligated in the amounts of \$160,000 Loan and \$676,600 in Grant. Conditional bid award was done on 10/6/21 at Special Board Meeting.

LRG-17-01 – Water Master Plan – BHI - WTB #252/CDBG 19-C-NR-I-06-G-100 \$50,000 + \$60,000 LRG funds: Final plan has been submitted, and staff met with BHI on 10/7/21 to review.

LRG-17-02 – Central Office Building – Wilson & Co. - DW-4213 \$3,285,619 - SAP 21-F2723-STB \$1,200,000: Bids were opened on June 10, three bids were received, all of them exceed available funding, even including the \$1.2 million in Capital Outlay that has now been secured. Today's agenda includes closing documents for additional DWSRLF funds (\$300k). Negotiations have been concluded with the low bidder, and a sole-source posting has been made on the State Procurement website which expires today.

Forty-Year Water Plan – CE&M – complete – needs update for new mergers after Brazito combine & commingle: pending NM-OSE comments/approval. Currently only includes the initial five systems.

LRG-13-03 – Valle Del Rio Water System Project – Construction Stage & Ph. II Design - \$1,197,708 DWSRLF funding - \$898,281 principal forgiveness – 299,427 loan repayment – Souder, Miller & Associates: Project is on hold pending El Paso Electric Company work to install 3-phase power to the site. Change Order is pending to get booster skid ordered.

LRG-17-03 –East Mesa Water System Improvements Project – NMFA 3803-PG & 3804-PG \$93,307, 4915-CIF \$207,608 Loan/\$39544 Grant/\$9,562 Match – Design – Binding Letter of Conditions for DWSRLF funds for Phase I construction has been received. Phase I Colonia's funds for design have been expended. Phase II Colonia's Loan Resolution and closing documents have been executed.

LRG-18-01 Ph. II – High Valley Water System Improvements Ph. II & III Project – NMFA 4916-CIF \$630,384 Grant, \$111,244 Loan – Design & Construction – Souder, Miller & Assoc. – New well is complete, pump-tests have been done, and water samples have been sent to the lab. Phase III Colonia's closing documents have been executed.

LRG-18-02 – Stern Drive Waterline Extension Project – Design/Build – SMA - \$150,000 SAP – We applied for \$240,000 Capital Outlay, and the bill the governor signed contained \$175,000 for this project. \$100k was provided by Senator Cervantes, and \$75k by Representative Angelica Rubio. RFP Deadline was 10/4/21, one proposal was received from Souder, Miller & Associates, and RFP Committee met 10/7/21. The committee recommendation for selection of SMA is on today's agenda.

LRG-19-09 – S. Valley Service Area Line Extensions - SMA –We have Task Order with SMA to do community outreach to see where there is interest from potential new customers, and determine whether a PER is needed. SMA has identified potential locations and potential new customers and is working on cost estimates and phasing recommendations after confirming that the work would require a Technical Memo, not a PER. Report has been submitted, and staff review is pending.

LRG-20-01 – Mesquite Wetlands Closure – Plan/Design - BHI - \$250,000 SAP: Work from CO #3 is finished. We have \$12,947.30 remaining funds that will be used for fence repairs. The contractor has declined that work, and we will use a fence company.

LRG-21-01 – Vado Area Water System Improvements – Plan/Design/Construct – SMA - \$139,000 SAP 20-E4038-GFR – Third requisition has been submitted. Project is ready to bid pending modification of the contract documents to include bid alternates for addition valves, hydrants, and possibly sample stations.

Other projects:

NM 2022 Legislature: Capital Outlay online request forms are available 10/5/21. I'm working on requests for furniture/fixtures/equipment for the Central Operations Facility, iron & manganese treatment for Valle Del Rio, and a vector truck.

Infrastructure Capital Improvements Plan 2023-2027: ICIP has been submitted.

Reporting to Funding Agencies: Quarterly CIF Reports were submitted for 1stst Quarter, SAP monthly reporting is up to date.

Documents Retention & Destruction – Sorting of old association documents for storage or destruction is ongoing, and staff is implementing approved retention/destruction schedules for LRGPWWA documents.

Website and Email – Notices and Minutes pages are up to date.

Training –Patty and I attended a training on the Capital Outlay form by NM DFA on 9/28/21.

As Needed Engineering Services - Currently we have one active Task Orders: Bohannon Huston, Inc. for a State Land Office lease renewal was completed, Task Order with Cobb Fendley for an NM DOT permit on Greatview Ct., and Souder, Miller & Associate's Vado Dr. NM DOT permit Task Orders are complete. Task Order with Souder, Miller & Associates for an NM DOT permit on Greatview Ct. is still pending.

Collection & Lien Procedures - 314 first notifications, 307 certified letters have been sent and 131 liens have been filed to date. 56 liens have been released following payment in full of the account.

Water Audits –Most recent results are available on the boards website.

Rate Study – Implementation of rate adjustment began July 1, met with Karl Pennock, RCAC, for an update on 9/20/21

Cyber Security Assessment – Final follow-up meeting with Karl Pennock, RCAC, was held on 7/14/21. Our insurance company is requiring training for all employees on phishing & malware, I've found a source for that, and Patty will administer it.

NM Board of Licensure for PEs & Surveyors – I have been appointed by the Governor to this board and assigned to the Professional Engineering Committee. Attended a committee meeting on 9/20/21.



www.lrgauthority.org

LOWER RIO GRANDE

Public Water Works Authority

Resolution #FY2022-12

Approving First Quarter Budget for Fiscal Year 2022

Whereas, in order to comply with Sections 6-6-1 and 6-6-2 NMSA 1978 and to apply for CDBG funding, the Board of Directors wishes to adopt and pass a resolution to approve the FY2022 First Quarter Budget on October 20, 2021.

Therefore, be it resolved, the Board of Directors adopts and passes this resolution to approve the FY2022 First Quarter Budget officially approved on October 20, 2021.

PASSED, APPROVED, AND ADOPTED: October 20, 2021

Esperanza Holguin, Board Chair

Seal:

Joe Evaro, Secretary



October 19, 2021

#6330010

Ms. Karen Nichols, Projects Manager
Lower Rio Grande PWWA
P.O. Box 2646
Anthony, NM 88021
Email: karen.nichols@lrgauthority.org
Phone: (575) 233-5742

**RE: RECOMMENDATION REGARDING AWARD OF CONSTRUCTION CONTRACT FOR THE LOWER RIO GRANDE PUBLIC WATER WORKS
AUTHORITY (LRGPWWA) VADO WATER SYSTEM IMPROVEMENTS PROJECT**

Dear Ms. Nichols:

Bids were opened for the Lower Rio Grande Public Water Works Authority (PWWA) Vado Water System Improvements Project on October 5, 2021, at 3500 Sedona Hills Parkway, Las Cruces, NM 88011. Three bids were received for the project, and the bid packages were determined to be complete at the time of bid opening. The apparent low bidder was *DuCross Construction, LLC*. The total of the **Base Bids** ranged from forty-one thousand eight hundred twenty dollars and zero cents (\$41,820.00) to fifty-nine thousand eighty-five dollars and zero cents (\$59,085.00). The total of **Alternative Bid A1** ranged from forty-one thousand two hundred fifty-five dollars and zero cents (\$41,255.00) to forty-four thousand seven hundred fifty dollars and zero cents (\$44,750.00).

Based on a review of the Base Bid and Alternative A1, the low bidder has been identified as responsive, thus Souder, Miller & Associates (SMA) recommends awarding the project to *DuCross Construction, LLC*, with a **total recommended amount** of sixty-six thousand five hundred forty-five dollars and zero cents (\$66,545.00, **not including NMGR**). The recommended award amount is based on adding one 4-inch gate valve and four 6-inch gate valves from the additive alternative.

Souder, Miller & Associates (SMA) investigated *DuCross Construction, LLC's* past experience. The references provided by *DuCross Construction, LLC*, contacted by SMA, provided good feedback on their quality of work. Please refer to the References Contacts after the bid opening.

If the Lower Rio Grande PWWA agrees with SMA's recommendation to award the project, the Lower Rio Grande PWWA should "tentatively" award the construction contract to *DuCross Construction, LLC*, pending the funding agency's concurrence. Once authorization is received, the attached Agreement between Owner and Contractor and Notice of Award for *DuCross Construction, LLC*, needs to be signed. The contractor will then have 15 days to deliver insurance, performance and payment bonds. After the Lower Rio Grande PWWA receives all items from the Contractor, the Notice to Proceed can be signed by the Lower Rio Grande PWWA and sent to the Contractor.

Please feel free to contact either of the undersigned if you have any questions and/or concerns related to this recommendation letter.

Ms. Karen Nichols
October 19, 2021
Page 2

Sincerely,

MILLER ENGINEERS, INC. D/B/A
SOUDER, MILLER AND ASSOCIATES

A handwritten signature in dark ink, appearing to read "Robert Storey", with a stylized flourish at the end.

Robert Storey, P.E.
Project Engineer
robert.storey@soudermiller.com

A handwritten signature in dark ink, appearing to read "Marty Howell", with a stylized flourish at the end.

Marty Howell, P.E.
Senior Engineer
marty.howell@soudermiller.com

Enc: Bid Tabulation | References Contacted | Notice of Award | Agreement | DuCross Construction, LLC's Bid Package | Funding Analysis

Lower Rio Grande PWWA
Vado Water System Improvements Project
Bid Tabulation
September 5, 2021

Base Bid				SMA		DuCross Construction, LLC		Caliper Construction, LLC		J29 Enterprises, LLC	
				OPCC		Bidder No. 1		Bidder No. 2		Bidder No. 3	
Item No.	Description	Unit	Quantity	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost
1	Pre-construction and post-construction Video Documentation	LS	1	\$800.00	\$800.00	\$ 400.00	\$ 400.00	\$ 650.00	\$ 650.00	\$ 270.00	\$ 270.00
2	Mobilization and Demobilization	LS	1	\$1,000.00	\$1,000.00	\$ 2,000.00	\$ 2,000.00	\$ 10,000.00	\$ 10,000.00	\$ 11,200.00	\$ 11,200.00
3	Material Testing Allowance	ALLOW	1	\$1,200.00	\$1,200.00	\$ 1,600.00	\$ 1,600.00	\$ 1,600.00	\$ 1,600.00	\$ 1,600.00	\$ 1,600.00
4	Traffic Control	LS	1	\$1,000.00	\$1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 3,500.00	\$ 3,500.00	\$ 2,595.00	\$ 2,595.00
5	Exploration of Existing Utilities (incl. all materials, labor, potholing, excavation, coordination with Owner, backfill and site restoration), CIP	ALLOW	1	\$3,000.00	\$3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00
6	Furnish and Install 3-inch Gate Valve, (including tie-in to existing waterline, all material, labor, valve, valve box, lid, sleeve, excavation, backfill, compaction, site restoration and all related appurtenances not separately listed on the bid form), CIP	EA	2	\$1,900.00	\$3,800.00	\$ 4,900.00	\$ 9,800.00	\$ 4,100.00	\$ 8,200.00	\$ 5,415.00	\$ 10,830.00
7	Furnish and Install 4-inch Gate Valve, (including all material, labor, valve, valve box, lid, site restoration and all related appurtenances not separately listed on the bid form), CIP	EA	2	\$2,500.00	\$5,000.00	\$ 4,510.00	\$ 9,020.00	\$ 4,200.00	\$ 8,400.00	\$ 4,955.00	\$ 9,910.00
8	Furnish and Install 6-inch Gate Valve, (including all material, labor, valve, valve box, lid, site restoration and all related appurtenances not separately listed on the bid form), CIP	EA	2	\$3,000.00	\$6,000.00	\$ 4,900.00	\$ 9,800.00	\$ 4,700.00	\$ 9,400.00	\$ 5,340.00	\$ 10,680.00
9	Remove and Replace Existing Carrier Pipe with 3-inch PVC SDR 21 Pipe, (including tie-in to existing waterline using new tees, all material, labor, casing spacers and restrained at each joint, casing end seals, remove and properly dispose of existing carrier pipe, trenching, piping, fittings, bedding, backfill, compaction, tracer wire, warning tape, restraints, hydrostatic pressure testing, disinfection, disinfection testing, and all related appurtenances not separately listed on the bid form), CIP	LF	50	\$44.00	\$2,200.00	\$ 104.00	\$ 5,200.00	\$ 150.00	\$ 7,500.00	\$ 180.00	\$ 9,000.00
Base Bid Construction Total:					\$ 24,000.00		\$ 41,820.00		\$ 52,250.00		\$ 59,085.00
Written Total:							\$ 41,820.00		\$ 52,250.00		\$ 59,085.00

Alternative A1											
Item No.	Description	Unit	Quantity	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost
A1.1	Furnish and Install 3-inch Gate Valve in location identified by Owner, (including tie-in to existing waterline, all material, labor, valve, valve box, lid, sleeve, excavation, backfill, compaction, site restoration and all related appurtenances not separately listed on the bid form), CIP	EA	1	\$0.00	\$0.00	\$ 4,450.00	\$ 4,450.00	\$ 4,100.00	\$ 4,100.00	\$ 4,810.00	\$ 4,810.00
A1.2	Furnish and Install 4-inch Gate Valve in location identified by Owner, (including tie-in to existing waterline, all material, labor, valve, valve box, lid, sleeve, excavation, backfill, compaction, site restoration and all related appurtenances not separately listed on the bid form), CIP	EA	1	\$0.00	\$0.00	\$ 4,625.00	\$ 4,625.00	\$ 4,200.00	\$ 4,200.00	\$ 5,025.00	\$ 5,025.00
A1.3	Furnish and Install 6-inch Gate Valve in location identified by Owner, (including tie-in to existing waterline, all material, labor, valve, valve box, lid, sleeve, excavation, backfill, compaction, site restoration and all related appurtenances not separately listed on the bid form), CIP	EA	1	\$0.00	\$0.00	\$ 5,025.00	\$ 5,025.00	\$ 4,700.00	\$ 4,700.00	\$ 5,480.00	\$ 5,480.00
A1.4	Furnish and Install 8-inch Gate Valve in location identified by Owner, (including tie-in to existing waterline, all material, labor, valve, valve box, lid, sleeve, excavation, backfill, compaction, site restoration and all related appurtenances not separately listed on the bid form), CIP	EA	1	\$0.00	\$0.00	\$ 5,775.00	\$ 5,775.00	\$ 5,700.00	\$ 5,700.00	\$ 6,230.00	\$ 6,230.00
A1.5	Furnish and Install Three Way Fire Hydrant Assembly (incl. gate valve, tee on mainline, pipe, excavation, drain rock, backfill, collar, site restoration and appurtenances not separately listed on the Bid Form), CIP	EA	1	\$0.00	\$0.00	\$ 9,450.00	\$ 9,450.00	\$ 10,150.00	\$ 10,150.00	\$ 8,965.00	\$ 8,965.00
A1.6	Furnish and Replace Existing Three Way Fire Hydrant Assembly (incl. gate valve, tee on mainline, pipe, excavation, drain rock, backfill, collar, site restoration and appurtenances not separately listed on the Bid Form), CIP	EA	1	\$0.00	\$0.00	\$ 9,573.00	\$ 9,573.00	\$ 10,900.00	\$ 10,900.00	\$ 7,240.00	\$ 7,240.00
A1.7	Furnish and Install Sample Station by open trench (incl. all material, labor, excavation, backfill, fittings, tracer wire, warning tape and appurtenances not separately listed on the Bid Form), CIP	EA	1	\$0.00	\$0.00	\$ 4,950.00	\$ 4,950.00	\$ 5,000.00	\$ 5,000.00	\$ 3,505.00	\$ 3,505.00
Alternative A1 Construction Total:					\$ -		\$ 43,848.00		\$ 44,750.00		\$ 41,255.00
Written Total:							\$ 43,848.00		\$ 44,750.00		\$ 41,255.00

Bid Total (Base Bid + Alternative A1):				\$ 24,000.00	\$ 85,668.00	\$ 97,000.00	\$ 100,340.00
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Resident/Veteran Preference Status:	N/A	Resident Contractor (5%)	Resident Contractor (5%)	Resident Contractor (5%)
Bid Total with applied Preference:	\$ 24,000.00	\$ 81,384.60	\$ 92,150.00	\$ 95,323.00

*Cells with red text indicate that a correction has been made in accordance with Article 14.01.C of the Intructions to Bidders (C-200)

CERTIFICATION:

I certify that the above figures are the evaluated bid prices from those submitted in the Bid Form.



Marty Howell, P.E.
Souder, Miller & Associates

05-Oct-21

Date

Lower Rio Grande PWWA
Vado Water System Improvements Project
Bid Tabulation (Revised Alternative A1)
September 5, 2021

Base Bid				SMA		DuCross Construction, LLC		Caliper Construction, LLC		J29 Enterprises, LLC	
				OPCC		Bidder No. 1		Bidder No. 2		Bidder No. 3	
Item No.	Description	Unit	Quantity	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost
1	Pre-construction and post-construction Video Documentation	LS	1	\$800.00	\$800.00	\$ 400.00	\$ 400.00	\$ 650.00	\$ 650.00	\$ 270.00	\$ 270.00
2	Mobilization and Demobilization	LS	1	\$1,000.00	\$1,000.00	\$ 2,000.00	\$ 2,000.00	\$ 10,000.00	\$ 10,000.00	\$ 11,200.00	\$ 11,200.00
3	Material Testing Allowance	ALLOW	1	\$1,200.00	\$1,200.00	\$ 1,600.00	\$ 1,600.00	\$ 1,600.00	\$ 1,600.00	\$ 1,600.00	\$ 1,600.00
4	Traffic Control	LS	1	\$1,000.00	\$1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 3,500.00	\$ 3,500.00	\$ 2,595.00	\$ 2,595.00
5	Exploration of Existing Utilities (incl. all materials, labor, potholing, excavation, coordination with Owner, backfill and site restoration), CIP	ALLOW	1	\$3,000.00	\$3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00
6	Furnish and Install 3-inch Gate Valve, (including tie-in to existing waterline, all material, labor, valve, valve box, lid, sleeve, excavation, backfill, compaction, site restoration and all related appurtenances not separately listed on the bid form), CIP	EA	2	\$1,900.00	\$3,800.00	\$ 4,900.00	\$ 9,800.00	\$ 4,100.00	\$ 8,200.00	\$ 5,415.00	\$ 10,830.00
7	Furnish and Install 4-inch Gate Valve, (including all material, labor, valve, valve box, lid, site restoration and all related appurtenances not separately listed on the bid form), CIP	EA	2	\$2,500.00	\$5,000.00	\$ 4,510.00	\$ 9,020.00	\$ 4,200.00	\$ 8,400.00	\$ 4,955.00	\$ 9,910.00
8	Furnish and Install 6-inch Gate Valve, (including all material, labor, valve, valve box, lid, site restoration and all related appurtenances not separately listed on the bid form), CIP	EA	2	\$3,000.00	\$6,000.00	\$ 4,900.00	\$ 9,800.00	\$ 4,700.00	\$ 9,400.00	\$ 5,340.00	\$ 10,680.00
9	Remove and Replace Existing Carrier Pipe with 3-inch PVC SDR 21 Pipe, (including tie-in to existing waterline using new tees, all material, labor, casing spacers and restrained at each joint, casing end seals, remove and properly dispose of existing carrier pipe, trenching, piping, fittings, bedding, backfill, compaction, tracer wire, warning tape, restraints, hydrostatic pressure testing, disinfection, disinfection testing, and all related appurtenances not separately listed on the bid form), CIP	LF	50	\$44.00	\$2,200.00	\$ 104.00	\$ 5,200.00	\$ 150.00	\$ 7,500.00	\$ 180.00	\$ 9,000.00
Base Bid Construction Total:					\$ 24,000.00		\$ 41,820.00		\$ 52,250.00		\$ 59,085.00
Written Total:							\$ 41,820.00		\$ 52,250.00		\$ 59,085.00

Alternative A1											
Item No.	Description	Unit	Quantity	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost
A1.1	Furnish and Install 3-inch Gate Valve in location identified by Owner, (including tie-in to existing waterline, all material, labor, valve, valve box, lid, sleeve, excavation, backfill, compaction, site restoration and all related appurtenances not separately listed on the bid form), CIP	EA	0	\$0.00	\$0.00	\$ 4,450.00	\$ -	\$ 4,100.00	\$ -	\$ 4,810.00	\$ -
A1.2	Furnish and Install 4-inch Gate Valve in location identified by Owner, (including tie-in to existing waterline, all material, labor, valve, valve box, lid, sleeve, excavation, backfill, compaction, site restoration and all related appurtenances not separately listed on the bid form), CIP	EA	1	\$0.00	\$0.00	\$ 4,625.00	\$ 4,625.00	\$ 4,200.00	\$ 4,200.00	\$ 5,025.00	\$ 5,025.00
A1.3	Furnish and Install 6-inch Gate Valve in location identified by Owner, (including tie-in to existing waterline, all material, labor, valve, valve box, lid, sleeve, excavation, backfill, compaction, site restoration and all related appurtenances not separately listed on the bid form), CIP	EA	4	\$0.00	\$0.00	\$ 5,025.00	\$ 20,100.00	\$ 4,700.00	\$ 18,800.00	\$ 5,480.00	\$ 21,920.00
A1.4	Furnish and Install 8-inch Gate Valve in location identified by Owner, (including tie-in to existing waterline, all material, labor, valve, valve box, lid, sleeve, excavation, backfill, compaction, site restoration and all related appurtenances not separately listed on the bid form), CIP	EA	0	\$0.00	\$0.00	\$ 5,775.00	\$ -	\$ 5,700.00	\$ -	\$ 6,230.00	\$ -
A1.5	Furnish and Install Three Way Fire Hydrant Assembly (incl. gate valve, tee on mainline, pipe, excavation, drain rock, backfill, collar, site restoration and appurtenances not separately listed on the Bid Form), CIP	EA	0	\$0.00	\$0.00	\$ 9,450.00	\$ -	\$ 10,150.00	\$ -	\$ 8,965.00	\$ -
A1.6	Furnish and Replace Existing Three Way Fire Hydrant Assembly (incl. gate valve, tee on mainline, pipe, excavation, drain rock, backfill, collar, site restoration and appurtenances not separately listed on the Bid Form), CIP	EA	0	\$0.00	\$0.00	\$ 9,573.00	\$ -	\$ 10,900.00	\$ -	\$ 7,240.00	\$ -
A1.7	Furnish and Install Sample Station by open trench (incl. all material, labor, excavation, backfill, fittings, tracer wire, warning tape and appurtenances not separately listed on the Bid Form), CIP	EA	0	\$0.00	\$0.00	\$ 4,950.00	\$ -	\$ 5,000.00	\$ -	\$ 3,505.00	\$ -
Alternative A1 Construction Total:					\$ -		\$ 24,725.00		\$ 23,000.00		\$ 26,945.00
Written Total:							\$ 24,725.00		\$ 44,750.00		\$ 26,945.00


Bid Total (Base Bid + Alternative A1):				\$ 24,000.00	\$ 66,545.00	\$ 75,250.00	\$ 86,030.00
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Resident/Veteran Preference Status:	N/A	Resident Contractor (5%)	Resident Contractor (5%)	Resident Contractor (5%)
Bid Total with applied Preference:	\$ 24,000.00	\$ 63,217.75	\$ 71,487.50	\$ 81,728.50

*Cells with red text indicate that a correction has been made in accordance with Article 14.01.C of the Instructions to Bidders (C-200)

CERTIFICATION:

I certify that the above figures are the evaluated bid prices from those submitted in the Bid Form.



Marty Howell, P.E.
Souder, Miller & Associates

05-Oct-21

Date

Lower Rio Grande Public Water Works Authority RFP Committee Minutes
1:30 p.m. on Thursday, October 7, 2021 on ZOOM
Stern Drive Ph. II RFP

Committee members present:

Martin Lopez, General Manager
Patty Charles, Project Manager's Designee
Mike Lopez, Operations Manager
John Schroder, Finance Manager's Designee

Committee members absent:

Board Chair's Designee

Also present:

Karen Nichols, Projects Manager

Ms. Nichols informed the committee that one proposal was received from Souder, Miller & Associates in response to RFP #2022-02 for Stern Drive Waterline Extension Phase II Project issued 8/18/2021 with a deadline of 2:00 p.m. on Monday, October 4, 2021.

Committee members unanimously recommend to the Lower Rio Grande Public Water Works Authority Board of Directors the selection of engineering firm Souder, Miller & Associates for the Stern Drive Waterline Extension Phase II Project.



Digitally signed by Karen
Nichols
Date: 2021-10-18
12:51-06:00

Karen Nichols, Projects Manager, RFP Procurement Manager

RECORD OF PROCEEDINGS RELATING TO THE ADOPTION OF
RESOLUTION NO. FY-2022-13 OF THE BOARD OF DIRECTORS
OF THE LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY,
DONA ANA COUNTY, NEW MEXICO
OCTOBER 20, 2021

STATE OF NEW MEXICO)
) ss.
COUNTY OF DONA ANA)

The Board of Directors (the “Governing Body”) of the Lower Rio Grande Public Water Works Authority, New Mexico (the “Governmental Unit”), met in a regular session in full conformity with the law and the rules and regulations of the Governing Body telephonically/virtually via zoom, as shown on the Governing Body’s meeting notice, as permitted by applicable COVID-19 Health Emergency Orders, being the meeting place of the Governing Body for the meeting held on the 20th day of October, 2021, at the hour of 9:30 a.m. Upon roll call, the following members were found to be present:

Present:

Absent:

Also Present:

Thereupon, there was officially filed with the Secretary a copy of a proposed Resolution in final form, as follows:

LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY,
DONA ANA COUNTY, NEW MEXICO
RESOLUTION NO. FY-2022-13

AUTHORIZING THE EXECUTION AND DELIVERY OF AN AMENDED AND RESTATED LOAN AND SUBSIDY AGREEMENT (“LOAN AGREEMENT” OR “AMENDED AND RESTATED LOAN AGREEMENT”) BY AND BETWEEN THE LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY, DONA ANA COUNTY, NEW MEXICO (THE “GOVERNMENTAL UNIT”) AND THE NEW MEXICO FINANCE AUTHORITY; INCREASING THE ORIGINAL LOAN AMOUNT, AND RESTRUCTURING THE INTEREST RATE, EVIDENCING A SPECIAL LIMITED OBLIGATION OF THE GOVERNMENTAL UNIT TO PAY A PRINCIPAL AMOUNT OF NO MORE THAN \$3,586,286, TOGETHER WITH INTEREST, EXPENSES, IN ANY, AND ADMINISTRATIVE FEES THEREON, FOR THE PURPOSE OF FINANCING THE COSTS OF PLANNING, DESIGNING, CONSTRUCTING AND EQUIPPING A CENTRAL OPERATIONS BUILDING; PROVIDING FOR THE PLEDGE AND PAYMENT OF THE PRINCIPAL, ADMINISTRATIVE FEES AND INTEREST DUE UNDER THE LOAN AGREEMENT SOLELY FROM THE NET REVENUES OF THE WATER SYSTEM OF THE GOVERNMENTAL UNIT; SETTING AN INTEREST RATE FOR THE LOAN; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE AMENDED AND RESTATED LOAN AGREEMENT; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS RESOLUTION, INCLUDING PROVISIONS OF RESOLUTION NO. FY2019-11 THAT ARE INCONSISTENT WITH THIS RESOLUTION; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE AMENDED AND RESTATED LOAN AGREEMENT.

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

WHEREAS, the Governmental Unit is a legally and regularly created, established, organized and existing public water works authority under NMSA 1978, § 73-26-1, as amended, and the general laws of the State; and

WHEREAS, the Finance Authority and the Governmental Unit entered into a Drinking Water State Revolving Loan Fund loan agreement on October 28, 2018 (the “Original Loan Agreement”) for the purpose of financing the Project; and

WHEREAS, the Finance Authority and the Governmental Unit desire to amend the Original Loan Agreement to increase the Maximum Principal Amount from \$3,285,288 to \$3,586,286, an increase of \$300,998 and update the interest rate structure on the Loan; and

WHEREAS, the Finance Authority Board approved the increase to the Loan and interest rate restructure of the Original Loan Agreement at its regularly scheduled August 26, 2021 meeting; 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 construction of the Project take place by executing and delivering the Loan Agreement; and

WHEREAS, the Governing Body has determined that it may lawfully pledge the Pledged Revenues for the payment of amounts due under 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 Secretary, this Resolution and the form of the Loan Agreement; 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 Finance Authority (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 Resolution have been obtained or are reasonably expected to be obtained prior to the Closing Date.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY, DONA ANA COUNTY, NEW MEXICO:

Section 1. Definitions. Capitalized terms defined in this Section 1 shall, for all purposes, 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):

“Administrative Fee” or “Administrative Fee Component” means the 0.25% annual fee payable to the Finance Authority as 0.125% of the Loan Agreement Principal Amount 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 Repayable Disbursements” means, at any time after the Closing Date, the Aggregate 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 Finance Authority pursuant to Section 4.2 of the Loan Agreement.

“Authorized Officers” means the Chair, the Finance Manager, the General Manager and Secretary of the Governmental Unit.

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

“Closing Date” means the date of execution, delivery and funding of the Loan Agreement authorized by this Resolution.

“Debt Service Account” means the debt service account established in the name of the Governmental Unit and administered by the Finance Authority 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 Finance Authority for an Approved Requisition for costs of the Project, including the Expense Fund Component.

“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, as amended; NMSA 1978 NMSA 1978, § 73-26-1, as amended; and enactments of the Governing Body relating to the Loan Agreement, including this Resolution.

“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.

“Expense Fund Component” means an amount equal to one percent (1%) of each Disbursement for the Project, simultaneously withdrawn and deposited in the Expense Fund to pay Expenses.

“Expenses” means the Finance Authority’s costs of issuance of the Loan Agreement and the Bonds, if any, and periodic and regular fees and expenses incurred by the Finance Authority 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.

“Finance Authority” means the New Mexico Finance Authority, created by the New Mexico Finance Authority Act, NMSA 1978, §§ 6-21-1 through 6-21-31, as amended.

“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 Board of Directors of the Governmental Unit and any successor governing body of the Governmental Unit.

“Governmental Unit” means the Lower Rio Grande Public Water Works Authority, Dona Ana County, New Mexico.

“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 water services or facilities, or any other service, commodity or facility or any combination thereof furnished by the System.

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 therefore 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 Resolution and not solely to the particular section or paragraph of this Resolution 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 as shown on the Term Sheet.

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

“Loan Agreement” means the loan agreement and any amendments or supplements thereto, including the exhibits attached to the loan agreement.

“Loan Agreement Payment” means, collectively, the Principal Component, 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.

“Loan Agreement Principal Amount” means, as of any date of calculation, the Aggregate Repayable Disbursements (including the Expense Fund Component) then outstanding.

“Maximum Repayable Principal” means the maximum amount of Aggregate Repayable Disbursements repayable by the Governmental Unit pursuant to the Loan Agreement, and is equal to the Maximum Principal Amount. The Maximum Repayable Principal is \$3,586,286.

“Maximum Principal Amount” means \$3,586,286.

“Net Revenues” means the Gross Revenues of the System owned and operated by the Governmental Unit minus Operation and Maintenance Expenses of the System, indirect charges, amounts expended for capital replacements and repairs of the System, 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.

"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 Resolution and described on the Term Sheet.

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

"Resolution" means this Resolution No. FY-2022-13 adopted by the Governing Body of the Governmental Unit on October 20, 2021, approving the Loan Agreement and pledging the Pledged Revenues to the payment of the Loan Agreement Payments as shown on the Term Sheet and the Final Loan Agreement Payment Schedule, as supplemented from time to time in accordance with the provisions hereof.

“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.

“Subordinated 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 public utility designated as the Governmental Unit’s water system, and all improvements or additions thereto, including additions and improvements to be acquired or constructed with the proceeds of 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 this Resolution) by the Governing Body and officers of the Governmental Unit directed toward the acquisition and completion of the Project, and the execution and delivery of the Loan Agreement shall be, and the same hereby is, ratified, approved and confirmed.

Section 3. Authorization of the Project and the Loan Agreement. The acquisition and completion of the Project and the method of financing the Project through execution and delivery of the Loan Agreement are hereby authorized and ordered. The Project is for the benefit and use of the Governmental Unit.

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

A. 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 constructing the Project.

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

C. 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.

D. 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.

E. The Governmental Unit will acquire and construct the Project, in whole or in part, with the net proceeds of the Loan.

F. 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.

G. 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 Resolution has been adopted by the affirmative vote of at least a majority 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 acquiring 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 \$3,586,286 and interest thereon, and the execution and delivery of the Loan Agreement is hereby authorized. The Governmental Unit shall use the proceeds of the Loan (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 Resolution was adopted. The Loan shall be in an amount not to exceed the Maximum Principal Amount of \$3,586,286. The Loan Agreement Principal Amount 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, which rate includes the Administrative Fee.

Section 6. Approval of Loan Agreement. The form of the Loan Agreement as presented at the meeting of the Governing Body at which this Resolution 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 Secretary 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 Resolution, 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 Resolution 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 Resolution, 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 Acquisition and 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 Finance Authority 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).

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 acquiring and constructing 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 acquisition and completion of the Project, the Governmental Unit shall execute and send to the Finance Authority a certificate stating that the completion of and payment for the Project has been completed.

D. Finance Authority Not Responsible for Application of Loan Proceeds. The Finance Authority 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 Finance Authority in an amount sufficient to pay principal, interest, Administrative Fees, 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 entire aggregate 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 and Administrative Fee 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 Resolution.

C. Use of Surplus Revenues. After making all the payments required to be made by this Section and any payments required by outstanding 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 Parity Obligations or bonds or obligations subordinate and junior 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 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, Administrative Fees, and any other amounts due under the Loan Agreement, subject to the uses thereof permitted by and the priorities set forth in this Resolution. The Loan Agreement constitutes an irrevocable subordinate lien, but not necessarily an exclusive subordinate 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 Finance Authority.

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 Resolution, 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 Resolution and the Loan Agreement for the full, punctual and complete performance of all the terms, covenants and agreements contained in this Resolution and the Loan Agreement including, but not limited to, the execution and delivery of closing documents and reports in connection with the execution and delivery of the Loan Agreement, and the publication of the summary of this Resolution set out in Section 17 of this Resolution (with such changes, additions and deletions as may be necessary).

Section 12. Amendment of Resolution. Prior to the Closing Date, the provisions of this Resolution may be supplemented or amended by resolution of the Governing Body with respect to any changes which are not inconsistent with the substantive provisions of this Resolution. After the Closing Date, this Resolution may be amended without receipt by the Governmental Unit of any additional consideration, but only with the prior written consent of the Finance Authority.

Section 13. Resolution Irrepealable. After the Closing Date, this Resolution shall be and remain irrepealable until all obligations due under the Loan Agreement shall be fully paid, canceled and discharged, as herein provided.

Section 14. Severability Clause. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 15. Repealer Clause. All bylaws, orders, resolutions and ordinances, 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 Resolution, it shall be recorded in the book of the Governmental Unit kept for that purpose, authenticated by the signatures of the Chair and Secretary, and the title and general summary of the subject matter contained in this Resolution (set out in Section 17 below) shall be published in a newspaper which is of general circulation in the Governmental Unit, and the Resolution shall be in full force and effect thereafter, in accordance with law.

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 Resolution shall be published in substantially the following form:

[Remainder of page intentionally left blank.]

[Form of Summary of Resolution for Publication.]

Lower Rio Grande Public Water Works Authority, Dona Ana County, New Mexico
Notice of Adoption of Resolution

Notice is hereby given of the title and of a general summary of the subject matter contained in Resolution No. FY-2022-13, duly adopted and approved by the Governing Body of the Lower Rio Grande Public Water Works Authority, Dona Ana County, New Mexico (the “Governmental Unit”), on October 20, 2021. Complete copies of the Resolution are available for public inspection during normal and regular business hours in the office of the Secretary, 325 Holguin Road, Vado, New Mexico 88072.

The title of the Resolution is:

LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY,
DONA ANA COUNTY, NEW MEXICO
RESOLUTION NO. FY-2022-13

AUTHORIZING THE EXECUTION AND DELIVERY OF AN AMENDED AND RESTATED LOAN AND SUBSIDY AGREEMENT (“LOAN AGREEMENT” OR “AMENDED AND RESTATED LOAN AGREEMENT”) BY AND BETWEEN THE LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY, DONA ANA COUNTY, NEW MEXICO (THE “GOVERNMENTAL UNIT”) AND THE NEW MEXICO FINANCE AUTHORITY; INCREASING THE ORIGINAL LOAN AMOUNT, AND RESTRUCTURING THE INTEREST RATE, EVIDENCING A SPECIAL LIMITED OBLIGATION OF THE GOVERNMENTAL UNIT TO PAY A PRINCIPAL AMOUNT OF NO MORE THAN \$3,586,286, TOGETHER WITH INTEREST, EXPENSES, IN ANY, AND ADMINISTRATIVE FEES THEREON, FOR THE PURPOSE OF FINANCING THE COSTS OF PLANNING, DESIGNING, CONSTRUCTING AND EQUIPPING A CENTRAL OPERATIONS BUILDING; PROVIDING FOR THE PLEDGE AND PAYMENT OF THE PRINCIPAL, ADMINISTRATIVE FEES AND INTEREST DUE UNDER THE LOAN AGREEMENT SOLELY FROM THE NET REVENUES OF THE WATER SYSTEM OF THE GOVERNMENTAL UNIT; SETTING AN INTEREST RATE FOR THE LOAN; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE AMENDED AND RESTATED LOAN AGREEMENT; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS RESOLUTION, INCLUDING PROVISIONS OF RESOLUTION NO. FY2019-11 THAT ARE INCONSISTENT WITH THIS RESOLUTION; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE AMENDED AND RESTATED LOAN AGREEMENT.

The title sets forth a general summary of the subject matter contained in the Resolution.
This notice constitutes compliance with NMSA 1978, § 6-14-6.

[End of Form of Summary for Publication.]

[Remainder of page intentionally left blank.]

Section 18. Execution of Agreements. The Lower Rio Grande Public Water Works Authority through its Governing Body agrees to authorize and execute all such agreements with the New Mexico Finance Authority as are necessary to consummate the Loan contemplated herein and consistent with the terms and conditions of the Loan Agreement and this Resolution.

PASSED, APPROVED AND ADOPTED THIS 20TH DAY OF OCTOBER, 2021.

LOWER RIO GRANDE PUBLIC
WATER WORKS AUTHORITY,
DONA ANA COUNTY, NEW MEXICO

By _____
Esperanza Holguin, Chair

[SEAL]

ATTEST:

By _____
Jose Evaro, Secretary

[Remainder of page intentionally left blank.]

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

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

Those Voting Aye: _____

Those Voting Nay: _____

Those Absent: _____

_____ (_____) members of the Governing Body having voted in favor of said motion, the Chair declared said motion carried and said Resolution adopted, whereupon the Chair and the Secretary signed the Resolution upon the records of the minutes of the Governing Body.

After consideration of other matters not relating to the Resolution, the meeting on motion duly made, seconded and carried, was adjourned.

LOWER RIO GRANDE PUBLIC
WATER WORKS AUTHORITY,
DONA ANA COUNTY, NEW MEXICO

By _____
Esperanza Holguin, Chair

[SEAL]

ATTEST:

By _____
Jose Evaro, Secretary

[Remainder of page intentionally left blank.]

STATE OF NEW MEXICO)
) ss.
COUNTY OF DONA ANA)

I, Jose Evaro, the duly appointed, qualified, and acting Secretary of the Lower Rio Grande Public Water Works Authority, Dona Ana County, New Mexico (the “Governmental Unit”), do hereby certify:

1. The foregoing pages are a true, perfect, and complete copy of the record of the proceedings of the Board of Directors (the “Governing Body”), constituting the governing body of the Governmental Unit, had and taken at a duly called regular meeting held telephonically/virtually via zoom, as shown on the Governing Body’s meeting notice, as permitted by applicable COVID-19 Health Emergency Orders, on October 20, 2021, at the hour of 9:30 a.m., insofar as the same relate to the adoption of the Resolution and the execution and delivery of the proposed Amended and Restated Loan Agreement, copies of which are set forth in the official records of the proceedings of the Governing Body kept in my office. None of the action taken has been rescinded, repealed, or modified.

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

3. Notice of the meeting was given in compliance with the permitted methods of giving notice of meetings of the Governing Body as required by the State Open Meetings Act, NMSA 1978, §§ 10-15-1 through 10-15-4, as amended, including, the Governing Body's Open Meetings Resolution No. FY2021-19 presently in effect.

IN WITNESS WHEREOF, I have hereunto set my hand this 3rd day of December 2021.

LOWER RIO GRANDE PUBLIC
WATER WORKS AUTHORITY,
DONA ANA COUNTY, NEW MEXICO

(SEAL) By _____
Jose Evaro, Secretary

EXHIBIT “A”

Notice and Agenda of Meeting

\$3,586,286 Maximum Principal Amount

AMENDED AND RESTATED
DRINKING WATER STATE REVOLVING LOAN FUND
LOAN AGREEMENT

dated

December 3, 2021

by and between the

NEW MEXICO FINANCE AUTHORITY

and the

LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY,
DONA ANA COUNTY, NEW MEXICO

AMENDED AND RESTATED
DRINKING WATER STATE REVOLVING LOAN FUND LOAN AGREEMENT

This AMENDED AND RESTATED LOAN AGREEMENT (the “Loan Agreement” or “Amended and Restated Loan Agreement”), dated as of December 3, 2021, is entered into by and between the NEW MEXICO FINANCE AUTHORITY (the “Finance Authority”), and the LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY, DONA ANA COUNTY, New Mexico (the “Governmental Unit”), a public water works authority 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 Finance Authority 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 Finance Authority 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; and

WHEREAS, the Finance Authority and the Governmental Unit entered into a Drinking Water State Revolving Loan Fund loan agreement on October 28, 2018 (the “Original Loan Agreement”) for the purpose of financing the Project; and

WHEREAS, the Finance Authority and the Governmental Unit desire to amend the Original Loan Agreement to increase the Maximum Principal Amount from \$3,285,288 to \$3,586,286, an increase of \$300,998 and update the interest rate structure on the Loan; and

WHEREAS, the Finance Authority Board approved the increase to the Loan and interest rate restructure of the Original Loan Agreement at its regularly scheduled August 26, 2021 meeting; and

WHEREAS, this Amended and Restated Loan Agreement amends and restates the Original Loan Agreement to increase the original loan Maximum Principal Amount and update the interest rate structure on the Loan; 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 New Mexico Environment Department (the “Department”) has determined that the Governmental Unit’s Project plans and specifications comply with the provisions of 42 U.S.C. Section 300j-12 and the requirements of the laws and regulations of the State governing the construction and operation of drinking water systems; and

WHEREAS, a portion of the funds made available under this Loan Agreement pursuant to the DWSRLF Act and the Safe Drinking Water Act 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 Finance Authority has determined that 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, the Finance Authority has found and determined that the Project meets all applicable requirements of the State Environmental Review Process (SERP) for the Drinking Water State Revolving Loan Fund; and

WHEREAS, the Finance Authority had found and determined that the Governmental Unit serves a severely disadvantaged community under the Intended Use Plan in that its median annual household income is \$34,307, which is less than 90% of the State median annual household income of \$44,963, and it had an affordability ratio determined as provided in the Intended Use Plan of above 0.015; and

WHEREAS, 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 Safe Drinking Water Act.

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

ARTICLE I

DEFINITIONS

Capitalized terms defined in this Article I 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. 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 Finance Authority as 0.125% of the Loan Agreement Principal Amount 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 Program Amount” means, with respect to this Loan Agreement, the sum of \$3,586,286 which amount shall be available for disbursal to the Governmental Unit to pay costs of the Project.

“Aggregate Repayable Disbursements” means, at any time after the Closing Date, the Aggregate 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 Finance Authority pursuant to Section 4.2 of this Loan Agreement.

“Authorized Officers” means, with respect to the Governmental Unit, the Chair, the Finance Manager, the General Manager and the Secretary thereof; and with respect to the Finance Authority, any one or more of the Chairperson, Vice-Chairperson, Secretary and Chief Executive Officer of the Finance Authority, and any other officer or employee of the Finance Authority designated in writing by an Authorized Officer of the Finance Authority.

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

“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 Finance Authority 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 Finance Authority for an Approved Requisition for costs of the Project, including the Expense Fund Component 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, as amended; NMSA 1978, § 73-26-1, as amended; and enactments of the Governing Body relating to this Loan Agreement including the Resolution.

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

“Environmental Protection Agency” 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 Finance Authority to pay Expenses.

“Expense Fund Component” means an amount equal to one percent (1%) of each disbursement for the Project, simultaneously withdrawn and deposited in the Expense Fund to pay Expenses.

“Expenses” means the Finance Authority’s costs of issuance of this Loan Agreement and the Bonds, if any, and periodic and regular fees and expenses incurred by the Finance Authority 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.

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

“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 Finance Authority establishing accounting principles applicable to the Governmental Unit.

“Governing Body” means the duly organized Board of Directors of the Governmental Unit and 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 water services or facilities, or any other service, commodity or facility or any combination thereof furnished by the System.

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 therefore 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 Finance Authority and the Department and approved by the Environmental Protection Agency pursuant to 42 U.S.C. Section 300j-12(b) which establishes 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 as shown on the Term Sheet.

“Interim Period” means the period up to March 31, 2022, or a longer period as may be approved by the Finance Authority as provided in Section 4.1(b) of the Agreement, beginning on the Closing Date, during which the Finance Authority 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 by March 31, 2022. 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 Finance Authority pursuant to this Loan Agreement, up to the Maximum Principal Amount.

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

“Loan Agreement Payment” means, collectively, the Principal Component, 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 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 Principal Amount” means, as of any date of calculation, the Aggregate Repayable Disbursements then outstanding.

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

“Maximum Repayable Principal” means the maximum amount of Aggregate Repayable Disbursements repayable by the Governmental Unit pursuant to this Loan Agreement, and is equal to the Maximum Principal Amount. The Maximum Repayable Principal is \$3,586,286.

“Maximum Principal Amount” means \$3,586,286.

“Memorandum of Understanding” means the current memorandum of understanding by and between the Finance Authority and the Department pursuant to the DWSRLF Act describing and allocating duties and responsibilities in connection with the Drinking Water State Revolving Loan Fund.

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

“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 Finance Authority 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.

“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 payment of the Loan Agreement Payments by the Resolution 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.

“Resolution” means Resolution No. FY2019-11 adopted by the Governing Body of the Governmental Unit on September 19, 2018, authorizing the acceptance and execution of the Original Loan Agreement (the “Original Resolution”) and Resolution No. FY-2022-13 adopted by the Governing Body of the Governmental Unit on October 20, 2021, approving this Amended and Restated 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.

“Safe Drinking Water Act” 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 Finance Authority, as required by and approved by the Environmental Protection Agency, pursuant to the Operating Agreement.

“Subordinated 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 public utility designated as the Governmental Unit’s water system, and all improvements or additions thereto, including additions and improvements to be acquired or constructed with the proceeds of this Loan Agreement.

“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 Subordinated 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. All covenants, stipulations, obligations and agreements of the Governmental Unit contained in this Loan Agreement shall be deemed to be the covenants, stipulations, obligations and agreements of the Governmental Unit to the full extent authorized or permitted by law, and such covenants, stipulations, obligations and agreements shall be binding upon the Governmental Unit and its successors and upon any board or body to which any powers or duties affecting such 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 Resolution 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 Loan Agreement and Readiness to Proceed. The Governmental Unit is a public water works authority and is duly organized and existing under the statutes and laws of the State, including specifically NMSA 1978, § 73-26-1, as amended. 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 and thereunder. 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 Finance Authority 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 requisition moneys to pay for the costs of the Project not less frequently than quarterly following the Closing Date;

(ii) The Governmental Unit shall, by March 31, 2022, have completed the acquisition of the Project, and shall by March 31, 2022 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 Finance Authority to assure sufficient 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) Acquisition 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 acquisition and completion of the Project and to the use of the Pledged Revenues.

(f) Necessity of Project. The acquisition 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, nor the fulfillment of or compliance with the terms and conditions in this Loan Agreement, 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, and any 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. The debt service on such Bonds and obligations is accurately shown in the Term Sheet and the coverage ratio shown in the Term Sheet is true and correct. No additional indebtedness, bonds or notes of the Governmental Unit, payable out of Pledged Revenues, shall be created or incurred while this Loan Agreement remains outstanding without the prior written approval of the Finance Authority.

(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 or to comply with its obligations under this Loan Agreement. Neither the execution and delivery of this Loan Agreement by the Governmental Unit nor compliance by the Governmental Unit with the obligations under this Loan Agreement require 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, would constitute an Event of Default on the part of the Governmental Unit under this Loan Agreement.

(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 principal and interest due on all outstanding Parity Obligations of the Governmental Unit

(q) Governmental Unit's Existence. The Governmental Unit will maintain its corporate identity and existence so long as this Loan Agreement is unpaid, unless another political subdivision by operation of law succeeds to the liabilities and rights of the Governmental Unit without adversely affecting to any substantial degree the privileges and rights of the Finance Authority.

(r) Continuing Disclosure. The Governmental Unit covenants that it shall provide continuing disclosure to the Finance Authority, as the Finance Authority 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 Finance Authority, and notification of any event deemed material by the Finance Authority. For the purposes of this Loan Agreement, a material event shall include, without limitation, any violation or alleged violation by a state or federal agency of appropriate jurisdiction, of federal law, regulation, or policy which governs or applies to participants in the Drinking Water State Revolving Loan Fund.

(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, or in the alternative an audit of the books and accounts of each of its departments, agencies and other organizational units which expended or otherwise administered the Loan or any other funds derived from the government of the United States, 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 audit will be available for inspection by the Finance Authority and by the 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.

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 principal and interest payments due on all outstanding Parity Obligations.

(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 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, 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 Finance Authority, 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 Finance Authority. 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 water services or facilities furnished by or through the System shall be rendered to customers on a regular basis each month following the month in which the service was rendered and shall be due as required by the applicable ordinance of the Governmental Unit. To the extent permitted by law, if a bill is not paid within the period of time required by such ordinance, water services shall be discontinued as required by Governmental Unit regulation or policy, and the rates and charges due shall be collected in a lawful manner, including, but not limited to, the cost of disconnection and reconnection.

(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 Finance Authority.

(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 or policies and resolutions 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 Obligations and Parity 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 or senior to the lien of this Loan Agreement.

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

(a) Legal Status and Authorization of Loan Agreement. The Finance Authority 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 Finance Authority Act. The Finance Authority 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 Finance Authority is a party or by which the Finance Authority 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 Finance Authority, or its property and which conflict or violation will have a material adverse effect on the Finance Authority or the financing of the Project.

(c) No Litigation. To the knowledge of the Finance Authority, there is no litigation or proceeding pending or threatened against the Finance Authority or any other person affecting the right of the Finance Authority to execute or deliver this Loan Agreement or to comply with its obligations under this Loan Agreement. To the knowledge of the Finance Authority, neither the execution and delivery of this Loan Agreement by the Finance Authority, nor compliance by the Finance Authority 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 Obligations. This Loan Agreement constitutes a legal, valid and binding obligation of the Finance Authority 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.

(a) On the Closing Date, the amount shown on the Term Sheet as the Aggregate Program Amount shall be made available for disbursement by the Finance Authority to the Governmental Unit pursuant to Section 6.2 of this Loan Agreement at the request of the Governmental Unit and as needed by the Governmental Unit to implement the Project.

(b) The Final Requisition shall be submitted by the Governmental Unit by March 31, 2022, except only as otherwise approved in writing by an Authorized Officer of the Finance Authority, based on the Governmental Unit's demonstration, to the reasonable satisfaction of the Authorized Officer of the Finance Authority, 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. 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 Finance Authority. The Finance Authority or its designee shall review each requisition for compliance with (i) the Project's construction plans and specifications and (ii) all applicable state and federal laws, rules and regulations, and shall approve or disapprove the requisition accordingly. The Finance Authority shall cause Approved Requisitions to be paid from the State Drinking Water Revolving Loan Fund.

Section 4.3 Expense Fund Deposit. The Finance Authority shall determine the amount of the Expense Fund Component 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 Finance Authority hereby lends to the Governmental Unit and the Governmental Unit hereby borrows from the Finance Authority 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 Finance Authority 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. The Loan Agreement Payments shall, in the aggregate, be sufficient to pay the Aggregate Repayable Disbursements, as set forth in the Final Loan Agreement Payment Schedule.

Within five (5) days after each payment of an Approved Requisition during the Interim Period, the Finance Authority 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 Finance Authority shall provide a Final Loan Agreement Payment Schedule. The schedule of Loan Agreement Payments, assuming the disbursal of the entire Aggregate Program Amount by March 31, 2022, is attached to this Loan Agreement as Exhibit "B". The Finance Authority 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 Finance Authority 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 Finance Authority or its designee on behalf of the Governmental Unit. All Loan Agreement Payments received by the Finance Authority or its designee pursuant to this Loan Agreement shall be accounted for and maintained by the Finance Authority or its designee in the Debt Service Account, which account shall be kept separate and apart from all other accounts of the Finance Authority. The amounts on deposit in the Debt Service Account shall be expended and used by the Finance Authority only in the manner and order of priority specified herein.

(a) As a subordinate charge and lien, but not an exclusive subordinate 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 Finance Authority and the Finance Authority 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, Interest 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 Finance Authority of an Approved Requisition, pay to the Finance Authority 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 Finance Authority for deposit into the Debt Service Account the following amounts:

(A) Interest and Administrative Fee Components. Monthly, commencing on the first day of the month next following the final disbursement, the Governmental Unit shall pay to the Finance Authority 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 Finance Authority 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 Finance Authority, from Pledged Revenues, the amounts set forth in Subsections (i)(C), (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 Finance Authority 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 Finance Authority 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 Finance Authority 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 Finance Authority 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 Obligations Payable from Pledged Revenues. 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 Finance Authority and it must be determined that:

(a) 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.

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

(c) 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 combined maximum annual principal, interest requirement and the Administrative Fee Component 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).

(d) 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.

(e) 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.

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 Finance Authority 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 Finance Authority. 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 Acquire and Complete the Project. The Governmental Unit hereby agrees that in order to effectuate the purposes of this Loan Agreement and to effectuate the acquisition 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 acquire and complete the Project.

The Governmental Unit agrees to acquire and complete the Project through the application of moneys to be disbursed by the Finance Authority 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 Finance Authority or its designee shall disburse moneys to pay a requisition upon receipt and approval by the Finance Authority 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 Acquisition of the Project. Upon completion of the acquisition of the Project, which shall occur by March 31, 2022, unless a later date is approved as provided in Section 4.1(b) of this Agreement, an Authorized Officer of the Governmental Unit shall deliver a certificate to the Finance Authority, substantially in the form of Exhibit "D" attached hereto, stating that, to his or her knowledge, the acquisition of 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 Finance Authority shall not have received a Final Requisition, by March 31, 2022, 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 Finance Authority 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 Finance Authority 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 Finance Authority and Governmental Unit Representatives. Whenever under the provisions hereof the approval of the Finance Authority or the Governmental Unit is required, or the Governmental Unit or the Finance Authority is required to take some action at the request of the other, such approval or such request shall be given for the Finance Authority or for the Governmental Unit by an Authorized Officer of the Finance Authority 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 Finance Authority 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 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.

(g) For all contracts, the Governmental Unit shall comply with the requirements of the Environmental Protection Agency’s Program for Utilization of Minority and Women’s Business Enterprises set out in Title 40, Chapter I, Subchapter B, Part 33 of the Code of Federal Regulations.

(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 Executive Order dated September 25, 2012 on Strengthening Protections Against Trafficking in Persons in Federal Contracts.

(j) 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 Finance Authority pertaining to the Project or (ii) the Finance Authority has otherwise advised the Governmental Unit in writing that the American Iron and Steel Requirement is not applicable to the Project.

(k) 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 Finance Authority 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 Agreement may be a default under this Agreement.

(l) 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.

(m) For all contracts, the Governmental Unit shall comply with the requirements of section 1450(e) of the Safe Drinking Water Act (42 U.S.C.300j-9(e)) in all procurement contracts, and the Governmental Unit and procurement contractors shall include such a term and condition in subcontracts and other lower tiered transactions. All contracts and subcontracts for the Project shall include in any contract in excess of \$2,000 the contract clauses set out in the EPA publication entitled “Wage Rate Requirements Under the Clean Water Act, Section 513 and the Safe Drinking Water Act Section 1450(e).”

(n) 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 United States Environmental Protection Agency relating to signage, posters, advertisements, website or press releases indicating that financial assistance was received from the EPA for the Project.

The Finance Authority 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 subordinate lien (but not necessarily an exclusive subordinate 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 subordinate 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 Finance Authority or its designee by the Governmental Unit no less than forty-five (45) days prior to the prepayment date. The Finance Authority 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 Finance Authority 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 Finance Authority 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 Finance Authority or its designee, shall defend the Finance Authority 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 Finance Authority or its designee, if any, unless the Finance Authority 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 Finance Authority or its designee but cannot be cured within the applicable thirty (30) day period, the Finance Authority 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 Finance Authority shall have the right to intervene in the proceedings to protect the Finance Authority'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 Finance Authority 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 Finance Authority 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 Finance Authority 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 Finance Authority; 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 Expense Fund Component); 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 Finance Authority 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 Finance Authority 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 Finance Authority 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 Finance Authority, in connection with such Event of Default shall have been paid or provided. Such waiver shall be effective only if made by written statement of waiver issued by the Finance Authority. In case of any such waiver or rescission, or in case any proceeding taken by the Finance Authority on account of any such Event of Default shall have been discontinued or abandoned or determined

adversely, then and in every such case, the Finance Authority 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 Finance Authority 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 Finance Authority 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:

Lower Rio Grande Public Water Works Authority
Attn: General Manager
325 Holguin Road
Vado, New Mexico 88072

If to the Finance Authority, then to:

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

And if to Finance Authority'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 Finance Authority 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 Finance Authority, the Governmental Unit and their respective successors and assigns, if any.

Section 11.3 Integration. This Loan Agreement and any other agreements, certifications and commitments entered into between the Finance Authority and the Governmental Unit on the Closing Date constitute the entire agreement of the parties regarding the subject matter hereof as of the Closing Date. The Loan provided herein, which was approved by the Finance Authority Board of Directors on August 26, 2021 and the terms hereof supersede all prior understandings and agreements between the parties in connection with the Loan, including the Original Loan Agreement, to the extent inconsistent herewith.

Section 11.4 Amendments. This Loan Agreement may be amended only with the written consent of the Finance Authority and the Governmental Unit, except as provided in Section 4.1(b) of this Loan Agreement. The consent of the Finance Authority 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 Finance Authority. The execution of any such consent by an Authorized Officer of the Finance Authority shall constitute his or her determination that such amendment does not affect the terms of payment of the loan component of this Loan Agreement.

Section 11.5 No Liability of Individual Officers, Directors or Trustees. No recourse under or upon any obligation, covenant or agreement contained in this Loan Agreement shall be had against any member, employee, director or officer, as such, past, present or future, of the Finance Authority, either directly or through the Finance Authority 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 Finance Authority is hereby expressly waived and released by the Governmental Unit and by the Finance Authority as a condition of and in consideration for the execution of this Loan Agreement.

Section 11.6 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 11.7 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 11.8 Assignment by the Finance Authority. This Loan Agreement (except as to the Administrative Fee and Expense Fund Component) may be assigned and transferred by the Finance Authority to a trustee, which right to assign and transfer is hereby acknowledged and approved by the Governmental Unit.

Section 11.9 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 11.10 Applicable Law. This Loan Agreement shall be governed by and construed in accordance with the laws of the State.

Section 11.11 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.

[Remainder of page intentionally left blank.]

[Signature pages follow.]

IN WITNESS WHEREOF, the Finance Authority, on behalf of itself has executed this Amended and Restated Loan Agreement, which was approved by the Finance Authority's Board of Directors on August 26, 2021, 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 Finance Authority:

VIRTUE & NAJJAR, PC
As Loan Counsel to the Finance Authority

By _____
Richard L. C. Virtue

Approved for Execution by Officers of the Finance Authority:

By _____
Daniel C. Opperman, Chief Legal Officer

LOWER RIO GRANDE
PUBLIC WATER WORKS AUTHORITY,
DONA ANA COUNTY, NEW MEXICO

By _____
Esperanza Holguin, Chair

[SEAL]

ATTEST:

By _____
Jose Evaro, Secretary

EXHIBIT "A"

TERM SHEET

LOAN NO. DW-4213
TO THE LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY,
DONA ANA COUNTY, NEW MEXICO

Governmental Unit:	Lower Rio Grande Public Water Works Authority, Dona Ana County, New Mexico
Project Description:	Plan, design, construct and equip a central operations building to house the Governmental Unit's Administration, Finance, Operations and Projects Departments
Pledged Revenues:	Net System Revenues
Currently Outstanding Parity Obligations for Pledged Revenues:	NMFA 4796-DW, Matures in 2041; NMFA 3394-DW, Matures in 2038; and NMED RIP Loan 00024, Matures 2038
Currently Outstanding Senior Obligations:	USDA Loan 91-02BP, Matures in 2040; USDA Loan 93-09/93-27, Matures in 2052; USDA Loan 91-14, Matures in 2049; USDA Loan 91-04, Matures in 2052; USDA Loan 92-13, Matures in 2052; USDA Loan 91-15, Matures in 2052; USDA Loan 92-19, Matures in 2052; USDA Loan 91-02LRG, Matures in 2054; USDA Loan 92-22, Matures in 2054; and NMFA 2601-PP, Matures in 2041
Currently Outstanding Subordinate Obligations:	NMFA 0223-WTB, Matures in 2032; NMFA 0252-WTB, Matures in 2032; NMFA 2766-CIF, Matures in 2033; NMFA 3156-CIF, Matures in 2034; NMFA 3161-CIF, Matures in 2033; and NMFA CIF-4645, Matures in 2040; NMFA CIF-4915, Matures 2041; and NMFA CIF-4916, Matures 2041 (closing simultaneously)
Authorizing Legislation:	Governmental Unit Resolution No. FY2019-11 adopted September 19, 2018 and Governmental Unit Resolution No. FY-2022-13 adopted October 20, 2021
Closing Date:	December 3, 2021

Interest Rate:	1.0% on \$2,246,825 Market Component (which includes the Administrative Fee) 0.25% on \$1,000,000 Disadvantaged Component (which includes the Administrative Fee) 1.59% on \$339,461 Blended Rate Loan (which includes the Administrative Fee)
Total Funding (Maximum Repayable Program Fund Component):	\$3,586,286.00
Program Fund Deposit (Aggregate Program Fund Amount):	\$3,582,934.88
Cost of Issuance (Maximum Repayable Expense Fund Component):	\$3,351.12
Maximum Expense Fund Component:	\$32,526
Maximum Principal Amount:	\$3,586,286.00

EXHIBIT “B”

LOAN AGREEMENT PAYMENT SCHEDULE

[SEE ATTACHED]

EXHIBIT "C"

FORM OF REQUISITION

RE: \$3,586,286 Amended and Restated Loan Agreement by and between the Finance Authority and the Lower Rio Grande Public Water Works Authority (the "Amended and Restated Loan Agreement" or "Loan Agreement")

TO: New Mexico Finance Authority
207 Shelby Street
Santa Fe, New Mexico 87501
Attn: Loan Servicing

LOAN NO. DW-4213

CLOSING DATE: December 3, 2021

You are hereby authorized to disburse to the Lower Rio Grande Public Water Works Authority or its payee with regard to the above-referenced Loan Agreement the following:

REQUISITION NUMBER:		<input type="checkbox"/> Interim Request <input type="checkbox"/> Final Request
AMOUNT OF PAYMENT:	\$	

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:	

WIRING INFORMATION

BANK NAME:	
ACCOUNT NUMBER:	
ROUTING NUMBER:	

Please indicate if this Business is considered a

<input type="checkbox"/> SBE (Small Business Entrepreneur)	<input type="checkbox"/> MBE (Minority Business Entrepreneur)	<input type="checkbox"/> WBE (Women owned business Entrepreneur)	<input type="checkbox"/> 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 Amended and Restated Loan Agreement and the related closing documents remain true and correct and the Lower Rio Grande Public Water Works Authority 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 Lower Rio Grande Public Water Works Authority understands its obligation to complete the acquisition of the Project and shall complete the acquisition of the Project from other legally available funds.

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

DATED: _____

By: _____
Authorized Officer

(Print name and title)

EXHIBIT "D"

FORM OF CERTIFICATE OF COMPLETION

RE: \$3,586,286 Amended and Restated Loan Agreement by and between the Finance Authority and the Lower Rio Grande Public Water Works Authority (the "Amended and Restated Loan Agreement" or "Loan Agreement")

Loan No. DW-4213

Closing Date: December 3, 2021

TO: NEW MEXICO FINANCE AUTHORITY

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

Lower Rio Grande Public Water Works Authority, hereby certify as follows:

1. The project described in the Amended and Restated 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 Amended and Restated 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.

LOWER RIO GRANDE PUBLIC WATER WORKS
AUTHORITY, DONA ANA COUNTY, NEW MEXICO

By: _____
Its: _____

LRGPWWA Termination of Membership List for Board Approval

October 20, 2021

	Customer Account	Customer Name	Service Address	City & Zip Code	Current Balance	Lien Filed Write off
1	09-20062-00	Rufina Sanchez	1330 Rio Ct, Berino	88048	\$1,250.26	Lien filed
2	16-00024-00	Wesley Statton	4 Santana Rd, Vado	88072	\$1,160.13	Lien filed
3	09-08840-02	Wallace Holding LLC	4408 Highway 478, Berino	88024	\$ 634.90	Lien filed
4	13-05044-00	Miguel Garcia	9220 Corona Rd, Las Cruces	88012	\$ 4,687.76	Lien filed
5					\$	
6					\$	
7					\$	
8					\$	
9					\$	
10					\$	
11					\$	
12						
13						
14						
15						

updated 10/13/20