UTILITY COMMITTEE MEETING
AGENDA
April 8, 2014

I. **MEETING CALL TO ORDER** **START TIME:** _____

II. **ROLL CALL – COMMITTEE MEMBERS IN ATTENDANCE:** QUORUM – Y [ ] N [ ]

Councilman Joseph "Joey" Herrera_____ Amos Estrada_____
Kim Delgado _____ Joseph Padilla _____
Bruce McAllister _____ Grover Durham _____
Bob Wessely _____

Utilities Staff: Kenneth Garcia_____ Alvin Jiron or Darlene Arguello_____

III. **APPROVAL OF AGENDA**

IV. **APPROVAL OF MINUTES-** March 11, 2014

V. **PUBLIC INPUT**

VI. **AGENDA ITEMS:**

A. Discussion – Current Water Restrictions

B. Committee Recommendations
1. Discussion of Resolution No. 14-20 authorizing the execution and delivery of a loan/grant agreement with the NM Water Trust Board and NM Finance Authority for the North Grand effluent reuse tank and booster pump.
2. Recommendation for approval to award RFB 14-21 for earth works paving and construction materials for City construction projects to the low bidder.
3. Recommendation for approval of Resolution No. 14-23 amending and replacing Resolution No. 14-10 authorizing submission of an application for funding assistance to the NM Water Trust Board for the East loop water line.

VII. **STATUS REPORTS (PROGRESS AND PLANNING)**
1. Bond Status (21.6M and other)
2. State and Federal Fund Raising
3. Public Relations/Transparency
4. Newly Committed Project Funds

VIII. **EXECUTIVE SESSION** (Only matters of personnel and litigation)

IX. **NEXT REGULAR MEETING DATE/TIME** – May13, 2014 1:30 p.m.

X. **ADJOURN** **ENDING TIME:** _____

UTILITY COMMITTEE MEETING MINUTES

March 11, 2014
1:30 p.m.

I. **MEETING CALL TO ORDER:** The meeting was called to order at 1:32 p.m.

II. **ROLL CALL:** Members present provided a quorum and included Grover Durham, Bob Wessely, Kim Delgado and Amos Estrada. Shawni Muniz was present for Kenneth Garcia. Joseph "Joey" Herrera, Bruce McAllister and neither Darlene Arguello nor Alvin Jiron were present. Joseph Padilla was excused. Water Conservation Specialist Vanessa Marquez was present as a guest.

III. **APPROVAL OF AGENDA:** A motion was made to approve the agenda by Grover with a second by Kim and the motion carried.

IV. **APPROVAL OF MINUTES:** A motion was made to approve the minutes for February 11, 2014 by Amos with a second by Grover and the motion carried.

V. **PUBLIC INPUT:** None

VI. **AGENDA ITEMS:**

A. **Discussion – Current Water Restrictions**

Grover stated that he feels as equally strong or stronger than he did last meeting regarding putting the water restrictions back on based on the weather forecasts he has been seeing. Amos and Kim both agreed. Bob said that the City currently has more water than they can deal with and he wonders if applying restrictions while having water will hurt the credibility of the City or the Department. Amos said not to really consider the public image because people probably won't complain unless we actually run out of water. Vanessa let the committee know that she is actually working on a public service announcement informing the community that the City will likely go back into water restriction stages by the end of Spring based on mother nature. The committee agreed that the community should be encouraged to continue conservation and Vanessa should craft some wording based on the discussion and send it to the members for review and approval before it is sent out. Grover made a motion for the action with a second by Amos and the motion carried.

B. **Committee Recommendations**

1. **Recommendation for approval of Resolution No. 14-12 Housing Section 3 and Citizen Participation Plan** – The City of Las Vegas received CDBG funding for the Peterson Pump Back system. The project is complete and we are now in the close out stage. The City must pass this resolution to show that we are in compliance with the program requirements and to fully close out the project. Grover made a recommendation for approval with a second by Kim and the motion carried.
2. **Recommendation for approval of Resolution No. 14-13 authorizing signatory authorities for state funded loan agreement** – The City has received Clean Water State Revolving funds from the New Mexico Finance Authority for water projects and must assign a signatory authority for the agreement. The previous Finance Director, Pamela Marrujo was the signatory authority and now it has to be changed to City Manager Timothy P. Dodge. NMFA requires that it be done through a resolution. Kim made a motion for recommendation with a second by Amos and the motion carried.

VII. **STATUS REPORTS:**

Shawni let the committee know that the City had been awarded 10 million dollars from the legislature. Governor Martinez is going to be signing the Capital Outlay Bill at the Plaza Park at

2:30 p.m.
She also said that she had emailed out the monthly reports to everyone this morning.

Bob mentioned that he had spoken with Ken about the Peterson Pump Back System. He said that it is currently not pumping so as to save power and that the City is taking water off of the river right now. Bob said that it would be wise to keep an eye on what the City takes from the river because whatever we are taking goes against what we are allowed to take from the river yearly.

1. **Bond Status (21.6M and other)**
2. **State and Federal Fund Raising**
3. **Public Relations/Transparency**
4. **Newly Committed Project Funds**

VIII. **EXECUTIVE SESSION:** (Only matters of personnel and litigation) None

IX. **NEXT REGULAR MEETING DATE:** April 8, 2014 at 1:30 p.m.

X. **ADJOURN:** 1:53 p.m.

Respectfully submitted by:

Shawni J. Muniz

Shawni J. Muniz, Administrative Asst. II

Approved by:

_____

Bob Wessely, Chairman

CITY COUNCIL MEETING AGENDA REQUEST

DATE: 03/25/14 **DEPT:** Utilities Dept. **MEETING DATE:** 03/31/14

14-20

ITEM/TOPIC: Resolution No. 14-~~21~~ authorizing the execution and delivery of a water project fund loan/grant agreement with the New Mexico Water Trust Board and the New Mexico Finance Authority for the North Grand effluent reuse tank and booster pump.

14-20

ACTION REQUESTED OF COUNCIL: Approval/Disapproval of Resolution No. 14-~~21~~.

BACKGROUND/RATIONALE: This grant/loan is for the purpose of installation of a 400 gallon per minute booster pump and construction of a 100,000 gallon effluent reuse tank on North Grand Ave. to supply re-use water North of Mills Ave. and to Camp Luna storage ponds.

Amount of funding received: Grant: $649,800
Loan: $ 72,200

STAFF RECOMMENDATION: Approval of Resolution No. 14-~~21~~ 20.

COMMITTEE RECOMMENDATION: The Utility Advisory Committee will discuss this item at their regular meeting on April 8, 2014.

THIS REQUEST FORM MUST BE SUBMITTED TO THE CITY MANAGER'S OFFICE NO LATER THAN 10:00 A.M. ON FRIDAY ONE AND A HALF WEEKS PRIOR TO THE CITY COUNCIL MEETING.

SUBMITTER'S SIGNATURE

REVIEWED AND APPROVED BY:

ALFONSO E. ORTIZ, JR.
MAYOR

Ann Marie Gallegos
FINANCE DIRECTOR

TIMOTHY P. DODGE
CITY MANAGER

PURCHASING AGENT
(FOR BID AWARD ONLY)

DAVE ROMERO
CITY ATTORNEY
Approved as to Legal Sufficiency Only
(If Box is initialed by City Mngr., Review and Sign)

Approved on 3-31-14.

Approved to form 9-25-12

Original Copy + scan to Shawn

UTILITIES DEPARTMENT PROJECT SUMMARY SHEET

PROJECT NAME: N. Grand Effluent Reuse **PROJECT NUMBER:** UT-WE-2013-4

PROJECT DESCRIPTION: Construction of a 100,000 gallon effluent storage tank and booster station near City Hall for short term storage and zone pressure to Hanna Park. The project will also require the construction of a new effluent reuse line to supply irrigation water to Padilla Park, Los Ninos School, and Hanna Park.

ACTION TIMELINE: March-October, 2014

LINE ITEM NUMBER: 646-0000-650-8738

ENGINEER/CITY ESTIMATE: $1,166,777.86

BUDGETED AMOUNT: *($1,166,043.17)*

Water 2014- $ 122,300.00

Water 2015- $1,043,743.17

CONTRACTOR BID AMOUNT:	$ 855,012.25
CITY CONSTRUCTION:	$ 205,000.00
ENGINEER ADMIN/OBSERVATION:	$ 106,030.92
TOTAL COST (W/Tax):	$1,166,043.17
TOTAL GRANT/LOAN:	$ 722,000.00
CITY FUNDED:	$ 444,043.17

ACTION	DESCRIPTION	DATE
Loan/Grant	WTB-286 Grant $649,800.00 Loan 72,200.00 DW-2911 Cash Match Pre Construction $108,300.00	6/21/13
Authorized Ordinance	City adopted Ordinance No. 13-07 authorizing execution of loan and subsidy agreement (SRF 2911) with NMFA	05/15/13
Loan/Subsidy Agreement	City entered into loan/subsidy agreement (SRF 2911) with NMFA for planning and design.	06/21/13
Engineer Svcs. Agreement	2679-13	12/16/13
RFB 2014-08 Advertised	Las Vegas Optic, City Website	10/02/13
RFB 2014-08 Opening	Opened at City Hall Number of Proposers: 7	11/06/13
Staff Recommendation	Low Bid - CJ Mead ($ 855,012.25 w/NMGRT)	08/02/13
Notice of Award	CJ Mead Construction	12/11/13
Notice to Proceed	CJ Mead Construction	02/17/14
Committee Recommendation	City to enter into loan/subsidy agreement with WTB discussed at Utility Advisory Committee-recommendation for approval.	
Council Approval	City to enter into loan/subsidy agreement with WTB taken to City Council for approval.	
Next Step	City to enter into loan/subsidy agreement with WTB for Construction.	03/31/14

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NEW MEXICO FINANCE AUTHORITY
and
NEW MEXICO WATER TRUST BOARD

FINANCING SCHEDULE & DISTRIBUTION LIST

$722,000 Water Project Fund Loan/Grant ($649,800 Grant/$72,200 Loan)

CITY OF LAS VEGAS
San Miguel County, New Mexico

Project No. 286-WTB

Prepared: March 3, 2014
Revised: March 27, 2014

DATE	ACTION	PARTIES
October 31, 2012	Application received by Finance Authority	Borrower/Grantee
March 21, 2013	Legislative approval	Legislature
June 12, 2013	Water Trust Board approval	WTB
June 26, 2013	New Mexico Finance Authority Board Approval	Finance Authority
July 9, 2013	Water Trust Board Award Letter Sent	WTB
October 18, 2013	EO 2013-006 Certification Letter received	Finance Authority
Monday, March 3, 2014	Distribute draft closing documents for review and comment by Finance Authority, Borrower/Grantee and Borrower/Grantee's counsel	VN
Monday, March 10, 2014	Comments due on draft closing documents from Finance Authority Borrower/Grantee and Borrower/Grantee's counsel	Finance Authority, Borrower/Grantee, Borrower/Grantee's counsel
Thursday, March 27, 2014	Final Debt Service Schedule Due to VN	Finance Authority

DATE	ACTION	PARTIES
Thursday, March 27, 2014	Closing documents in final form distributed to Borrower/Grantee for signature with a copy to the Finance Authority	VN
Monday, March 31, 2014	**Governing Body adopts Resolutions**	**Borrower/Grantee**
Monday, March 31, 2014	Submit notice of adoption to *The Las Vegas Optic* before 11:00 a.m.	VN or Borrower/Grantee
Wednesday, April 2, 2014	Publication of notice of adoption in *The Las Vegas Optic*	Legal newspaper for Borrower/Grantee,
Monday, April 7, 2014	Closing documents signed by Borrower/Grantee and delivered to closing counsel	Borrower/Grantee
Monday, May 5, 2014	Delivery of closing documents forwarded to Finance Authority in paper and electronic form for signature	VN
Friday, May 2, 2014	Thirty-day limitations period ends	
Wednesday, May 7, 2014	WTB Chairmen sign closing documents	Finance Authority/WTB
Wednesday, May 7, 2014	Requisition for funds submitted to Finance Authority	Borrower/Grantee
Friday, May 9, 2014	**Closing**	**All**
Two weeks after receipt of all transcript documents	Transcripts distributed	VN

DISTRIBUTION LIST

BORROWER/GRANTEE
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Phone: (505) 454-1401

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BORROWER/GRANTEE'S COUNSEL
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Email: rbaca@lasvegasoptic.com

(Deadline: Published Monday's, Wednesday's and Friday's. Deadline: for Monday publication, Notice must be received the Thursday prior before 11:00 a.m. for Wednesday publication, Notice must be received the Monday prior before 11:00 a.m. and for Friday publication, Notice must be received the Wednesday prior before 11:00 a.m.)

RECORD OF PROCEEDINGS RELATING TO THE ADOPTION OF RESOLUTION NO. 14-20 OF THE CITY COUNCIL OF THE CITY OF LAS VEGAS, SAN MIGUEL COUNTY, NEW MEXICO MARCH 31, 2014

STATE OF NEW MEXICO)
) ss.
COUNTY OF SAN MIGUEL)

The City Council (the "Governing Body") of the City of Las Vegas (the "Borrower/Grantee") met in a special session in full conformity with the law and the rules and regulations of the Governing Body at 1700 North Grand Ave., Las Vegas, being the meeting place of the Governing Body for the meeting held on the 31st day of March, 2014 at the hour of 9:00 a.m. Upon roll call, the following members were found to be present:

Present:

Mayor: Alfonso E. Ortiz, Jr.

Councilors: Vincent Howell
David L. Romero
Tonita Gurule-Giron
Joey Herrera

Absent:

Also Present: City Manager Tim Dodge

City Attorney Dave Romero
City Clerk Casandra Fuegner.

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

[Remainder of page intentionally left blank.]

CITY OF LAS VEGAS, NEW MEXICO
RESOLUTION NO. 14-20

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A WATER PROJECT FUND LOAN/GRANT AGREEMENT BY AND AMONG THE NEW MEXICO WATER TRUST BOARD ("WATER TRUST BOARD") AND THE NEW MEXICO FINANCE AUTHORITY ("FINANCE AUTHORITY"), AND COLLECTIVELY WITH THE WATER TRUST BOARD, THE ("LENDERS/GRANTORS") AND THE CITY OF LAS VEGAS (THE "BORROWER/GRANTEE"), IN THE TOTAL AMOUNT OF $722,000, EVIDENCING AN OBLIGATION OF THE BORROWER/GRANTEE TO UTILIZE THE LOAN/GRANT AMOUNT SOLELY FOR THE PURPOSE OF FINANCING THE COSTS OF INSTALLATION OF A 400 GALLON PER MINUTE BOOSTER PUMP AND CONSTRUCTION OF A 100,000 GALLON EFFLUENT REUSE TANK ON NORTH GRAND AVENUE, AND SOLELY IN THE MANNER DESCRIBED IN THE LOAN/GRANT AGREEMENT; PROVIDING FOR PAYMENT OF THE LOAN AMOUNT AND AN ADMINISTRATIVE FEE SOLELY FROM THE NET SYSTEM REVENUES OF THE BORROWER/GRANTEES WATER UTILITY SYSTEM; CERTIFYING THAT THE LOAN/GRANT AMOUNT, TOGETHER WITH OTHER FUNDS AVAILABLE TO THE BORROWER/GRANTEE, IS SUFFICIENT TO COMPLETE THE PROJECT; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN/GRANT AGREEMENT; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS RESOLUTION; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN/GRANT AGREEMENT.

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

WHEREAS, the Borrower/Grantee is a legally and regularly created, established, organized and existing incorporated municipality under the general laws of the State and more specifically, the Municipal Code, NMSA 1978, §§ 3-1-1 through 3-66-11, as amended; and

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

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

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

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

WHEREAS, the Governing Body hereby determines that (i) the Additional Funding Amount is now available to the Borrower/Grantee to complete the Project; or (ii) that the Governing Body will take such steps as are necessary to obtain the Additional Funding Amount within six (6) months after the Closing Date; and

WHEREAS, the Borrower/Grantee acknowledges that, in the event that it is unable to provide the Additional Funding Amount within six (6) months after the Closing Date, the Loan/Grant Agreement shall, at the option of the Water Trust Board and the Finance Authority, terminate and be of no further force or effect; and

WHEREAS, the Borrower/Grantee has met the requirements of Executive Order 2013-006 and will meet prior to the first disbursement of any portion of the Loan/Grant Amount, the Conditions and readiness to proceed requirements established for the portion of the Loan/Grant Amount disbursed or caused to be disbursed by the Finance Authority and the Water Trust Board; and

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

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF CITY OF LAS VEGAS, NEW MEXICO:

Section 1. Definitions. As used in this Resolution, the following terms shall, for all purposes, have the meanings herein specified, unless the context clearly requires otherwise (such meanings to be equally applicable to both the singular and the plural forms of the terms defined):

"Act" means the general laws of the State, particularly the Water Project Finance Act, NMSA 1978, §§ 72-4A-1 through 72-4A-10, as amended, and enactments of the Governing Body relating to the Loan/Grant Agreement, including this Resolution, all as amended and supplemented.

"Additional Funding Amount" means the amount to be provided by the Borrower/Grantee which includes the total value of hard or of the soft match, which, in

combination with the Loan/Grant Amount and other amounts available to the Borrower/Grantee, is sufficient to complete the Project. The Additional Funding Amount is one hundred eight thousand three hundred dollars ($108,300).

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

"Authorized Officers" means any one or more of the Mayor, the Finance Manager, the City Manager and City Clerk of the Borrower/Grantee.

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

"Borrower/Grantee" means the City of Las Vegas in San Miguel County, New Mexico.

"Completion Date" means the date of final payment of the cost of the Project.

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

"Effective Date" or "Closing Date" means the date of execution the Loan/Grant Agreement, by the Borrower/Grantee, the Water Trust Board and the Finance Authority.

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

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

"Expense Account" means the account established by the Finance Authority in accordance with this Resolution and held by the Finance Authority to pay the Expenses incurred by the Lenders/Grantors in connection with the Loan/Grant Agreement and the Loan/Grant.

"Expenses" means the costs of the Lenders/Grantors of originating and administering the Loan/Grant, including Eligible Legal Costs and Eligible Fiscal Agent Fees to the extent allowed under the Act, the Board Rules and applicable policies of the Water Trust Board.

"Finance Authority" means the New Mexico Finance Authority.

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

"Governing Body" means the City Council of the Borrower/Grantee, or any future successor governing body of the Borrower/Grantee.

"Grant" or "Grant Amount" means the amount provided to the Borrower/Grantee as a grant pursuant to the Loan/Grant Agreement for the purpose of funding the Project, and equals six hundred forty-nine thousand eight hundred dollars ($649,800).

"Gross Revenues" means all income and revenues directly or indirectly derived by the Borrower/Grantee from the operation and use of the System, or any part of the System, and includes, without limitation, all revenues received by the Borrower/Grantee, or any municipal corporation or agency succeeding to the rights of the Borrower/Grantee, from the System and from the sale and use of water services or facilities, or any other service, commodity or facility or any combination thereof furnished to the constituent public served by the Borrower/Grantee.

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 Borrower/Grantee and remitted to other governmental agencies; and

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

"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.

"Lenders/Grantors" means the Water Trust Board and the Finance Authority.

"Loan" or "Loan Amount" means the amount provided to the Borrower/Grantee as a loan pursuant to the Loan/Grant Agreement for the purpose of funding the Project, and equals seventy-two thousand two hundred dollars ($72,200).

"Loan/Grant" or "Loan/Grant Amount" means the combined amount partially provided to the Borrower/Grantee as the Grant Amount and partially borrowed by the Borrower/Grantee as the Loan Amount pursuant to the Loan/Grant Agreement for the purpose of funding the Project, and equals seven hundred twenty-two thousand dollars ($722,000).

"Loan/Grant Agreement" means the Water Project Fund Loan/Grant Agreement entered into by and among the Borrower/Grantee, the Water Trust Board and the Finance Authority as authorized by this Resolution.

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

"NMAC" means the New Mexico Administrative Code.

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

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

(a) Legal and overhead expenses of the Borrower/Grantee directly related and reasonably allocable to the administration of the System;

(b) Insurance premiums for the System, including, without limitation, premiums for property insurance, public liability insurance and workmen's compensation insurance, whether or not self-funded;

(c) Premiums, expenses and other costs (other than required reimbursements of insurance proceeds and other amounts advanced to pay debt service requirements on System bonds) for credit facilities;

(d) Any expenses described in this definition other than expenses paid from the proceeds of System bonds;

(e) The costs of audits of the books and accounts of the System;

(f) Amounts required to be deposited in any rebate fund;

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

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

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

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

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

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

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

"Resolution" means this Resolution as it may be supplemented or amended from time to time.

"State" means the State of New Mexico.

"System" means the water utility system for which current rates were established by Ordinance No. 12-13, of the Borrower/Grantee, owned and operated by the Borrower/Grantee, and of which the Project, when completed, will form part.

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

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

"Water Project Fund" means the fund of the same name created pursuant to NMSA 1978, § 72-4A-9, as amended, and held and administered by the Finance Authority.

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

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

Section 3. Authorization of the Project and the Loan/Grant Agreement. The acquisition and completion of the Project and the method of funding the Project through

execution and delivery of the Loan/Grant Agreement are hereby authorized and ordered. The Project is for the benefit and use of the Borrower/Grantee and the public whom it serves.

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

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

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

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

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

E. Together with the Loan/Grant Amount, and other amounts available to the Borrower/Grantee, the Additional Funding Amount is now available to the Borrower/Grantee, or is expected to become available to the Borrower/Grantee within six (6) months after the Closing Date, and, in combination with the Loan/Grant Amount, the Additional Funding Amount and other amounts available to the Borrower/Grantee, will be sufficient to complete the Project and pay Expenses.

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

G. The Borrower/Grantee has or will acquire title to or easements or rights of way on the real property upon which the Project is being constructed or located prior to the disbursement of any portion of the Loan/Grant Amount for use for construction.

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

A. Authorization. This Resolution has been adopted by the affirmative vote of at least a majority of all the members of the Governing Body. For the purpose of protecting the public health, conserving the property, and protecting the general welfare and prosperity of the constituent public served by the Borrower/Grantee and acquiring and completing the Project,

it is hereby declared necessary that the Borrower/Grantee execute and deliver the Loan/Grant Agreement evidencing the Borrower/Grantee's acceptance of the Grant Amount of six hundred forty-nine thousand eight hundred dollars ($649,800) seventy-two thousand two hundred dollars ($72,200) to be utilized solely for the purpose of completing the Project and paying Expenses, and solely in the manner and according to the restrictions set forth in the Loan/Grant Agreement, the execution and delivery of which is hereby authorized. The Borrower/Grantee shall use the Loan/Grant Amount to finance the acquisition and completion of the Project and to pay Expenses.

B. Detail. The Loan/Grant Agreement shall be in substantially the form of the Loan/Grant Agreement presented at the meeting of the Governing Body at which this Resolution was adopted. The Grant shall be in the amount of six hundred forty-nine thousand eight hundred dollars ($649,800) and the Loan shall be in the amount of seventy-two thousand two hundred dollars ($72,200). Interest on the Loan Amount shall be zero percent (0%) per annum of the unpaid principal balance of the Loan Amount, and the Administrative Fee shall be one-quarter of one percent (0.25%) per annum of the unpaid principal balance of the Loan Amount, taking into account both payments made by the Borrower/Grantee and hardship waivers of payments granted to the Borrower/Grantee.

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

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

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

A. Project Account and Expense Account. The Borrower/Grantee hereby consents to creation of the Project Account and the Expense Account by the Finance Authority and further approves of the deposit or crediting of a portion of the Loan/Grant Amount in the Expense Account. Until the Completion Date, the amount of the Loan/Grant credited to the Project Account shall be used and paid out solely for the purpose of acquiring the Project in compliance with applicable law and the provisions of the Loan/Grant Agreement or to pay Expenses.

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

remaining in the Project Account shall be transferred and deposited into the Water Project Fund or otherwise distributed as provided in the Loan/Grant Agreement.

C. Water Trust Board and Finance Authority Not Responsible. Borrower/Grantee shall apply the funds derived from the Loan/Grant Agreement as provided therein, and in particular Article VII of the Loan/Grant Agreement. Neither the Water Trust Board nor the Finance Authority shall in any manner be responsible for the application or disposal by the Borrower/Grantee or by its officers of the funds derived from the Loan/Grant Agreement or of any other funds held by or made available to the Borrower/Grantee in connection with the Project. Lenders/Grantors shall not be liable for the refusal or failure of any other agency of the State to transfer any portion of the Loan/Grant Amount in its possession, custody and control to the Finance Authority for disbursement to the Borrower/Grantee, or to honor any request for such transfer or disbursement of the Loan/Grant Amount.

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

Section 10. Lien on Pledged Revenues. Pursuant to the Loan/Grant Agreement, the Loan/Grant Agreement constitutes an irrevocable lien (but not an exclusive lien) upon the Pledged Revenues to the extent of the Loan Amount and the Administrative Fee, which lien shall be subordinate to any lien on the Pledged Revenues existing on the Closing Date and, further, shall be subordinate to all other indebtedness secured or that may in the future be secured by the Pledged Revenues, except, however, that the lien shall be on parity with any other lien, present or future, for the repayment of any other loan provided to the Borrower/Grantee by the Lenders/Grantors pursuant to the Act.

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/Grant Agreement and all other transactions contemplated hereby and thereby. Authorized Officers are hereby individually authorized to do all acts and things required of them by this Resolution and the Loan/Grant Agreement for the full, punctual and complete performance of all the terms, covenants and agreements contained in this Resolution and the Loan/Grant Agreement including but not limited to, the execution and delivery of closing documents in connection with the execution and delivery of the Loan/Grant Agreement.

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

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

Section 14. Severability Clause. If any section, paragraph, clause or provision of this 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, ordinances, resolutions, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any bylaw, order, resolution or ordinance, or part thereof, heretofore repealed.

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

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

[*Remainder of page intentionally left blank.*]

[*Form of Notice of Adoption of Resolution for Publication*]

CITY OF LAS VEGAS
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. 14-20, duly adopted and approved by the City Council of City of Las Vegas on March 31, 2014. A complete copy of the Resolution is available for public inspection during normal and regular business hours in the office of the City Clerk, located at 1700 North Grand Ave., Las Vegas, New Mexico 87701.

The title of the Resolution is:

CITY OF LAS VEGAS, NEW MEXICO
RESOLUTION NO. 14-20

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A WATER PROJECT FUND LOAN/GRANT AGREEMENT BY AND AMONG THE NEW MEXICO WATER TRUST BOARD ("WATER TRUST BOARD") AND THE NEW MEXICO FINANCE AUTHORITY ("FINANCE AUTHORITY"), AND COLLECTIVELY WITH THE WATER TRUST BOARD, THE ("LENDERS/GRANTORS") AND THE CITY OF LAS VEGAS (THE "BORROWER/GRANTEE"), IN THE TOTAL AMOUNT OF $722,000, EVIDENCING AN OBLIGATION OF THE BORROWER/GRANTEE TO UTILIZE THE LOAN/GRANT AMOUNT SOLELY FOR THE PURPOSE OF FINANCING THE COSTS OF INSTALLATION OF A 400 GALLON PER MINUTE BOOSTER PUMP AND CONSTRUCTION OF A 100,000 GALLON EFFLUENT REUSE TANK ON NORTH GRAND AVENUE, AND SOLELY IN THE MANNER DESCRIBED IN THE LOAN/GRANT AGREEMENT; PROVIDING FOR PAYMENT OF THE LOAN AMOUNT AND AN ADMINISTRATIVE FEE SOLELY FROM THE NET SYSTEM REVENUES OF THE BORROWER/GRANTEES WATER UTILITY SYSTEM; CERTIFYING THAT THE LOAN/GRANT AMOUNT, TOGETHER WITH OTHER FUNDS AVAILABLE TO THE BORROWER/GRANTEE, IS SUFFICIENT TO COMPLETE THE PROJECT; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN/GRANT AGREEMENT; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS RESOLUTION; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN/GRANT AGREEMENT.

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

[*End of Form of Notice of Adoption for Publication*]

PASSED, APPROVED AND ADOPTED THIS 31ST DAY OF MARCH, 2014.

CITY OF LAS VEGAS, NEW MEXICO

By _____
Alfonso E. Ortiz, Jr., Mayor

ATTEST:

_____
Casandra Fresquez, City Clerk

[*Remainder of page intentionally left blank.*]

PASSED, APPROVED AND ADOPTED THIS 31ST DAY OF MARCH, 2014.

CITY OF LAS VEGAS, NEW MEXICO

By _____
Alfonso E. Ortiz, Jr., Mayor

ATTEST:

_____
Casandra Fresquez, City Clerk

[Remainder of page intentionally left blank.]

PASSED, APPROVED AND ADOPTED THIS 31ST DAY OF MARCH, 2014.

CITY OF LAS VEGAS, NEW MEXICO

By _____
Alfonso E. Ortiz, Jr., Mayor

ATTEST:

_____
Casandra Fresquez, City Clerk

[*Remainder of page intentionally left blank.*]

Governing Body Member Joey Herrera then moved adoption of the foregoing Resolution, duly seconded by Governing Body Member David L Romero.

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

Those Voting Aye:

Councilor Tonita Cuculic-Goron'
Councilor Vincent Howell
Councilor Joey Herrera
Councilor David L Romero

Those Voting Nay:

Those Absent:

Four (4) Members of the Governing Body having voted in favor of the motion, the Mayor declared the motion carried and the Resolution adopted, whereupon the Mayor and City Clerk signed the Resolution upon the records of the minutes of the Governing Body.

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

CITY OF LAS VEGAS, NEW MEXICO

By _____
Alfonso E. Ortiz, Jr., Mayor

ATTEST:

By _____
Casandra Fresquez, City Clerk

[*Remainder of page intentionally left blank.*]

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

CITY OF LAS VEGAS, NEW MEXICO

By _____
Alfonso E. Ortiz, Jr., Mayor

ATTEST:

By _____
Casandra Fresquez, City Clerk

[*Remainder of page intentionally left blank.*]

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

CITY OF LAS VEGAS, NEW MEXICO

By _____
Alfonso E. Ortiz, Jr., Mayor

ATTEST:

By _____
Casandra Fresquez, City Clerk

[*Remainder of page intentionally left blank.*]

STATE OF NEW MEXICO)
) ss.
COUNTY OF SAN MIGUEL)

I, Casandra Fresquez, the duly qualified and acting City Clerk of the City of Las Vegas (the "Borrower/Grantee"), do hereby certify:

1. The foregoing pages are a true, perfect, and complete copy of the record of the proceedings of the City Council of the Borrower/Grantee (the "Governing Body"), had and taken at a duly called special meeting held at the 1700 North Grand Ave., Las Vegas, on March 31, 2014 at the hour of 9:00 a.m., insofar as the same relate to the adoption of Resolution No. 14-20 and the execution and delivery of the proposed Loan/Grant Agreement, a copy of which is set forth in the official records of the proceedings of the Governing Body kept in my office. None of the action taken has been rescinded, repealed, or modified.

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

3. Notice of the meeting was given in compliance with the permitted methods of giving notice of meetings of the Governing Body as required by the State Open Meetings Act, NMSA 1978, § 10-15-1, as amended, including the Borrower/Grantee's open meetings Resolution No. 14-01, adopted and approved on January 15, 2014 in effect on the date of the meeting.

IN WITNESS WHEREOF, I have hereunto set my hand this 9th day of May, 2014.

CITY OF LAS VEGAS, NEW MEXICO

By _____
Casandra Fresquez, City Clerk

STATE OF NEW MEXICO)
) ss.
COUNTY OF SAN MIGUEL)

I, Casandra Fresquez, the duly qualified and acting City Clerk of the City of Las Vegas (the "Borrower/Grantee"), do hereby certify:

1. The foregoing pages are a true, perfect, and complete copy of the record of the proceedings of the City Council of the Borrower/Grantee (the "Governing Body"), had and taken at a duly called special meeting held at the 1700 North Grand Ave., Las Vegas, on March 31, 2014 at the hour of 9:00 a.m., insofar as the same relate to the adoption of Resolution No. 14-20 and the execution and delivery of the proposed Loan/Grant Agreement, a copy of which is set forth in the official records of the proceedings of the Governing Body kept in my office. None of the action taken has been rescinded, repealed, or modified.

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

3. Notice of the meeting was given in compliance with the permitted methods of giving notice of meetings of the Governing Body as required by the State Open Meetings Act, NMSA 1978, § 10-15-1, as amended, including the Borrower/Grantee's open meetings Resolution No. 14-01, adopted and approved on January 15, 2014 in effect on the date of the meeting.

IN WITNESS WHEREOF, I have hereunto set my hand this 9th day of May, 2014.

CITY OF LAS VEGAS, NEW MEXICO

By _____
Casandra Fresquez, City Clerk

STATE OF NEW MEXICO)
) ss.
COUNTY OF SAN MIGUEL)

I, Casandra Fresquez, the duly qualified and acting City Clerk of the City of Las Vegas (the "Borrower/Grantee"), do hereby certify:

1. The foregoing pages are a true, perfect, and complete copy of the record of the proceedings of the City Council of the Borrower/Grantee (the "Governing Body"), had and taken at a duly called special meeting held at the 1700 North Grand Ave., Las Vegas, on March 31, 2014 at the hour of 9:00 a.m., insofar as the same relate to the adoption of Resolution No. 14-20 and the execution and delivery of the proposed Loan/Grant Agreement, a copy of which is set forth in the official records of the proceedings of the Governing Body kept in my office. None of the action taken has been rescinded, repealed, or modified.

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

3. Notice of the meeting was given in compliance with the permitted methods of giving notice of meetings of the Governing Body as required by the State Open Meetings Act, NMSA 1978, § 10-15-1, as amended, including the Borrower/Grantee's open meetings Resolution No. 14-01, adopted and approved on January 15, 2014 in effect on the date of the meeting.

IN WITNESS WHEREOF, I have hereunto set my hand this 9th day of May, 2014.

CITY OF LAS VEGAS, NEW MEXICO

By _____
Casandra Fresquez, City Clerk

EXHIBIT "A"

Notice of Meeting,
Meeting Agenda and Minutes.

$722,000

WATER PROJECT FUND
LOAN/GRANT AGREEMENT

Dated

May 9, 2014

By and Among the

NEW MEXICO WATER TRUST BOARD
and the
NEW MEXICO FINANCE AUTHORITY,
as Lenders/Grantors,

and the

CITY OF LAS VEGAS,
San Miguel County, New Mexico,
as Borrower/Grantee.

WATER PROJECT FUND
LOAN/GRANT AGREEMENT

THIS LOAN/GRANT AGREEMENT (the "Agreement") dated May 9, 2014, is entered into by and among the **NEW MEXICO WATER TRUST BOARD** (the "Water Trust Board") and **THE NEW MEXICO FINANCE AUTHORITY** (the "Finance Authority") (collectively, the "Lenders/Grantors"), and the **CITY OF LAS VEGAS** in San Miguel County, New Mexico (the "Borrower/Grantee").

WITNESSETH:

Capitalized terms used in the following preambles of this Agreement have the same meaning as defined in Article I of this Agreement unless the context requires otherwise.

WHEREAS, the Water Trust Board is a public body duly organized and created under and pursuant to the laws of the State, particularly NMSA 1978, §§ 72-4A-1 through 72-4A-10, as amended; and

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

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

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

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

WHEREAS, pursuant to the Policies certain qualified entities that establish managerial, technical and financial policies and procedures consistent with the Policies may be eligible for loan forgiveness, as further described in the Policies; and

WHEREAS, the Borrower/Grantee is a legally and regularly created, established, organized and existing incorporated municipality under the general laws of the State and more specifically, the Municipal Code, NMSA 1978, §§ 3-1-1 through 3-66-11, as amended, is a qualifying entity under the Act and is qualified for financial assistance as determined by the Finance Authority and approved by the Water Trust Board pursuant to the Board Rules and the Policies; and

WHEREAS, the Borrower/Grantee has determined that it is in the best interests of the Borrower/Grantee and the constituent public it serves that the Borrower/Grantee enter into this Agreement with the Lenders/Grantors to borrow seventy-two thousand two hundred dollars ($72,200) from the Lenders/Grantors and to accept a grant in the amount of six hundred forty-nine thousand eight hundred dollars ($649,800) from the Lenders/Grantors to finance the costs of the Project, this Project being more particularly described in the Term Sheet; and

WHEREAS, based upon the Finance Authority's evaluation of the Application dated November 1, 2012 of the Borrower/Grantee and dealing with the Project, the Finance Authority staff has recommended to the Water Trust Board that the Borrower/Grantee receive financial assistance in the form of the Loan/Grant, and the Water Trust Board has authorized the Finance Authority to enter into and administer this Agreement; and

WHEREAS, the Borrower/Grantee is permitted and authorized to pay the Loan Payments and Administrative Fee through the Net Systems Revenues; and

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

WHEREAS, the obligation of the Borrower/Grantee under this Agreement shall constitute a special, limited obligation of the Borrower/Grantee, limited to the Pledged Revenues, and shall not constitute a general obligation or other indebtedness of the Borrower/Grantee or a charge upon the general credit or ad valorem taxing power of the Borrower/Grantee or the State; and

WHEREAS, 2013 N.M. Laws Ch. 24, being Senate Bill 228 of the 2013 Regular New Mexico Legislative Session, authorized the funding of the Project from the Water Project Fund; and

WHEREAS, the Borrower/Grantee will use the proceeds of the Loan/Grant to finance the cost of the Project; and

WHEREAS, the Water Trust Board has authorized the Finance Authority to enter into and administer this Agreement; and

WHEREAS, the Finance Authority on behalf of the Water Trust Board has determined that the Borrower/Grantee has met or will meet prior to the first disbursement of any portion of the Loan/Grant Amount, the Conditions and readiness to proceed requirements established for the Loan/Grant by the Finance Authority and the Water Trust Board; and

WHEREAS, the Water Trust Board has determined that the Project is a Qualifying Water Project, and will directly enhance the health, safety, and welfare of the constituent public served by the Borrower/Grantee; and

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

WHEREAS, as planned and designed, the structural and material design life of the Project will not be less than twenty (20) years; and

WHEREAS, for purposes of providing funding for the Project, the Governing Body of the Borrower/Grantee and the Water Trust Board have determined that it is in the best interests of the Borrower/Grantee and the constituent public it serves that the Borrower/Grantee borrow the Loan Amount from the Lenders/Grantors and that the Borrower/Grantee accept the Loan/Grant Amount; and

WHEREAS, the Borrower/Grantee has met the requirements of Executive Order 2013-006 and has represented that it has met or will meet prior to the first disbursement of any portion of the Loan/Grant Amount, the Conditions and the readiness to proceed requirements established for the Loan/Grant by the Finance Authority and the WTB; and

WHEREAS, the execution, performance, and delivery of this Agreement have been authorized, approved and directed by the Governing Body pursuant to the Resolution; and

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

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

ARTICLE I
DEFINITIONS

The capitalized terms defined in this Article I shall have the meanings assigned therein, unless the context clearly requires otherwise.

"Act" means the general laws of the State, particularly the Water Project Finance Act, NMSA 1978, §§ 72-4A-1 through 72-4A-10, as amended, and enactments of the Governing Body relating to the Loan/Grant Agreement, including the Resolution, all as amended and supplemented.

"Additional Funding Amount" means the amount to be provided by the Borrower/Grantee which includes the total value of the Soft Match or Hard Match (each as defined in Section 2.5 of the Policies) which, in combination with the Loan/Grant Amount and other moneys available to the Borrower/Grantee, is sufficient to complete the Project or to provide matching funds needed to complete the Project. The Additional Funding Amount is one hundred eight thousand three hundred dollars ($108,300).

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

"Agreement" or "Loan/Grant Agreement" means this Loan/Grant Agreement and any amendments or supplements hereto, including the Exhibits attached hereto.

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

"Application" means the New Mexico Water Trust Board Application for Financial Assistance dated November 1, 2012 of the Borrower/Grantee and pursuant to which the Borrower/Grantee requested funding for the Project.

"Authorized Officers" means, with respect to the Borrower/Grantee, any one or more of the Mayor, the Finance Manager, the City Manager and the City Clerk thereof; 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 with respect to the Water Trust Board, any one or more of the Chairman or a Co-Chairman and the Secretary thereof, and any other officer or employee of the Finance Authority or of the Water Trust Board designated in writing by an Authorized Officer thereof.

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

"Borrower/Grantee" means the City of Las Vegas in San Miguel County, New Mexico.

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

"Conditions" means the conditions to be satisfied prior either to (1) the submission of a Draw Request by the Finance Authority to the State Board of Finance on behalf of the Borrower/Grantee, or (2) to disbursement of the Loan/Grant Amount, or any portion thereof, from the Water Project Fund, or which otherwise apply to the performance of this Agreement, including those set forth in the Term Sheet.

"Department of Finance and Administration" or "DFA" means the department of finance and administration of the State.

"Draw Request" means a request for payment of eligible costs from Severance Tax Bond Funds made by the Finance Authority to the State Board of Finance on behalf of the Borrower/Grantee.

"Effective Date" or "Closing Date" means the date of execution of this Agreement by the Borrower/Grantee, the Water Trust Board and the Finance Authority.

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

"Eligible Items" means eligible Project costs for which grants and loans may be made pursuant to NMSA 1978, § 72-4A-7(C), as amended, of the Act, the Board Rules and applicable Policies, and includes Expenses.

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

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

"Expense Account" means the account established by the Finance Authority in accordance with the Resolution and held by the Finance Authority to pay the Expenses incurred by the Lenders/Grantors in connection with the Loan/Grant Agreement and the Loan/Grant.

"Expenses" means the costs of the Lenders/Grantors of originating and administering the Loan/Grant, and includes Eligible Legal Costs and Eligible Fiscal Agent Fees to the extent allowed under the Act, the Board Rules, other applicable statutes and rules, and applicable Policies.

"Finance Authority" means the New Mexico Finance Authority.

"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 Borrower/Grantee as its fiscal year.

"Generally Accepted Accounting Principles" means the officially established accounting principles applicable to the Borrower/Grantee, consisting of the statements, determinations and other official pronouncements of the Government Accounting Standards Board, Financial Accounting Standards Board, Federal Accounting Standards Board, or other principle-setting

body acceptable to the Lenders/Grantors, establishing accounting principles applicable to the Borrower/Grantee.

"Governing Body" means the City Council of the Borrower/Grantee, or any future successor governing body of the Borrower/Grantee.

"Grant" or "Grant Amount" means the amount provided to the Borrower/Grantee as a grant pursuant to this Agreement for the purpose of funding the Project and equals six hundred forty-nine thousand eight hundred dollars ($649,800).

"Gross Revenues" means all income and revenues directly or indirectly derived by the Borrower/Grantee from the operation and use of the System, or any part of the System, and includes, without limitation, all revenues received by the Borrower/Grantee, or any municipal corporation or agency succeeding to the rights of the Borrower/Grantee, from the System and from the sale and use of water services or facilities, or any other service, commodity or facility or any combination thereof furnished to the constituent public served by the Borrower/Grantee.

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 Borrower/Grantee and remitted to other governmental agencies; and

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

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

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

"Lenders/Grantors" means the Water Trust Board and the Finance Authority.

"Loan" or "Loan Amount" means the amount provided to the Borrower/Grantee as a loan pursuant to this Agreement for the purpose of funding the Project and equals seventy-two thousand two hundred dollars ($72,200).

"Loan/Grant" or "Loan/Grant Amount" means the combined amount partially provided to the Borrower/Grantee as the Grant Amount and partially borrowed by the Borrower/Grantee as the Loan Amount pursuant to this Agreement for the purpose of funding the Project.

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

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

"NMAC" means the New Mexico Administrative Code.

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

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

(a) Legal and overhead expenses of the Borrower/Grantee directly related and reasonably allocable to the administration of the System;

(b) Insurance premiums for the System, including, without limitation, premiums for property insurance, public liability insurance and workmen's compensation insurance, whether or not self-funded;

(c) Premiums, expenses and other costs (other than required reimbursements of insurance proceeds and other amounts advanced to pay debt service requirements on System bonds) for credit facilities;

(d) Any expenses described in this definition other than expenses paid from the proceeds of System bonds;

(e) The costs of audits of the books and accounts of the System;

(f) Amounts required to be deposited in any rebate fund;

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

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

Operation and Maintenance Expenses do not include any allowance for depreciation, payments in lieu of taxes, franchise fees payable or other transfers to the Borrower/Grantee's

general fund, liabilities incurred by the Borrower/Grantee as a result of its negligence or other misconduct in the operation of the System, any charges for the accumulation of reserves for capital replacements or any Operation and Maintenance Expenses payable from moneys other than Gross Revenues.

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

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

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

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

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

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

"Resolution" means the Borrower/Grantee's Resolution No. 14-20, adopted March 31, 2014, authorizing the acceptance of the Loan/Grant and the execution of this Agreement.

"Severance Tax Bond Funds" means that portion of the proceeds of the severance tax bonds issued annually by the State Board of Finance pursuant to NMSA 1978, § 7-27-10.1, as amended, and which are appropriated to the Water Project Fund.

"State" means the State of New Mexico.

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

"System" means the water utility system for which current rates were established by Ordinance No. 12-13, of the Borrower/Grantee, owned and operated by the Borrower/Grantee, and of which the Project, when completed, will form part.

"Term Sheet" means Exhibit "A" attached to this Agreement.

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

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

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

ARTICLE II
REPRESENTATIONS, COVENANTS AND WARRANTIES

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

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

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

(c) Nature and Use of Agreement Proceeds. The Borrower/Grantee acknowledges that the distribution of the Loan/Grant Amount shall be deemed to be a distribution to the Borrower/Grantee first of the Loan Amount and then, once an amount equal to the Loan Amount has been distributed, of the Grant Amount. The Borrower/Grantee shall apply the proceeds of the Loan/Grant solely to Eligible Items that will facilitate the completion of the Project as well as the payment of the Expenses, and shall not use the Loan/Grant proceeds for any other purpose. The Loan/Grant Amount, together with the Additional Funding Amount and other moneys reasonably expected to be available to the Borrower/Grantee, is sufficient to complete the Project in its entirety and to pay the Expenses.

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

(e) Scope of Project; Completion of Project; Compliance with Laws. The Project is for storage, conveyance or delivery of water to end users. The Loan/Grant Amount will be used only for Eligible Items necessary to complete the Project. In particular, the Project will consist of installation of a 400 gallon per minute booster pump and construction of a 100,000 gallon effluent reuse tank on North Grand Avenue. The Project is more particularly described in the Term Sheet. The Project will be completed, operated and maintained so as to comply with all applicable federal, state and local laws, ordinances, resolutions and regulations relating to the acquisition, operation, maintenance and completion of the Project and to the use of the Loan/Grant proceeds.

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

(g) Legal, Valid and Binding Obligation. The Borrower/Grantee has taken all required action necessary to authorize the execution and delivery of this Agreement; and this Agreement constitutes a legal agreement of the Borrower/Grantee enforceable in accordance with its terms.

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

(i) Benefit to Borrower/Grantee; Operation Over Useful Life. During the Agreement Term, the Project will at all times be used for the purpose of benefiting the Borrower/Grantee and the constituent public it serves. The Borrower/Grantee intends to utilize the Project on a continuing basis and shall not sell or transfer the Project during the Useful Life of the Project, and the Project will be used solely in a manner consistent with the purposes of the Loan/Grant; provided that, if any portion of the Project will be constructed, installed, located, completed or extended on real property owned by a qualifying entity (as defined by the Act) other than the Borrower/Grantee, the Borrower/Grantee shall, prior to any expenditure of the Loan/Grant funds for the Project, obtain the written agreement of such other qualifying entity to abide by these requirements with respect to such real property (and the portion of the Project to be constructed, installed, located, completed or extended on such real property), which written agreement shall include an express statement by such other qualifying entity that the Lenders/Grantors are third party beneficiaries of such written agreement.

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

(k) No Breach or Default Caused by Agreement. Neither the execution and delivery of this Agreement, nor the fulfillment of or compliance with the terms and Conditions in the 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 Borrower/Grantee is a party or by which the Borrower/Grantee is bound, or any laws, ordinances, governmental rules or regulations or court or other governmental orders to which the Borrower/Grantee or its properties are subject, or constitutes a default under any of the foregoing.

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

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

(n) No Event of Default. No event has occurred and no condition exists which, upon the execution and delivery of this Agreement, would constitute an Event of Default on the part of the Borrower/Grantee hereunder.

(o) Financial Capability; Budgeting of Pledged Revenues; Approval by Department of Finance and Administration. The Borrower/Grantee meets and will meet during the Agreement Term the requirements of financial capability set by the Water Trust Board. The Borrower/Grantee anticipates that the Pledged Revenues will be sufficient to make the Loan Payments, as and when due. The Borrower/Grantee will adequately budget for the Loan Payments and other amounts payable by the Borrower/Grantee under this Agreement and will submit such budget on an annual basis to the Department of Finance and Administration for review and verification of compliance with this requirement.

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

(q) Use of Project; Continuing Covenant. The Borrower/Grantee shall not sell, lease, mortgage, pledge, relocate or otherwise dispose of or transfer the Project, or any part of the Project during the Useful Life "of the System, or any part of the System during the Agreement Term; provided, however, that if the Project is a joint project of the Borrower/Grantee and other qualifying entities (as defined by the Act), the Borrower/Grantee and the other qualifying entities may, with the express written approval of the Lenders/Grantors and not otherwise, enter into an agreement allocating ownership and operational and maintenance responsibilities for the Project during its Useful Life. Any, such agreement shall provide that the Lenders/Grantors, or either of them, shall have the power to enforce the terms of this Agreement, without qualification, as to each and every qualifying entity (as defined by the Act) owning or operating any portion of the Project during its Useful Life. If any portion of the Project will be constructed, located, completed or extended on real property owned by a qualifying entity (as defined by the Act) other than the Borrower/Grantee, the Borrower/Grantee shall, prior to any use of the Loan/Grant funds for the Project on such real property, obtain the written agreement of such other qualifying entity to abide by these restrictions with respect to such real property (and the portion of the Project to be constructed, located, completed or extended on such real property), which written agreement shall include an express statement by such other qualifying entity that the Lenders/Grantors are third party beneficiaries of such written agreement. The Borrower/Grantee will operate and maintain the Project, so that it will function properly over its Useful Life. The provisions of this Section shall remain effective and enforceable by the Lenders/Grantors for the duration of the Useful Life of the Project.

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

(s) Maintenance of Separate Project Accounts. The Borrower/Grantee acknowledges that the Lenders/Grantors on behalf of the Borrower/Grantee shall maintain a book Project Account or accounts. The Borrower/Grantee shall maintain financial records in accordance with Generally Accepted Accounting Principles during the Agreement Term.

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

Condition to any disbursement of the Loan/Grant Amount for Project construction, the Borrower/Grantee shall provide written assurance signed by an attorney or provide a title insurance policy ensuring that the Borrower/Grantee has proper title to, easements, rights of way or use permits on the real property upon or through which the Project is to be constructed, located, completed or extended. If any portion of the Project will be constructed, located, completed or extended on real property owned by a qualifying entity (as defined by the Act) other than the Borrower/Grantee, the Borrower/Grantee shall provide written assurance signed by an attorney or provide a title insurance policy ensuring that such other qualifying entity has proper title to such real property.

(u) Additional Funding Amount. Together with the Loan/Grant Amount and other amounts available to the Borrower/Grantee, the Additional Funding Amount is now available to the Borrower/Grantee, or will become available to the Borrower/Grantee within six (6) months after the Closing Date, and in combination with the Loan/Grant Amount, will be sufficient to complete the Project. If any other additional expenses are incurred, the Borrower/Grantee shall be responsible for payment of such expenses.

(v) Audit Requirement. During the Agreement Term the Borrower/Grantee shall comply with the requirements of the State Audit Act, NMSA 1978, §§ 12-6-1 through 12-6-14, as amended. Upon request by the Finance Authority or the Water Trust Board, the Borrower/Grantee shall provide the requesting party a copy of any audit prepared pursuant to the State Audit Act.

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

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

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

(z) Records. So long as the Loan/Grant Agreement remains outstanding, proper books of record and account will be kept by the Borrower/Grantee, separate from all other records and accounts, showing complete and correct entries of all transactions relating to the System. Such books shall include, but not necessarily be limited to, monthly records showing: (i) the number of customers for the water system; (ii) the revenues separately received from

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

(aa) Billing Procedure. Bills for water service 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 Borrower/Grantee. If permitted by law, if a bill is not paid within the period of time required by such ordinance, water service shall be discontinued as required by such ordinance, and the rates and charges due shall be collected in a lawful manner, including, but not limited to, the cost of disconnection and reconnection. Water and sanitary sewer utility services may be billed jointly with each other, provided that each such joint bill shall show separately the water and sanitary sewer utility charges.

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

Section 2.2 Representations, Covenants, Warranties and Findings of the Water Trust Board and the Finance Authority. The Water Trust Board and the Finance Authority represent, covenant and warrant for the benefit of the Borrower/Grantee as follows:

(a) Authority of Water Trust Board. The Water Trust Board has all necessary power and authority to enter into and perform and observe the covenants and agreements on its part contained in this Agreement and, by proper action, has duly authorized the execution and delivery of this Agreement.

(b) Authority of Finance Authority. 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 Agreement and, by proper action, has duly authorized the execution and delivery of this Agreement.

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

ARTICLE III
AGREEMENT TERM

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

ARTICLE IV
LOAN/GRANT AMOUNT DISBURSEMENT CONDITIONS

Section 4.1 Conditions Precedent to Disbursement of Loan/Grant. Prior to either (1) the submission of any Draw Request by the Finance Authority to the State Board of Finance on

behalf of the Borrower/Grantee for payment of any requisition of the Loan/Grant Amount or any portion thereof, or (2) the disbursement of the Loan/Grant Amount or any portion thereof by the Finance Authority from the Water Project Fund, the following Conditions and readiness to proceed items shall be satisfied:

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

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

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

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

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

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

Section 4.2 Determination of Eligibility Is Condition Precedent to Disbursement. No Draw Request shall be made to the State Board of Finance by the Finance Authority on behalf of the Borrower/Grantee, nor shall any disbursement be made from the Water Project Fund, for any requisition of any portion of the Loan/Grant Amount, except upon a determination by the Finance Authority that such disbursement is for payment of Eligible Items, and that the Draw Request or disbursement does not exceed any limitation upon the amount payable for any Eligible Item pursuant to the Act, the Board Rules, and the Policies governing the Water Project Fund. The Finance Authority, as a condition precedent to submitting any Draw Request to the

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

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

Section 5.1 Loan and Grant to the Borrower/Grantee.

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

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

(ii) Administrative Fee. The Borrower/Grantee shall, on an annual basis beginning June 1, 2015, pay to the Lenders/Grantors an administrative fee equal to one-quarter of one percent (0.25%) per annum of the unpaid principal balance of the Loan Amount, taking into account both payments made by the Borrower/Grantee and hardship waivers of payments granted to the Borrower/Grantee as provided by this Agreement. Any such Administrative Fee payment shall be due irrespective of whether or not a hardship waiver of payment is granted to the Borrower/Grantee for the principal payment otherwise due on June 1 of the applicable year or any other year.

(iii) Hardship Waivers of Payment. Each year while any portion of the Loan Amount remains outstanding, no later than April 1 of each such year, the Borrower/Grantee may apply in writing to the Finance Authority for a determination of whether the annual principal payment on the Loan Amount otherwise due on the upcoming June 1 of such year should be forgiven because such payment would cause undue hardship for the Borrower/Grantee or the constituent public it serves. Although such determination shall be made by the New Mexico Department of Finance and Administration (the "DFA"), the Borrower/Grantee shall submit such application to DFA through the Finance Authority for determination by DFA and shall submit with such application sufficient documentation of the existence of such undue hardship as is reasonably required by DFA (as determined by the Finance Authority and DFA) to

make such determination, and the Borrower/Grantee shall promptly respond to additional requests for information from DFA or the Finance Authority. Such application shall be executed by the Authorized Officers of the Borrower/Grantee. For purposes of this Agreement and that determination, an "undue hardship" shall be deemed to exist if DFA determines that the Borrower/Grantee demonstrates economic need and the inability to pay on a timely basis such annual principal payment on the Loan Amount. DFA shall make such determination no later than May 15 of the applicable year, and the Finance Authority shall promptly communicate to the Borrower/Grantee in writing the results of such determination. Upon receipt of written notice of such determination, either the principal payment otherwise due on June 1 of such year shall be forgiven (in the event of a determination of undue hardship) or such principal payment shall remain outstanding and due and payable on such date (in the event no undue hardship is determined to exist).

(b) Grant to the Borrower/Grantee. The Lenders/Grantors hereby grant to the Borrower/Grantee and the Borrower/Grantee hereby accepts from the Lenders/Grantors an amount equal to the Grant Amount.

(c) Project Account. The Finance Authority shall establish and maintain the Project Account as a book account only, on behalf of the Borrower/Grantee, which account shall be kept separate and apart from all other accounts of the Finance Authority. The Borrower/Grantee hereby pledges to the Lenders/Grantors all its rights, title and interest in the Loan/Grant Amount including the Project Account, for the purpose of securing the Borrower/Grantee's obligations under this Agreement. The Loan/Grant Amount shall be disbursed as provided in Section 7.2 hereof.

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

Section 5.2 Application of Loan/Grant Amount. Following the determination by the Water Trust Board and/or the Finance Authority, as applicable, that the Conditions to the disbursement of the Loan/Grant Amount have been satisfied, the Finance Authority shall:

(a) request from the State Board of Finance the transfer of Severance Tax Bond Funds and/or itself transfer from the Water Project Fund to the Expense Account amounts which together are sufficient to pay the Expenses of the Lenders/Grantors, as shown on the Term Sheet, the amount requested or disbursed from each Fund being in the sole discretion of the Finance Authority; and

(b) make an entry in its accounts, and in particular in the Project Account, reflecting the proceeds of the Loan/Grant Amount requested from the State Board of Finance pursuant to a Draw Request or made available for disbursement from the Water Project Fund to the Borrower/Grantee at its request, and as needed by it to acquire and complete the Project, as provided in Section 7.2 of this Agreement.

Section 5.3 Investment of Borrower/Grantee's Accounts. Money on deposit in the Borrower/Grantee's accounts created hereunder and held by the Finance Authority may be invested by the Finance Authority for the credit of the Water Project Fund.

ARTICLE VI
LOAN PAYMENTS BY THE BORROWER/GRANTEE

Section 6.1 Payment Obligations Limited to Pledged Revenues; Pledge of the Pledged Revenues. The Borrower/Grantee promises to make the Loan Payments and to pay the Administrative Fees and other amounts owed by the Borrower/Grantee as herein provided. The Borrower/Grantee does hereby pledge and grant a lien on and a security interest in and conveys, assigns and pledges unto the Finance Authority and unto its successors in trust forever all right, title and interest of the Borrower/Grantee in and to (i) the Pledged Revenues to the extent required to make the Loan Payments, and to pay the Administrative Fees and other amounts owed by the Borrower/Grantee as herein provided, subject to and subordinate to all other pledges of the Pledged Revenues existing on the Closing Date and, further, that may exist in the future (except only that the pledge of the Pledged Revenues herein shall be on a parity with any other pledge of the Pledged Revenues by the Borrower/Grantee to repay any obligations issued by the Lenders/Grantors pursuant to the Act or the Colonias Infrastructure Act), and (ii) all other rights hereinafter granted, for securing of the Borrower/Grantee's obligations under this Agreement, including payment of the Loan Amount, Administrative Fees and other amounts owed by the Borrower/Grantee as herein provided, provided, however that if the Borrower/Grantee, its successors or assigns, shall well and truly pay, or cause to be paid the Loan Amount at the time and in the manner contemplated by this Agreement, according to the true intent and meaning hereof, the Administrative Fees and all other amounts due or to become due under this Agreement in accordance with its terms and provisions then, upon such final payment or provision for payment by the Borrower/Grantee, the provisions of this Agreement and the rights created thereby with respect to the Loan Amount shall terminate and the Lenders/Grantors shall give a written release or such other confirmation as may be necessary to remove any encumbrances upon the Pledged Revenues; otherwise, such provisions of this Agreement shall remain in full force and effect.

The pledge of the Pledged Revenues and the lien thereon shall be effective upon the Effective Date. The Borrower/Grantee, the Finance Authority, and the Water Trust Board acknowledge and agree that the obligations of the Borrower/Grantee hereunder are limited to the Pledged Revenues; and that this Agreement with respect to the Loan Amount, the Administrative Fees and other amounts owed by the Borrower/Grantee as herein provided shall constitute a special, limited obligation of the Borrower/Grantee. No provision of this Agreement shall be construed or interpreted as creating a general obligation or other indebtedness of the Borrower/Grantee within the meaning of any constitutional or statutory debt limitation. No provision of this Agreement shall be construed to pledge or to create a lien on any class or source of Borrower/Grantee's moneys other than the Pledged Revenues, nor shall any provision of this Agreement restrict the future issuance of any bonds or obligations payable from any class or source of Borrower/Grantee's moneys including the Pledged Revenues. In addition, the Pledged Revenues not required to meet the obligation of the Borrower/Grantee under this Agreement may be utilized by the Borrower/Grantee for any other purposes permitted by law.

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

Section 6.3 Manner of Payment. The Loan Amount shall be payable by the Borrower/Grantee to the Lenders/Grantors in annual installments of principal payable on June 1 beginning in the year 2015 and continuing through the year 2034 as set forth more fully in Exhibit C to this Agreement. All payments of the Borrower/Grantee hereunder shall be paid in lawful money of the United States of America to the Finance Authority at the address designated in Section 11.1 of this Agreement. The obligation of the Borrower/Grantee to make payments hereunder, from and to the extent of the available Pledged Revenues, shall be absolute and unconditional in all events, except as expressly provided hereunder, and payment hereunder shall not be abated through accident or unforeseen circumstances. Notwithstanding any dispute between the Borrower/Grantee and the Finance Authority, any vendor or any other person, the Borrower/Grantee shall make all deposits hereunder, from and to the extent of the available Pledged Revenues, when due and shall not withhold any deposit hereunder pending final resolution of such dispute, nor shall the Borrower/Grantee assert any right of set-off or counterclaim against its obligation to make such deposits required hereunder.

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

Section 6.5 No Penalty for Prepayment of the Loan Amount. The Loan Amount shall be prepayable by the Borrower/Grantee at anytime, without penalty.

Section 6.6 Lenders/Grantors' Release of Lien and Further Assurances. Upon payment in full of the Loan Amount, Administrative Fees and other amounts owed by the Borrower/Grantee as herein provided in this Agreement the Lenders/Grantors agree to execute a release of lien and to give such further assurances as are reasonably necessary to ensure that the Lenders/Grantors no longer hold or maintain any lien or claim against the Pledged Revenues.

ARTICLE VII
THE PROJECT

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

(a) The Borrower/Grantee hereby agrees that in order to effectuate the purposes of this Agreement and to acquire and complete the Project it shall take such steps as are necessary and appropriate to acquire, complete, operate and maintain the Project lawfully and efficiently. The Project shall be installed, constructed and completed substantially in accordance with the approved plans and specifications, and shall fully incorporate the available

technologies and operational design for water use efficiency described in the approved plans and specifications. No Loan/Grant funds shall be used for items not constituting Eligible Items.

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

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

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

Section 7.4 Borrower/Grantee Reporting to Lenders/Grantors. During the acquisition installation and construction of the Project, the Borrower/Grantee shall provide the Lenders/Grantors with a quarterly written report executed by an Authorized Officer of the Borrower/Grantee, in the form attached as Exhibit "D" hereto or in another form reasonably

acceptable to the Lenders/Grantors, describing the status of the Project as of the report date, uses of Loan/Grant funds during the quarterly period ending on the report date, and requests for distributions of Loan/Grant funds anticipated to occur during the quarterly period immediately following the report date. The first quarterly report shall be due on September 30, 2014, and subsequent reports shall be due on each March 31, June 30, September 30 and December 31 thereafter until the report date next following final distribution of the Loan/Grant funds. No reports shall be required after the report date next following final distribution of the Loan/Grant Funds, unless specifically required by the Finance Authority or the Water Trust Board. The description of the status of the Project in each quarterly report shall include, among other information, (a) a comparison of actual and anticipated requests for distributions of Loan/Grant funds as of the report date with those anticipated as of the Closing Date, (b) a description of actual and anticipated changes in the cost estimates for the Project as of the report date compared with those anticipated as of the Closing Date, and (c) a description of the percentage of completion of the Project.

Section 7.5 Completion of Disbursement of Loan/Grant Funds. Upon the earlier of (1) the completion of the Project, or (2) the expenditure of the whole Loan/Grant Amount, an Authorized Officer of the Borrower/Grantee shall deliver a certificate to the Finance Authority and the Water Trust Board, substantially in the form of Exhibit "E" attached hereto, stating that, to his or her knowledge, either (1) the Project has been completed, or (2) that the portion of the Loan/Grant Amount needed to complete the Project has been disbursed in accordance with the terms of this Agreement. No portion of the Loan/Grant Amount shall be disbursed after the date which is three (3) years from the Effective Date, unless a later date is approved in writing by an Authorized Officer of the Water Trust Board and an Authorized Officer of the Finance Authority.

Section 7.6 Application of Project Account Subsequent to Disbursement of Loan/Grant Funds; Termination of Pledge. (a) Upon the completion of the Project as signified by delivery of the completion certificate required by Section 7.5 hereof, the Finance Authority shall determine, by reference to the Project Account, whether any portion of the authorized Loan/Grant Amount remains unexpended. The Finance Authority shall further determine, in its sole discretion, whether any portion of such unexpended Loan/Grant Amount consists of Severance Tax Bond Funds and, if so, shall, within six (6) months of receipt of the completion certificate required by Section 7.5 hereof, cause such portion of the unexpended Loan/Grant Amount to be returned to the severance tax bond fund pursuant to NMSA 1978, § 7-27-10.1, as amended; (b) In the event that a portion of the Loan/Grant Amount remains unexpended after the date which is three (3) years from the Effective Date, and no later date has been approved by an Authorized Officer of each of the Finance Authority and the Water Trust Board, pursuant to Section 7.5 hereof, the Finance Authority shall further determine, in its sole discretion, whether any portion of such unexpended Loan/Grant Amount consists of Severance Tax Bond Funds and, if so, shall, within six (6) months of the date which is three (3) years after the Effective Date, cause such portion of the unexpended Loan/Grant Amount to be returned to the severance tax bond fund. Upon the occurrence of either event described in (a) or (b) above, the Finance Authority shall make the appropriate entry in the Project Account and, upon such entry, the pledge of the Loan/Grant Amount established in this Loan/Grant Agreement shall terminate.

ARTICLE VIII
COMPLIANCE WITH LAWS AND RULES; OTHER COVENANTS

Section 8.1 Further Assurances and Corrective Instruments. The Lenders/Grantors and the Borrower/Grantee 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 and for carrying out the intention hereof.

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

Section 8.3 Requirements of Law. During the Agreement Term, the Borrower/Grantee shall observe and comply promptly with all applicable federal, State and local laws and regulations affecting the Project, and all current and future orders of all courts having jurisdiction over the Borrower/Grantee with regard to the Project.

Section 8.4 Selection of Contractors. All contractors providing services or materials in connection with the Project shall be selected in accordance with applicable provisions of the New Mexico Procurement Code, NMSA 1978, §§ 13-1-28 through 13-1-199, as amended, or, if the Borrower/Grantee is not subject to the New Mexico Procurement Code, shall be selected in accordance with a documented procurement process duly authorized and established pursuant to laws and regulations applicable to the Borrower/Grantee.

Section 8.5 Required Contract Provisions. The Borrower/Grantee shall require the following provisions in any contract or subcontract executed in connection with the Project to which the Borrower/Grantee is a party:

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

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

Section 8.6 Expeditious Completion of the Project. The Borrower/Grantee shall complete the Project with all practical dispatch.

ARTICLE IX
INSURANCE; NON-LIABILITY OF LENDERS/GRANTORS

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

Section 9.2 Non-Liability of Lenders/Grantors.

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

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

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

ARTICLE X
EVENTS OF DEFAULT AND REMEDIES

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

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

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

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

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

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

(f) The Borrower/Grantee admits insolvency or bankruptcy or its inability to pay its debts as they become due or is generally not paying its debts as such debts become due, or becomes insolvent or bankrupt or makes an assignment for the benefit of creditors, or a custodian (including, without limitation, a receiver, liquidator or trustee) of the Borrower/Grantee for any of its property is appointed by court order or takes possession thereof

and such order remains in effect or such possession continues for more than thirty (30) days, but the Finance Authority shall have the right to intervene in the proceedings prior to the expiration of such thirty (30) days to protect their interests.

Section 10.2 Limitations on Remedies. A judgment requiring payment of money entered against the Borrower/Grantee shall be paid from only available Pledged Revenues unless the Borrower/Grantee in its sole discretion pays the judgment from other available funds.

Section 10.3 Remedies on Default. Whenever any Event of Default has occurred and is continuing and subject to Section 10.2 hereof, the Lenders/Grantors, collectively or individually, may take whatever of the following actions may appear necessary or desirable to enforce performance of any agreement of the Borrower/Grantee in this Agreement:

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

(b) by suit in equity enjoin any acts or things which are unlawful or violate the rights of the Lenders/Grantors, collectively or individually; or

(c) by intervention in judicial proceedings that affect this Loan/Grant Agreement or the Pledged Revenues; or

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

(e) by causing the Borrower/Grantee to account as if it were the trustee of an express trust for all of the Pledged Revenues.

Section 10.4 No Remedy Exclusive. No remedy herein conferred upon or reserved to the Lenders/Grantors, collectively or individually, is intended to be exclusive, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Borrower/Grantee or the Lenders/Grantors 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 Lenders/Grantors, collectively or individually, may, in the respective discretion of each, waive any Event of Default hereunder and the consequences of any such Event of Default; provided, however, all expenses of the Lenders/Grantors, collectively or individually, in connection with such Event of Default shall have been paid or provided for. Such waiver shall be effective only if made by a written statement of waiver issued by the Finance Authority and the Water Trust Board. In case of any

such waiver or rescission, or in case any proceeding taken by the Lenders/Grantors, collectively or individually, on account of any such Event of Default shall have been discontinued or abandoned or determined adversely, then and in every such case, the Lenders/Grantors shall be restored to their former positions and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other Event of Default, or impair any right consequent thereon.

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

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

ARTICLE XI
MISCELLANEOUS

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

If to the Borrower/Grantee, to:

City of Las Vegas
Attn.: City Manager
1700 N Grand Ave.
Las Vegas, New Mexico 87701

If to the Water Trust Board or to the Finance Authority, then to:

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

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

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

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

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

Section 11.5 No Liability of Individual Officers, Directors or Trustees. No recourse under or upon any obligation, covenant or agreement contained in this Agreement shall be had against any member, employee, director or officer, as such, past, present or future, of the Lenders/Grantors, either directly or through the Finance Authority or the Water Trust Board, or against any officer, employee, director or member of the Borrower/Grantee, past, present or future, as an individual so long as such individual was acting in good faith. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such officer, employee, director or member of the Borrower/Grantee, the Water Trust Board or of the Finance Authority is hereby expressly waived and released by the Borrower/Grantee, the Water Trust Board and the Finance Authority as a condition of and in consideration for the execution of this Agreement.

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

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

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

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

Section 11.10 Application of Act and Board Rules. The Lenders/Grantors and the Borrower/Grantee expressly acknowledge that this Agreem t is governed by provisions and requirements of the Act and the Board Rules, as amended and supplemented, and all applicable provisions and requirements of the Act and the Board Rules are incorporated into this Agreement by reference.

[*Remainder of page intentionally left blank.*]

[*Signature pages follow.*]

IN WITNESS WHEREOF, the Finance Authority, on behalf of itself, and the Water Trust Board, on behalf of itself, each have executed this Agreement, which was approved by the Water Trust Board on June 12, 2013 and by the Finance Authority's Board of Directors on June 26, 2013, in their respective corporate names with their corporate seals affixed hereto and attested by their duly authorized officers; and the Borrower/Grantee has caused this Agreement to be executed and attested by duly authorized officers thereof. All of the above are effective as of the date first above written.

LENDERS/GRANTORS:

NEW MEXICO FINANCE AUTHORITY

By_____
Chief Executive Officer or Designee

ATTEST:

By_____

NEW MEXICO WATER TRUST BOARD

By_____
Chairman or Co-Chairman

Prepared for Execution by Officers of the
New Mexico Finance Authority and the
New Mexico Water Trust Board:

VIRTUE & NAJJAR, PC
As Loan/Grant Counsel

By _____
Richard L. C. Virtue

Approved for Execution by Officers of the
New Mexico Finance Authority and the
New Mexico Water Trust Board:

By _____
Daniel C. Opperman
Finance Authority General Counsel

BORROWER/GRANTEE:

CITY OF LAS VEGAS, NEW MEXICO

By _____
Alfonso E. Ortiz, Jr., Mayor

ATTEST:

By _____
Casandra Fresquez, City Clerk

BORROWER/GRANTEE:

CITY OF LAS VEGAS, NEW MEXICO

By _____
Alfonso E. Ortiz, Jr., Mayor

ATTEST:

By _____
Casandra Fresquez, City Clerk

BORROWER/GRANTEE:

CITY OF LAS VEGAS, NEW MEXICO

By _____
Alfonso E. Ortiz, Jr., Mayor

ATTEST:

By _____
Casandra Fresquez, City Clerk

EXHIBIT "A"

TERM SHEET

$722,000WATER PROJECT LOAN/GRANT TO THE CITY OF LAS VEGAS, NEW MEXICO

Project Description:	The Project is for storage, conveyance or delivery of water to end users. The Loan/Grant Amount will be used only for Eligible Items necessary to complete the Project. In particular, the Project will consist of installation of a 400 gallon per minute booster pump and construction of a 100,000 gallon effluent reuse tank on North Grand Avenue, and shall include such other related work and revisions necessary to complete the Project. The Project may be further described in the Application and in the final plans and specifications for the Project approved by the Water Trust Board and the Finance Authority as provided by this Agreement. However, in the event of any inconsistency, the description of the Project as stated in this Term Sheet shall control.
Grant Amount:	$649,800
Loan Amount:	$72,200
Pledged Revenues:	The Net System Revenues of the Borrower/Grantee pledged to the payment of the Loan Amount and Administrative Fees pursuant to the Resolution and this Loan/Grant Agreement.
Outstanding Senior Obligations for Pledged Revenues:	Series 1995A Revenue Bonds, Matures in 2015; Series 1995B Revenue Bonds, Matures in 2015; 2727-DW, Matures in 2034; 2878-DW, Matures in 2034; 2910-DW, Matures in 2035; and 2911-DW, Matures in 2035.
Outstanding Parity Obligations:	061-WTB Loan, Matures in 2027; 197-WTB Loan, Matures in 2030; 218-WTB Loan, Matures in 2030; 219-WTB Loan, Matures in 2030; and 251-WTB Loan, Matures in 2032.
Authorizing Legislation:	Borrower/Grantee Resolution No. 14-20, adopted March 31, 2014

Additional Funding Amount:	$108,300
Effective Date:	May 9, 2014
Project Account Amount:	$722,000
Expense Account Deposit:	$0
Administrative Fee:	0.25%

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

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

EXHIBIT "B"

FORM OF REQUISITION

RE: $722,000 Loan/Grant Agreement by and between the Water Trust Board and the Finance Authority, as Lenders/Grantors, and the City of Las Vegas, as Borrower/Grantee (the "Loan/Grant Agreement")

Loan/Grant No. 286-WTB

Closing Date: May 9, 2014

TO: NEW MEXICO FINANCE AUTHORITY

You are hereby authorized to disburse from the Project Account – City of Las Vegas with regard to the above-referenced Loan/Grant Agreement the following:

REQUISITION NUMBER: _____

NAME AND ADDRESS OF PAYEE: _____

_____

_____

WIRING INFORMATION

BANK NAME:	
ACCOUNT NUMBER:	
ROUTING NUMBER:	

AMOUNT OF PAYMENT: $_____

PURPOSE OF PAYMENT: _____

_____

ELIGIBLE ITEM CATEGORY (See below): _____

_____

DATED: _____ By: _____
Authorized Officer

Title: _____

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

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

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

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

EXHIBIT "C"

PAYMENT PROVISIONS OF THE LOAN

The Loan Amount shall be payable by the Borrower/Grantee to the Lenders/Grantors in twenty (20) annual installments of principal pursuant to the attached debt service schedule, beginning June 1, 2015 and ending June 1, 2034. The Loan Amount shall be prepayable at any time without penalty. The Administrative Fee shall be due and payable annually on June 1 of each year while the Loan, or any portion thereof, remains outstanding.

SOURCES AND USES OF FUNDS

City of Las Vegas
286-WTB: City of Las Vegas Water Trust Board Loan

Sources:	
Bond Proceeds:	
Par Amount	72,200.00
	72,200.00
Uses:	
Project Fund Deposits:	
WTB Loan	72,200.00
	72,200.00

BOND SUMMARY STATISTICS

City of Las Vegas
286-WTB: City of Las Vegas Water Trust Board Loan

Dated Date	05/09/2014
Delivery Date	05/09/2014
Last Maturity	06/01/2034
Arbitrage Yield	0.250002%
True Interest Cost (TIC)	0.250002%
Net Interest Cost (NIC)	0.250003%
All-In TIC	0.250002%
Average Coupon	0.250003%
Average Life (years)	10.646
Duration of Issue (years)	10.471
Par Amount	72,200.00
Bond Proceeds	72,200.00
Total Interest	1,921.55
Net Interest	1,921.55
Total Debt Service	74,121.55
Maximum Annual Debt Service	3,706.40
Average Annual Debt Service	3,694.79
Underwriter's Fees (per $1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life
Loan Component	72,200.00	100.000	0.250%	10.646
	72,200.00			10.646

	TIC	All-In TIC	Arbitrage Yield
Par Value	72,200.00	72,200.00	72,200.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense			
- Other Amounts			
Target Value	72,200.00	72,200.00	72,200.00
Target Date	05/09/2014	05/09/2014	05/09/2014
Yield	0.250002%	0.250002%	0.250002%

BOND DEBT SERVICE

City of Las Vegas
286-WTB: City of Las Vegas Water Trust Board Loan

Period Ending	Principal	Coupon	Interest	Debt Service
06/01/2015	3,514	0.250%	191.53	3,705.53
06/01/2016	3,534	0.250%	171.72	3,705.72
06/01/2017	3,543	0.250%	162.88	3,705.88
06/01/2018	3,552	0.250%	154.02	3,706.02
06/01/2019	3,561	0.250%	145.14	3,706.14
06/01/2020	3,570	0.250%	136.24	3,706.24
06/01/2021	3,579	0.250%	127.32	3,706.32
06/01/2022	3,588	0.250%	118.36	3,706.36
06/01/2023	3,597	0.250%	109.40	3,706.40
06/01/2024	3,606	0.250%	100.40	3,706.40
06/01/2025	3,615	0.250%	91.40	3,706.40
06/01/2026	3,624	0.250%	82.36	3,706.36
06/01/2027	3,633	0.250%	73.30	3,706.30
06/01/2028	3,642	0.250%	64.22	3,706.22
06/01/2029	3,651	0.250%	55.10	3,706.10
06/01/2030	3,660	0.250%	45.98	3,705.98
06/01/2031	3,669	0.250%	36.82	3,705.82
06/01/2032	3,678	0.250%	27.66	3,705.66
06/01/2033	3,687	0.250%	18.46	3,705.46
06/01/2034	3,697	0.250%	9.24	3,706.24
	72,200		1,921.55	74,121.55

EXHIBIT "D"

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

Fund Recipient Names: **City of Las Vegas** Recipient Contact: **City Manager** Phone Number:	WTB Project Number: **286-WTB** WTB Project Name: **Construction of an effluent reuse tank** Project Type: **Water Storage, Conveyance & Delivery**
Quarterly Project Report ☐ Final ☐ Other ☐ _____ Report Period: From - ____/____/____ To - ____/____/____	
Contract Expiration: _____ Total WTB Award: $_____ Current Balance: $_____ Loan % 10 Grant % 90 Match % 15 Expected WTB Award Expenditure Next Quarter: $_____ Project Phase: Planning ☐ Design ☐ Construction ☐	
PROJECT TIME: Original Completion Date: _____ Current Completion Date: _____ Days Remaining for Completion _____ Percent Project is Complete _____% On Schedule? Yes ☐ No ☐	
Briefly Describe Project Progress During This Reporting Period:	
Issues Addressed During This Period (Indicate any current and/or anticipated issues that remain unresolved):	
Goals/Milestones With Timeline or Dates For The Next Reporting Period:	
Name and Title of Authorized Representative: (*Print*) Date: _____	Authorized Representative Signature:

EXHIBIT "E"

FORM OF CERTIFICATE OF COMPLETION

RE: $722,000 Loan/Grant Agreement by and between the Water Trust Board and the Finance Authority, as Lenders/Grantors, and the City of Las Vegas, as Borrower/Grantee (the "Loan/Grant Agreement")

Loan/Grant No. 286-WTB

Closing Date: May 9, 2014

TO: NEW MEXICO FINANCE AUTHORITY

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

Borrower/Grantee, hereby certify as follows:

1. The project described in the Loan/Grant Agreement (the "Project"), or the applicable phase of the project if funding was for a phased Project, was completed and placed in service on _____, 20___.

2. The total cost of the Project was $ _____.

3. Cost of the Project paid from the Loan/Grant Amount was $ _____.

4. The portion of the Loan/Grant Amount unexpended for the Project is $ _____.

5. The Project was completed and is and shall be used consistent with and subject to the covenants set forth in the Loan/Grant Agreement.

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

CITY OF LAS VEGAS, NEW MEXICO

By: _____

Its: _____

$722,000
CITY OF LAS VEGAS, SAN MIGUEL COUNTY, NEW MEXICO
WATER PROJECT FUND LOAN/GRANT
No. 286-WTB

STATE OF NEW MEXICO	)	**GENERAL AND**
	) ss.	**NO LITIGATION**
COUNTY OF SAN MIGUEL	)	**CERTIFICATE**

IT IS HEREBY CERTIFIED by the undersigned, the duly chosen, qualified and acting Mayor and City Clerk for the City of Las Vegas (the "Borrower/Grantee") in the State of New Mexico (the "State"):

Capitalized terms used in this Certificate have the same meaning as defined in Resolution No. 14-20 adopted by the Governing Body of the Borrower/Grantee on March 31, 2014 (the "Resolution") unless otherwise defined in this Certificate or the context requires otherwise.

1. The Borrower/Grantee is a duly organized and existing incorporated municipality in good standing under the laws of the State of New Mexico.

2. From at least March 31, 2014 to and including the date of this Certificate, the following were and now are the duly chosen, qualified and acting officers of the Borrower/Grantee:

Mayor:	Alfonso E. Ortiz, Jr.
Councilors:	Tonita Gurule Giron Vincent Howell Joseph Herrera David Romero
City Clerk:	Casandra Fresquez
Finance Director:	Ann Marie Gallegos
Attorney:	David Romero

3. Based on data collected during the 2010 Census, the population of the City of Las Vegas is less than 75% English speaking and less than 75% Spanish Speaking.

4. Notice of the adoption of the Resolution was published in English in the *Las Vegas Optic*, a newspaper qualified to publish legal notices that is of general circulation in San Miguel County, New Mexico.

5. There is no reason within our knowledge and belief after due investigation, why the Borrower/Grantee may not enter into the Loan/Grant Agreement with the New Mexico Finance Authority and the Water Trust Board, as authorized by the Resolution.

6. No material adverse change has occurred, nor has any development occurred involving a prospective material and adverse change in, or affecting the affairs, business, financial condition, results of operations, prospects, or properties of the Borrower/Grantee since the date of the Resolution.

7. To the best of our knowledge and belief after due investigation, none of the events of default referred to in Article X of the Loan/Grant Agreement has occurred.

8. There is no threatened action, suit, proceeding, inquiry or investigation against the Borrower/Grantee, at law or in equity, by or before any court, public board or body, nor to our knowledge is there any basis therefor, affecting the existence of the Borrower/Grantee or the titles of its officials to their respective offices, or seeking to prohibit, restrain or enjoin the pledge of the Pledged Revenues to pay the principal, interest or administrative fees on the Loan/Grant Agreement, or in any way materially adversely affecting or questioning (a) the use of the proceeds of the Loan/Grant Agreement for the Project and to pay certain expenses as described therein, (b) the validity or enforceability of the Loan/Grant Agreement or any proceedings of the Borrower/Grantee taken with respect to the Resolution or the Loan/Grant Agreement, (c) the execution and delivery of the Loan/Grant Agreement, or (d) the power of the Borrower/Grantee to carry out the transactions contemplated by the Resolution and the Loan/Grant Agreement.

9. The Borrower/Grantee has complied with all the covenants and satisfied all the conditions on its part to be performed or satisfied at or prior to the date hereof, and the representations and warranties of the Borrower/Grantee contained in the Loan/Grant Agreement and in the Resolution are true and correct as of the date hereof.

10. The Borrower/Grantee is not in default, and has not been in default within the ten (10) years immediately preceding the date of this Certificate, in the payment of principal of, premium, if any, or interest on any bonds, notes or other obligations which it has issued, assumed or guaranteed as to payment of principal, premium, if any, or interest.

11. To our knowledge and belief after due investigation, neither the Mayor, the City Clerk, any member of the Governing Body of the Borrower/Grantee, nor any other officer, employee or other agent of the Borrower/Grantee is interested (except in the performance of his or her official rights, privileges, powers and duties), directly or indirectly, in the profits of any contract, or job for work, or services to be performed and appertaining to the Project.

12. Regular meetings of the Borrower/Grantee's Governing Body and the meeting at which the Resolution was adopted have been held at the principal meeting place of the Borrower/Grantee.

13. The Borrower/Grantee's Governing Body has no rules of procedure which would invalidate or make ineffective the Resolution or other action taken by the Borrower/Grantee's Governing Body in connection with the Loan/Grant Agreement. The Open Meetings Act Resolution adopted and approved by the Governing Body on January 15, 2014 establishes notice standards for meetings of the Governing Body. The Open Meetings Act Resolution has not been amended or repealed. All action of the Governing Body with respect to the Resolution and the

Loan/Grant Agreement was taken at meetings held in compliance with the Open Meetings Act Resolution No. 14-01 which resolution was effective on March 31, 2014 and has not been amended, repealed or rescinded.

14. The Mayor and the City Clerk, on the date of the signing of the Loan/Grant Agreement and on the date of this Certificate, are the duly chosen, qualified and acting officers of the Borrower/Grantee authorized to execute the Loan/Grant Agreement.

15. This Certificate is for the benefit of the Finance Authority and the Water Trust Board.

16. This Certificate may be executed in counterparts.

[*Signature page follows.*]

WITNESS our signatures and the seal of the Borrower/Grantee this 9th day of May, 2014.

CITY OF LAS VEGAS, NEW MEXICO

(SEAL)

By _____
Alfonso E. Ortiz, Jr., Mayor

By _____
Casandra Fresquez, City Clerk

WITNESS our signatures and the seal of the Borrower/Grantee this 9th day of May, 2014.

CITY OF LAS VEGAS, NEW MEXICO

(SEAL)

By _____
Alfonso E. Ortiz, Jr., Mayor

By _____
Casandra Fresquez, City Clerk

WITNESS our signatures and the seal of the Borrower/Grantee this 9th day of May, 2014.

CITY OF LAS VEGAS, NEW MEXICO

(SEAL)

By _____
Alfonso E. Ortiz, Jr., Mayor

By _____
Casandra Fresquez, City Clerk

$722,000
CITY OF LAS VEGAS, SAN MIGUEL COUNTY, NEW MEXICO
WATER PROJECT FUND LOAN/GRANT
No. 286-WTB

RIGHT-OF-WAY CERTIFICATE

The undersigned on behalf of the City of Las Vegas (the "Borrower/Grantee"), a municipality in the County of San Miguel and the State of New Mexico, hereby certifies except as noted in item 4 below:

1. That the Borrower/Grantee is the owner in fee simple of the lands needed for the installation and construction, operation, design and maintenance of the facilities to be installed and constructed with the proceeds of the above-referenced Loan/Grant made by the New Mexico Finance Authority and the New Mexico Water Trust Board (the "Project"), or that the Borrower/Grantee has acquired and presently holds continuous and adequate rights-of-way on lands owned by others that are needed for the Project, whether public or private, and such omissions, defects, or restrictions as may exist will in no substantial way or manner endanger the value or the operation of the Project.

2. That the Borrower/Grantee has acquired all necessary permits, franchises, and authorizations or other instruments by whatsoever name designated, from public utilities and public bodies, commissions, or agencies authorizing the installation, construction, operation, and maintenance of the facilities upon, along or across streets, roads, highways, and utility corridors.

3. That the attached map shows the location of all lands and rights-of-way needed for the Project, which lands and rights-of-way the Borrower/Grantee has acquired and now holds by purchase or dedication, by right of use or adverse possession, or by legal conveyances such as right-of-way or easement deeds, permits, or other instruments.

4. Exceptions: None.

[*Signature page follows.*]

IN WITNESS WHEREOF, the undersigned has executed this Certificate on behalf of the City of Las Vegas as of this 9th day of May, 2014.

Dave Romero
Attorney for Borrower/Grantee,
City of Las Vegas, New Mexico

IN WITNESS WHEREOF, the undersigned has executed this Certificate on behalf of the City of Las Vegas as of this 9th day of May, 2014.

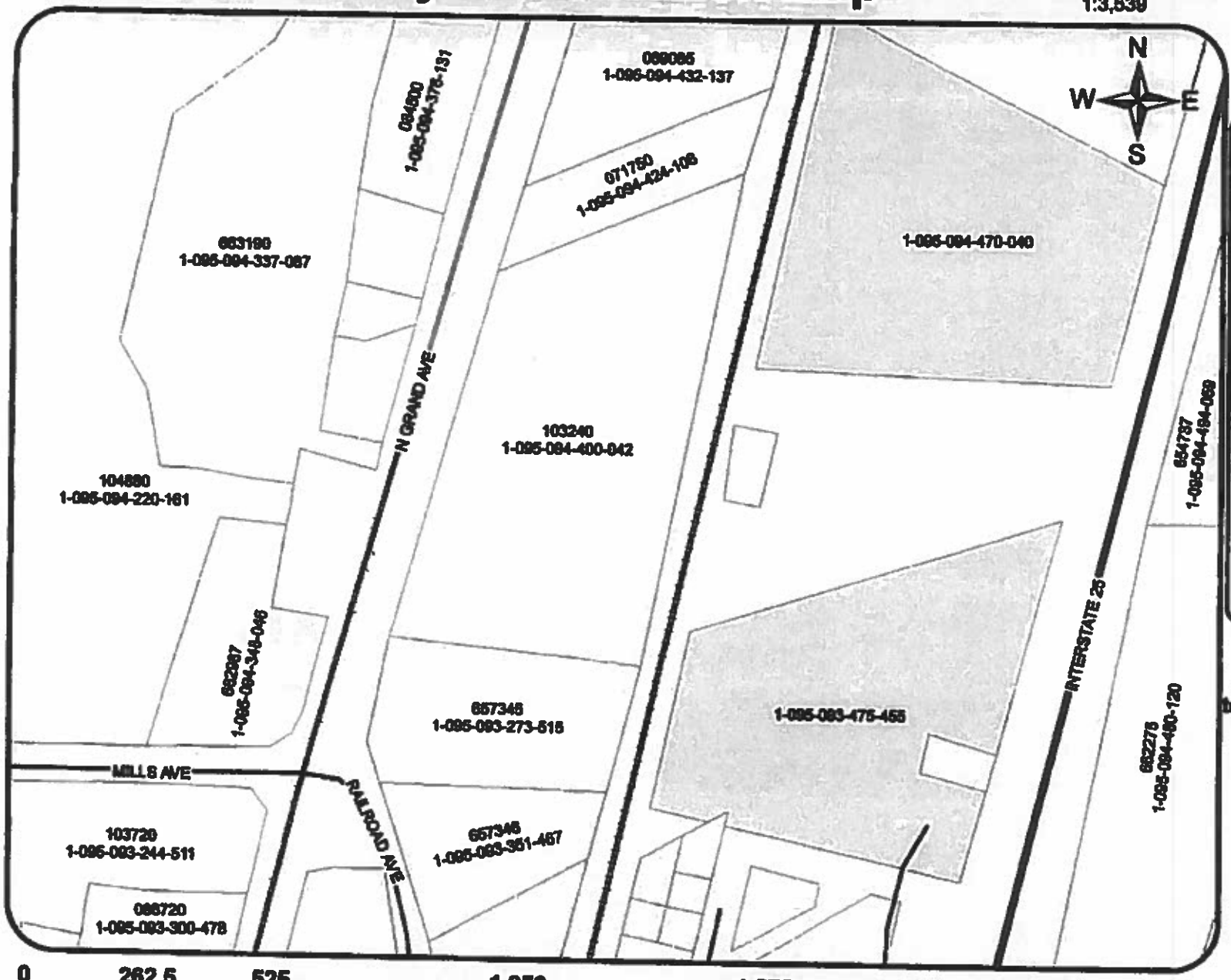
Dave Romero
Attorney for Borrower/Grantee,
City of Las Vegas, New Mexico

IN WITNESS WHEREOF, the undersigned has executed this Certificate on behalf of the City of Las Vegas as of this 9th day of May, 2014.

Dave Romero
Attorney for Borrower/Grantee,
City of Las Vegas, New Mexico

San Miguel County Identification Map

1 inch = 295 feet
1:3,539



Legend

- Interstate
- County
- Other
- State
- US or Federal
- Railroad
- Water Path
- Lakes
- County Limits
- Section Line

Parcels

- Card Verified
- Card Not Verified
- No ID

The data on this document is believed to be accurate.However San Miguel County makes no warranties, express or implied, including fitness for use.

Printed On: 3/25/2014
Printed By: cpallegos
Printed from: Arcreader

Parcel Data Maintained by: James Phillips
San Miguel County GIS

NAD 1983 StatePlane New Mexico East FIPS 3001 Feet

This working Draft Document is subject to change, and will change significantly over time.
Parcel location and shape are approximate.

NEW MEXICO FINANCE AUTHORITY

FINAL OPINION OF COUNSEL

To: New Mexico Finance Authority
207 Shelby Street
Santa Fe, New Mexico 87501

Re: City of Las Vegas, San Miguel County, New Mexico
$722,000 Loan/Grant No. 286-WTB

Ladies and Gentlemen:

I am an attorney representing the City of Las Vegas (the "Borrower/Grantee") in connection with the above-referenced Loan/Grant. I am licensed to practice law and in good standing in the State of New Mexico. I provide this opinion in my role as counsel to the Borrower/Grantee, understanding that the New Mexico Finance Authority and the New Mexico Water Trust Board (the "Lenders/Grantors") are relying on all representations herein made by me on behalf of my client and but for these representations, the Loan/Grant would not be approved.

Capitalized terms used in this Opinion have the same meaning as defined in Resolution No. 14-20 adopted by the Governing Body of the Borrower/Grantee on March 31, 2014 (the "Resolution") unless otherwise defined in this Opinion or the context requires otherwise.

I hereby certify that I have examined:

(1) The City of Las Vegas Water Project Fund Application dated November 1, 2012, the New Mexico Water Trust Board Approval dated June 12, 2013 and the New Mexico Finance Authority Board Approval dated June 26, 2013, for Loan/Grant No. 286-WTB (the "Application" and the "Approval," respectively), relating to the Project.

(2) The incorporation documents creating the Borrower/Grantee.

(3) The Annual Open Meetings Act Resolution or resolutions of the Borrower/Grantee in effect on March 31, 2014 and on May 9, 2014.

(4) The proceedings of the Governing Body (including all agendas, minutes, resolutions, ordinances and publications) which authorize the Loan/Grant application, the Project development, the budget for the Project, and the contracts with the various Project professionals including but not limited to architects, engineers, planners and contractors.

(5) Corporate proceedings of the Borrower/Grantee from the date of the Application to the date of this Opinion, including, without limiting the generality of the foregoing,

the corporate action of the Borrower/Grantee relating to (a) the selection of its Mayor, City Council, and City Clerk; (b) the adoption of the Borrower/Grantee's Annual Open Meetings Act Resolution or resolutions; (c) the adoption of ordinances or resolutions governing the operation of the Project; (d) the plans and specifications for the Project; (e) cost estimates for the Project; (f) the adoption of ordinances, resolutions and regulations for the furnishing of service to customers; (g) the proposed operating budget for services to be provided, in whole or in part, by means of the Project; (h) the proposal to finance the Project, in whole or in part, with a Loan/Grant made by the Water Trust Board, acting through the Finance Authority; (i) the Resolution authorizing the Mayor to execute necessary documents to obtain the Loan/Grant for the Project; (j) all necessary approvals for the Project from federal, State or local authorities; and (k) the execution and delivery of the Loan/Grant Agreement evidencing such Loan/Grant.

(6) The Resolution and the Loan/Grant Agreement providing that the Lenders/Grantors on behalf of the Borrower/Grantee shall maintain a book Project Account on behalf of the Borrower/Grantee and shall cause the disbursement of the Loan/Grant Amount as provided in Article IV of the Loan/Grant Agreement.

(7) The records and files of all offices in which there might be recorded, filed, or indexed, any liens of any nature whatsoever, affecting the title to any real property to be acquired with the Loan/Grant proceeds, or on which will be located any Project property to be acquired with the Loan/Grant proceeds.

Based upon my examination of the foregoing, it is my opinion that:

A. The Borrower/Grantee is a duly organized and existing incorporated municipality under the laws of the State of New Mexico.

B. The ordinances, resolutions, rules and regulations governing the operation of the Project have been duly adopted and are now in full force and effect.

C. The Authorized Officers of the Borrower/Grantee were duly and validly elected or appointed and are empowered to act for the Borrower/Grantee.

D. The Borrower/Grantee has corporate power:

(1) to construct, install and complete the Project;

(2) to execute and deliver Loan/Grant documents including those identified above;

(3) to perform all acts required by such Loan/Grant documents to be done by it; and

(4) to own, operate and maintain the Project during its Useful Life.

E. All proceedings of the Borrower/Grantee, its elected and appointed officers, and employees, required or necessary to be taken in connection with the authorization of the actions specified above have been duly taken and all such authorizations are presently in full force and effect.

F. The Resolution has been duly signed and adopted in accordance with all applicable laws and has not been repealed, rescinded, revoked, modified, amended or supplemented in any manner except as set forth in the Resolution. The Resolution constitutes valid and sufficient legal authority for the Borrower/Grantee to carry out and enforce the provisions of the Loan/Grant Agreement.

G. No event will result from the execution and delivery of the Loan/Grant Agreement that constitutes a default or an event of default under either the Loan/Grant Agreement or the Resolution, and no event of default and no default under the Loan/Grant Agreement or the Resolution has occurred and is continuing on the date of this Opinion.

H. The Borrower/Grantee has duly authorized and approved the consummation by it of all transactions, and has complied with all requirements and satisfied all conditions, which are required by the Loan/Grant Agreement to have been authorized, approved, performed or consummated by the Borrower/Grantee at or prior to the date of this Opinion. The Borrower/Grantee has full legal right, power and authority to carry out and consummate the transactions contemplated by the Resolution and the Loan/Grant Agreement.

I. All approvals, consents and orders of any governmental authority having jurisdiction in the matter which would constitute a condition precedent to the enforceability of the Loan/Grant Agreement or any of the actions required to be taken by the Resolution or the Loan/Grant Agreement to the date of this Opinion have been obtained and are in full force and effect.

J. Neither the Borrower/Grantee's adoption of the Resolution nor any action contemplated by or pursuant to the Resolution or the Loan/Grant Agreement does or will conflict with, or constitutes a breach by the Borrower/Grantee of, or default by the Borrower/Grantee under any law, court decree or order, governmental regulation, rule or order, ordinance, resolution, agreement, indenture, mortgage or other instrument to which the Borrower/Grantee is subject or by which it is bound.

K. There is no actual or threatened action, suit, proceeding, inquiry or investigation against the Borrower/Grantee, at law or in equity, by or before any court, public board or body, nor to my knowledge, is there any basis therefore, affecting the existence of the Borrower/Grantee or the titles of its officials to their respective offices, or in any way materially adversely affecting or questioning (a) the territorial jurisdiction of the Borrower/Grantee, (b) the use of the proceeds of the Loan/Grant Agreement for the Project and to pay certain costs of the Finance Authority and the Water Trust Board associated with the administration of the Water Project Fund, (c) the validity or enforceability of the Loan/Grant Agreement or any proceedings of the Borrower/Grantee with respect to the Resolution or the Loan/Grant Agreement, (d) the execution and

delivery of the Loan/Grant Agreement, (e) the authority of the Borrower/Grantee to repay the Loan Amount, or (f) the power of the Borrower/Grantee to carry out the transactions contemplated by the Resolution and the Loan/Grant Agreement.

L. There are no recorded liens of any nature whatsoever affecting the title to any real property upon which the Project will be located.

M. No legal proceedings have been instituted or are pending, and to my knowledge none are threatened, whether or not the Borrower/Grantee is named as a party in such proceedings, which would affect the Borrower/Grantee's interest in the real property upon which the Project will be located, and there are no judgments against the Borrower/Grantee or liens against any property of the Borrower/Grantee that would impair the Borrower/Grantee's ability to complete the Project.

N. The Borrower/Grantee has acquired as legally bound to acquire pursuant to the Loan/Grant Agreement all of the necessary land rights, easements and rights-of-way for the Project and the Borrower/Grantee now has sufficient, adequate and continuous rights-of-way to permit the construction, installation, operation and maintenance of the Project.

Dated this 9th day of May, 2014.

Dave Romero
Attorney for Borrower/Grantee,
City of Las Vegas, New Mexico

delivery of the Loan/Grant Agreement, (e) the authority of the Borrower/Grantee to repay the Loan Amount, or (f) the power of the Borrower/Grantee to carry out the transactions contemplated by the Resolution and the Loan/Grant Agreement.

L. There are no recorded liens of any nature whatsoever affecting the title to any real property upon which the Project will be located.

M. No legal proceedings have been instituted or are pending, and to my knowledge none are threatened, whether or not the Borrower/Grantee is named as a party in such proceedings, which would affect the Borrower/Grantee's interest in the real property upon which the Project will be located, and there are no judgments against the Borrower/Grantee or liens against any property of the Borrower/Grantee that would impair the Borrower/Grantee's ability to complete the Project.

N. The Borrower/Grantee has acquired as legally bound to acquire pursuant to the Loan/Grant Agreement all of the necessary land rights, easements and rights-of-way for the Project and the Borrower/Grantee now has sufficient, adequate and continuous rights-of-way to permit the construction, installation, operation and maintenance of the Project.

Dated this 9th day of May, 2014.

Dave Romero
Attorney for Borrower/Grantee,
City of Las Vegas, New Mexico

delivery of the Loan/Grant Agreement, (e) the authority of the Borrower/Grantee to repay the Loan Amount, or (f) the power of the Borrower/Grantee to carry out the transactions contemplated by the Resolution and the Loan/Grant Agreement.

L. There are no recorded liens of any nature whatsoever affecting the title to any real property upon which the Project will be located.

M. No legal proceedings have been instituted or are pending, and to my knowledge none are threatened, whether or not the Borrower/Grantee is named as a party in such proceedings, which would affect the Borrower/Grantee's interest in the real property upon which the Project will be located, and there are no judgments against the Borrower/Grantee or liens against any property of the Borrower/Grantee that would impair the Borrower/Grantee's ability to complete the Project.

N. The Borrower/Grantee has acquired as legally bound to acquire pursuant to the Loan/Grant Agreement all of the necessary land rights, easements and rights-of-way for the Project and the Borrower/Grantee now has sufficient, adequate and continuous rights-of-way to permit the construction, installation, operation and maintenance of the Project.

Dated this 9th day of May, 2014.

Dave Romero
Attorney for Borrower/Grantee,
City of Las Vegas, New Mexico

Special Meeting

CITY COUNCIL MEETING AGENDA REQUEST

DATE: 03/31/14 **DEPT:** Utilities Dept. **MEETING DATE:** 04/09/14

ITEM/TOPIC: Award RFB 2014-21 for Earth works, paving and construction materials for City construction projects to low bidder.

ACTION REQUESTED OF COUNCIL: Approval/Disapproval to award RFB 2014-21 to the low bidder.

BACKGROUND/RATIONALE: The City of Las Vegas construction projects require the use of various materials for bedding and covering of pipe. This will allow the City Utilities Department to purchase various earth works, paving and construction materials as needed. The materials purchased will be for City construction projects, and funded under the budget line item numbers for the particular project. Bid Amounts to include NMGRT.

Advertised:	03/19/14; Las Vegas Optic, and City Website.
Bid Opening:	April 8, 2014
Number of Bidders:	TBD
Lowest Bidder:	TBD
Funding Source:	Based on project.

All additional information will be provided at the Council Meeting.

STAFF RECOMMENDATION: Approval to award RFB 2014-21.

COMMITTEE RECOMMENDATION: The Utility Advisory Committee will discuss this item at their regular meeting on April 8, 2014.

THIS REQUEST FORM MUST BE SUBMITTED TO THE CITY MANAGER'S OFFICE NO LATER THAN 10:00 A.M. ON FRIDAY ONE AND A HALF WEEKS PRIOR TO THE CITY COUNCIL MEETING.

Clearance by S. Muniz
SUBMITTER'S SIGNATURE

REVIEWED AND APPROVED BY:

ALFONSO E. ORTIZ, JR.
MAYOR

ANN MARIE GALLEGOS
FINANCE DIRECTOR

TIMOTHY P. DODGE
CITY MANAGER

PURCHASING AGENT
(FOR BID AWARD ONLY)

DAVE ROMERO
CITY ATTORNEY
Approved as to Legal Sufficiency Only
(If Box is Initialed by City Mngr., Review and Sign)

Approved to form 9-25-12

CALL FOR BIDS

The City of Las Vegas, New Mexico will open Sealed Bids at 1:00 p.m., April 8th , 2014 , at the City Council Chambers, 1700 North Grand Avenue, Las Vegas, New Mexico, or other designated area at the City Offices; ON THE FOLLOWING: ***Earth Works, Paving and Construction Materials***

The BIDDING FORMS AND TECHNICAL SPECIFICATIONS may be examined at the following location: 1700 N. Grand Ave., Las Vegas, NM 87701

Copies of the BIDDING FORMS AND TECHNICAL SPECIFICATIONS may be obtained at the office of 1700 N. Grand Ave., Las Vegas, NM 87701

Mailed Bids should be addressed to the City Clerk, 1700 N. Grand Ave., Las Vegas, New Mexico 87701; with the envelope marked ***Earth Works, Paving and Construction Materials*** Opening No. 2014-21 ; on the lower left-hand comer of the submitted envelope. It shall be the responsibility of the bidder to see that their bid is delivered to the City Clerk by the date and time set for the bid request. If the mail or delivery of bid request is delayed beyond the opening date and time, bid thus delayed will not be considered. A public opening will be held and any bidder or their authorized representative is invited to attend.

The City of Las Vegas reserves the right to reject any/or all bids submitted.

CITY OF LAS VEGAS,

CITY MANAGER

CITY CLERK

FINANCE DIRECTOR

PURCHASING OFFICER

Opening No 2014-21

Date Issued: 3-17-14

Date Issued: Published: Las Vegas Optic, March 19, 2014
www.lasvegasnm.gov

STANDARD BID CLAUSES

AWARDED BID

Awarding of Bid shall be made to the responsible Bidder whose Bid meets the required specifications. The City of Las Vegas (City) reserves the right to reject or accept any of all Bid specifications and to waive any insubstantial irregularity in the form of the Bid.

The City of Las Vegas may make multiple awards of the bid, to those bidding in law enforcement related services. The City Reserves the right to award the bid to the most advantageous Bidder to the City.

TIMETABLE

Bids pursuant to this request must be received at the City Clerk's Office at 1700 North Grand Avenue. Las Vegas, New Mexico, on or before April 8, 2014 at 1:00 p.m., at which time all bids received will be opened. An opening will occur at the City's Council Chambers or other designated area at the City Offices. Awarding of Bid is projected for April, 2014. The successful Bidder will be notified by mail.

ENVELOPES

Sealed Bid envelopes shall be clearly marked on the lower left-hand corner, identified by the Bid Name and Opening Number. Failure to comply with this requirement may result in the rejection of your submitted Bid. Enclose one (1) original and two (2) copies of Bid.

BRIBERY AND KICKBACK

The Procurement Code of New Mexico; (Section 13-1-28 through 13-1-99 N.M.S.A. 1978), impose a third degree felony penalty for bribery of a public official or public employee. In addition the New Mexico Criminal Statutes (Section 30-4-1, N.M.S.A. 1978): state that it is a third degree felony to commit the offense of demanding or receiving a bribe by a public official of public employee. And (Section 30-24-2, N.M.S.A. 1978): it is a fourth degree felony to commit the offense of soliciting or receiving illegal kickbacks. Also (Section 30-41-1 through 30-41-3, N.M.S.A. 1978): states that it is a fourth degree felony to commit the offense of offering or paying illegal kickbacks.

NON-COLLUSION

In signing their Bid and Affidavit, the Bidder certifies that he/she has not, either directly or indirectly entered into action of restraint of free competition, in the connection with the submitted bid.

RESPONSIBILITY OF BIDDER

At all times it shall be the responsibility of the Bidder to see their bid is delivered to the City Clerk by the Date and Time scheduled for opening. If the mail or delivery of said Bid is delayed beyond the scheduled opening date and time set, bid this delayed will not be considered.

CLARIFICATION OF BID

Bidder requiring clarification or interpretation of Bid specifications shall make a written request to the Department involved in this bid request at least five (5) days prior to the scheduled bid opening date with a copy forwarded to the Finance Department. Any interpretation, corrections or changes of said Bid Specifications, Opening Date, or Time Change will be made by Addendum only. Interpretations, Corrections or changes of said bid made in any other manner will not be binding and the Bidder shall not rely upon such interpretation, corrections and changes.

MODIFICATION OF BID

Bids may be withdrawn upon receipt of written request prior to the scheduled bid opening for the purpose of making any corrections or changes. Such corrections must be properly identified and signed or initialed by the Bidder. Resubmission must be prior to the scheduled bid opening time in order to be considered. After bid opening, no price modifications of submitted bids or other provisions shall be permitted.

WITHDRAWAL OF BID

A low Bidder alleging a material mistake of fact, after bids have been opened may request their bid be withdrawn upon receipt of a written request to the Finance Department prior to the scheduled awarding date.

INSPECTION

Final inspection and acceptance will be made at the City's destination. Products rejected for nonconformance with the specifications shall be removed by the Bidder; at his/her risk and expense promptly after notice of rejection.

FEDERAL TAX IDENTIFICATION NUMBER

Pursuant to IRS requirements, Bidder shall provide their Federal Tax ID Number if Bidder is incorporated. If Bidder is a sole proprietorship or partnership then they shall provide their Social Security Number.

FEDERAL TAX ID NUMBER: _____

SOCIAL SECURITY NUMBER: _____

NEW MEXICO TAX IDENTIFICATION NUMBER

Payment may be withheld under (Section 7-10-5, N.M.S.A. 1978) if you are subject to New Mexico Gross Receipts Tax and have not registered for a New Mexico (CRS) Tax Identification Number. Contact the New Mexico Taxation & Revenue Department at (505) 827-0700 for registering instructions.

NEW MEXICO TAX IDENTIFICATION NO. (CRS):_____

CAMPAIGN CONTRIBUTION DISCLOSURE FORM

The Bidder shall submit a completed Campaign Contribution Disclosure Form Pursuant to Chapter 81, Laws of2006.

COMMERCIAL WARRANTY

The Bidder agrees that the products or services furnished under a Purchase Order shall be covered by the most favorable commercial warranties that the Bidder gives to any customer for such products or services. And that the rights and remedies provided therein shall extend to the City and are in addition to and do not limit any rights afforded to the City by any other clause of its Purchase Order. Bidder agrees not to disclaim warranties of fitness for any particular purpose or merchantability.

Furthermore, Bidder agrees that its warranty for all products furnished under a Purchase Order pursuant to this Call for Bids shall be for a period of one year following the installation of said products by others. Also a receipt of a notice by the City's Engineer the products have been installed correctly and have been demonstrated to be capable of performing their intended function.

SPECIAL NOTICE

To preclude possible errors and/or misinterpretations, bid prices must be affixed in ink or typewritten legibly. *Enclose one (1) original and two (2) copies of Bid documents.*

DEFAULT

The City reserves the right to cancel all or any part of an order without cost to the City if the Bidder fails to meet the provisions of the City's Purchase Order or the product specifications and to hold the Bidder liable for any excess costs occasioned due to the Bidder's default. The Bidder shall not be liable for any excess costs if failure to perform on an order arises out of cause beyond the control and without fault or negligence of the Bidder. Such causes include, but are not restricted to, acts of God or public enemy; acts of State or Federal Government; fires, floods, epidemics, quarantine restrictions, strikes, embargoes, unusually severe weather, or defaults of subcontractors. Due to any of the above unless the City shall determine that the supplies or services to be furnished by the subcontractor are obtainable from other sources in the City in this paragraph shall not be exclusive and are in addition to any other rights now being provided by law.

BID PROTESTS

If any Bidder is of the opinion that the specifications as written preclude him/her from submitting a bid. His/her opinion should be made known to the Department involved in this bid request at least twelve (12) days prior to the scheduled bid opening date with a copy forwarded to the Finance Department. Bid protests will not be considered from parties which do not also furnish satisfactory documentation with their protest that their proposed system fully meets the functional intent of the TECHNICAL SPECIFICATIONS which accompany a Call for Bids.

NON-EXCLUSION

Specifications of the bid request are not meant to exclude any Bidder or Manufacturer. Where a brand name or equal is indicated, it is for the purpose of describing the standard of quality, performance and characteristics desired and is not intended to restrict competition. "No Substitute" specifications may be authorized, only if required to match existing equipment.

If any Bidder is of the opinion that the specifications as written preclude him/her from submitting a bid. His/her opinion should be made known to the Department involved in this bid request at least five (5) days prior to the scheduled bid opening date; with a copy forwarded to the Finance Department.

Brand names and numbers are for reference only and equivalents will be considered. If bidding "EQUIVALENT" Bidder must be prepared to furnish complete data upon request, preferably with the bid to avoid awarding delay.

CONTRACT

When the City issues a Purchase Order in response to an awarded Bid a binding contract is created (unless a specified contract has been created).

TERMINATION

This Price Agreement may be terminated by either party upon signing a written notice to the other party at least thirty (30) days in advance of the date of termination. Notice of termination of this Price Agreement shall not affect any outstanding orders.

TAXES

Bidder must pay all applicable taxes.

NOTE:

If bidder is from outside the City of Las Vegas, the successful bidder must pay Gross Receipts in the City of Las Vegas.

BIDDER INFORMATION

BIDDER: _____

AUTHORIZED AGENT: _____

ADDRESS: _____

TELEPHONE NUMBER (____)_____

FAX NUMBER (____)_____

DELIVERY: _____

STATE PURCHASING RESIDENT CERTIFICATIN NO.: _____

NEW MEXICO CONTRACTORS LICENSE NO.: _____

BID ITEM (S): ***Earth Works, Paving and Construction Materials***

ITEM (S) UNDER THIS BID ARE TO BE F.O.B. LAS VEGAS, NEW MEXICO 87701. THE CITY OF LAS VEGAS RESERVES THE RIGHT REJECT ANY OR ALL BIDS AND TO WAIVE ANY TECHINCAL IRREGULARITY IN THE FORM OF THE BID.

AFFIDAVIT FOR FILING WITH COMPETITIVE BID

STATE OF _____)
)
COUNTY OF _____)

I _____ , of lawful age, being of first duly sworn in oath, say that I am the agent authorized by the bidder to submit the attached bid. Affiant further states that the bidder has not been a party to any collusion among bidders in restraint of freedom of competition by agreement to bid at a fixed price or to refrain from bidding; or with any city official or employee as to the terms of said prospective contract, or any other terms of said prospective contract; or in any discussion between bidders with any city official concerning an exchange of money or any other thing of value for special consideration in the letting of a contract.

_____
Signature

Subscribed and sworn to before me, this _____ day of _____, 20_____.

(SEAL)

_____
Notary Public Signature
My Commission Expires: _____

CITY OF LAS VEGAS
BID FORM

BID ITEM (S): *Earth Works, Paving and Construction Materials*

This Material shall be price guaranteed for 12 months.

Bedding Material		*Volume*	*Cost per CY(pre GRT)*	*NMGRT*
Crusher Fines	Pick Up	Cubic Yard		
Crusher Fines	Delivery	Cubic Yard		
½" Base Course	Pick Up	Cubic Yard		
½" Base Course	Delivery	Cubic Yard		
¾" Base Course	Pick Up	Cubic Yard		
¾" Base Course	Delivery	Cubic Yard		
Concrete Sand	Pick Up	Cubic Yard		
Concrete Sand	Delivery	Cubic Yard		
¾" Gravel	Pick Up	Cubic Yard		
¾" Gravel	Delivery	Cubic Yard		
Millings	Pick Up	Cubic Yard		
Millings	Delivery	Cubic Yard		

Minimum amount for pickup _____

Minimum amount for delivery _____

CAMPAIGN CONTRIBUTION DISCLOSURE FORM

Pursuant to Chapter 81, Laws of 2006, any prospective contractor seeking to enter into a contract with any state agency or local public body must file this form with that state agency or local public body. The prospective contractor must disclose whether they, a family member or a representative of the prospective contractor has made a campaign contribution to an applicable public official of the state or a local public body during the two years prior to the date on which the contractor submits a proposal or, in the case of a sole source or small purchase contract, the two years prior to the date the contractor signs the contract, if the aggregate total of contributions given by the prospective contractor, a family member or a representative of the prospective contractor to the public official exceeds two hundred and fifty dollars ($250) over the two year period.

THIS FORM MUST BE FILED BY ANY PROSPECTIVE CONTRACTOR WHETHER OR NOT THEY, THEIR FAMIL Y MEMBER, OR THEIR REPRESENTATIVE HAS MADE ANY CONTRIBUTIONS SUBJECT TO DISCLOSURE.

The following definitions apply:

"Applicable public official" means a person elected to an office or a person appointed to complete a term of an elected office, who has the authority to award or influence the award of the contract for which the prospective contractor is submitting a competitive sealed proposal or who has the authority to negotiate a sole source or small purchase contract that may be awarded without submission of a sealed competitive proposal.

"Campaign Contribution" means a gift, subscription, loan, advance or deposit of money or other thing of value, including the estimated value of an in-kind contribution, that is made to or received by an applicable public official or any person authorized to raise, collect or expend contributions on that official's behalf for the purpose of electing the official to either statewide or local office. "Campaign Contribution" includes the payment of a debt incurred in an election campaign, but does not include the value of services provided without compensation or unreimbursed travel or other personal expenses of individuals who volunteer a portion or all of their time on behalf of a candidate or political committee, nor does it include the administrative or solicitation expenses of a political committee that are paid by an organization that sponsors the committee.

"Contract" means any agreement for the procurement of items of tangible personal property, services, professional services, or construction.

"Family member" means spouse, father, mother, child, father-in-law, mother-in-law, daughter-in-law or son-in-law.

"Pendency of the procurement process" means the time period commencing with the public notice of the request for proposals and ending with the award of the contract or the cancellation of the request for proposals.

"Person" means any corporation, partnership, individual, joint venture, association or any other private legal entity.

"Prospective contractor" means a person who is subject to the competitive sealed

proposal process set forth in the Procurement Code or is not required to submit a competitive sealed proposal because that person qualifies for a sole source or a small purchase contract.

"Representative of a prospective contractor" means an officer or director of a corporation, a member or manager of a limited liability corporation, a partner of a partnership or a trustee of a trust of the prospective contractor.

DISCLOSURE OF CONTRIBUTIONS:

Contribution Made By: _____

Relation to Prospective Contractor: _____

Name of Applicable Public Official: _____

Date Contribution(s) Made: _____

Amount(s) of Contribution(s) _____

Nature of Contribution(s) _____

Purpose of Contribution(s) _____

(The above fields are unlimited in size) _____

_____ _____
Signature Date

_____
Title (position)

-OR-

NO CONTRIBUTIONS IN THE AGGREGATE TOTAL OVER TWO HUNDRED FIFTY DOLLARS ($250) WERE MADE to an applicable public official by me, a family member or representative.

_____ _____
Signature Date

_____
Title (Position)

City of Las Vegas, NM

RFB-2014-21 Earth Works, Paving and Construction Materials
ADDENDUM NO. 1

This Addendum No. 1 shall be incorporated into the above project bidding documents the same as if originally contained therein.

INSERT THE FOLLOWING CHANGES:

1. SPECIFICATIONS AND CONTRACT DOCUMENTS:
   a. BID PROPOSAL CLARIFICATION
      i. Bid Items are requested in Cubic Yard units due to the nature and the size of the potential projects. These will be small individual projects performed by City Staff and will not be measured in tons.

      ii. Specifications for the Bid items are as follows:

Crusher Fines	Must meet the requirements of ASTM Section D448, Table 1
½" Base Course	Must meet the requirements of ASTM Section D448, Table 1
¾" Base Course	Must meet the requirements of NMDOT Section 304
Concrete Sand	Must meet the requirements of ASTM C33
¾" Gravel	Must meet the requirements of ASTM Section D448, Table 1
Millings	Must meet the requirements of NMDOT Section 415

NMDOT= New Mexico Department of Transportation Standard Specifications for Highway and Bridge Construction, 2007 Edition
ASTM=American Society for Testing and Materials, Volume 4, Construction

All other provisions of the Contract Documents shall remain unchanged. This Addendum No. 1 is hereby made a part of the Contract Documents to the same extent as those provisions contained in the original documents and listings thereof.

Maria Gilvarry
Project Manager

Published: 04/07/14 Las Vegas Optic

Special Meeting

CITY COUNCIL MEETING AGENDA REQUEST

DATE: 04/02/14 **DEPT:** Utilities Dept. **MEETING DATE:** 04/09/14

ITEM/TOPIC: Resolution No. 14-23 amending and replacing Resolution No. 14-10 to submit an application for funding assistance to the New Mexico Water Trust Board for the East water line loop.

ACTION REQUESTED OF COUNCIL: Approval/Disapproval of Resolution No. 14-23.

BACKGROUND/RATIONALE: This resolution will allow the City of Las Vegas to submit their application to the NM Water Trust Board for funding for the East water line loop project. The project will include a portion of the proposed water line system along NM 250 in the area of I-25. Due to the length of the project, and the number of permits, easements and approvals that will be required the City is considering designing, bidding and constructing this project is three segments. The application amount is $1,780,000

The preliminary construction costs including NMGRT are as follows:
Segment A- $174,000
Segment B- $748,000
Segment C- $751,000
Observation/Engineering Construction Phase Services-$107,000

A majority of the work will be done inside the NMDOT right of way along NM 250, North Grand, I-25, NM 104 and the Frontage Road at the new state police building and will require permits from NMDOT and BNSF Railroad. It may be necessary to acquire easements if the NMDOT does not issue the permits needed along I-25.

The recommended improvements are included in the 2011 Preliminary Engineering Report (see attachment). This application/resolution does not constitute a binding agreement for the City. If funding is available the City/Governing body will decide on the financial commitment based on the grant/loan financial terms and conditions.

Resolution No. 14-10 was adopted at the February 25, 2014 Council Meeting. However, an error was discovered in that the City desires to construct a water line system not an effluent reuse system along NM 250 in the area of I-25. Resolution No. 14-23 amends Resolution No. 14-10 to reflect this change. On the February 25th agenda request, the cost of Segment A was $651,000. This has been reduced to $174,000 because the City is completing a large portion of Section A with City funds. Observation and Engineering Construction Phase Services have been added to ensure that the entire cost of the project is covered under the funding. The application has been submitted with these changes.

STAFF RECOMMENDATION: Approval of Resolution No. 14-23.

COMMITTEE RECOMMENDATION: The Utility Advisory Committee will discuss this at their April 8th regular meeting. Their recommendation will be provided at the Council Meeting.

THIS REQUEST FORM MUST BE SUBMITTED TO THE CITY MANAGER'S OFFICE NO LATER THAN 10:00 A.M. ON FRIDAY ONE AND A HALF WEEKS PRIOR TO THE CITY COUNCIL MEETING.

Cleared by S. Muniz
SUBMITTER'S SIGNATURE

REVIEWED AND APPROVED BY:

ALFONSO E. ORTIZ, JR.
MAYOR

ANN MARIE GALLEGOS
FINANCE DIRECTOR

TIMOTHY P. DODGE
CITY MANAGER

PURCHASING AGENT
(FOR BID AWARD ONLY)

DAVE ROMERO
CITY ATTORNEY
Approved as to Legal Sufficiency Only
(If Box is Initialed by City Mngr., Review and Sign)

Approved to form 9-25-2012

CITY OF LAS VEGAS
RESOLUTION NO. 14-23
(amending and replacing Resolution No. 14-10)

A RESOLUTION OF THE CITY OF LAS VEGAS, NEW MEXICO, AUTHORIZING THE SUBMISSION OF AN APPLICATION FOR FUNDING ASSISTANCE TO THE NEW MEXICO WATER TRUST BOARD.

WHEREAS the City of Las Vegas desires to construct a water line system along NM 250 in the area of I-25 and;

WHEREAS the recommended improvements are included in the 2011 City of Las Vegas Preliminary Engineering report and;

WHEREAS the City of Las Vegas desires funding assistance to complete this project from the NM Water Trust Board and;

WHEREAS The NM Water Trust Board desires to assure full support of the governing body of each entity desiring to submit such applications for funding assistance and;

WHEREAS it is in the public interest to give complete and full public notice of the support;

NOW THEREFORE be it resolved that the governing body of the City of Las Vegas does hereby state its commitment to the responsible, ongoing operation and maintenance of the effluent reuse system discussed in the aforementioned application.

PASSED, APPROVED AND ADOPTED this _____ day of _____, 2014.

_____
Mayor Alfonso E. Ortiz, Jr.

ATTEST:

_____
Casandra Fresquez, City Clerk

REVIEWED AND APPROVED AS TO LEGAL SUFFICIENCY ONLY:

_____
Dave Romero Jr., City Attorney

CITY OF LAS VEGAS
RESOLUTION NO. 14-10

A RESOLUTION OF THE CITY OF LAS VEGAS, NEW MEXICO, AUTHORIZING THE SUBMISSION OF AN APPLICATION FOR FUNDING ASSISTANCE TO THE NEW MEXICO WATER TRUST BOARD.

WHEREAS the City of Las Vegas desires to construct ~~an effluent reuse~~ a water line system along NM 250 in the area of I-25 and;

WHEREAS the recommended improvements are included in the 2011 City of Las Vegas Preliminary Engineering report and;

WHEREAS the City of Las Vegas desires funding assistance to complete this project from the NM Water Trust Board and;

WHEREAS The NM Water Trust Board desires to assure full support of the governing body of each entity desiring to submit such applications for funding assistance and;

WHEREAS it is in the public interest to give complete and full public notice of the support;

NOW THEREFORE be it resolved that the governing body of the City of Las Vegas does hereby state its commitment to the responsible, ongoing operation and maintenance of the effluent reuse system discussed in the aforementioned application.

PASSED, APPROVED AND ADOPTED this 25 day of February, 2014.

Mayor Alfonso E. Ortiz, Jr.

ATTEST:

Casandra Fresquez, City Clerk

REVIEWED AND APPROVED AS TO LEGAL SUFFICIENCY ONLY:

Dave Romero Jr., City Attorney

However, the City must continue with an ongoing leak detection program that continually monitors the City's distribution system for leaks. New leaks will continually occur, and ongoing monitoring is required to find the leaks. The City may opt to hire a professional leak detection company to help in identification of leaks if satisfactory results aren't obtained through the current leak detection program. Such companies use a variety of methods such as external acoustic monitoring, internal acoustic monitoring, pressure monitoring, and in-line CCTV inspection to determine locations of leaks.

City Identified Issues: City staff has identified locations throughout the City that have ongoing issues with leaks, pressure problems, or water quality problems. The locations that require waterline replacement include the following (lettering coincides with **Figure 5-8**):

A. 8th Street (Terrace to Sperry)
B. North Gonzalez (Valencia to Delgado)
C. Moreland (Legion to Christine)
D. Field east of Hospital (Harris to Mountain View)
E. 7th Street (Dianne to Mountain View)
F. Alley between 4th and 5th (Columbia to Baca)

System Configuration Improvements: Based on the results of the proposed water model, year 2050, seven system configuration improvements were identified that would provide needed looping/eliminate dead ends, upsize existing undersized lines, or extend the system to better serve existing and future users in the City service area. The improvements will also serve to eliminate areas that were identified in the existing system model as not having adequate water supply or pressure in the event of a fire. The improvements include:

1. **Grand Avenue Loop Lines** – This area on Grand Avenue experiences on-going water pressure and water quality issues. Looping the lines would eliminate the stagnant water that develops in the area around the Recreation Center and City Hall.
2. **East Loop** - This 12-inch line will replace the existing 2-inch line in NM 250 and extend the line to connect to the existing line at Grand Avenue and Legion Drive. The loop also

Finished Water Preliminary Engineering Report - City of Las Vegas, New Mexico

MOLZENCORBIN

System Configuration Distribution Improvements

Figure 5-9