



Agenda

For Presentation at the 2,208th Regular Meeting of the Board of Directors of the Middle Rio Grande Conservancy District

February 12, 2024 – 3:00 p.m.

Zoom Meeting Link:

<https://zoom.us/j/2765069278?pwd=V2d0SWppTkxGTTFMb0g5RFhmeERjZz09>

Meeting ID: 276 506 9278 and Passcode: 504470



MRGCD General Office * 1931 Second Street SW * Albuquerque, New Mexico
Meetings are held on second Mondays/month. Any questions please call the Board Liaison at (505) 247-0234.
For more information, visit our website at www.mrgcd.com

All items on Agenda are Subject to Action and times shown are approximate and are subject to change.

- 3:00 1. **Pledge of Allegiance**
- 3:01 2. **Approval of the Agenda**
- 3:03 3. **Consent Agenda**
 - a. Consideration/Approval of Payment Ratification – February 12, 2024
 - b. Consideration/Approval of January 2024 Invoice for Wiggins, Williams & Wiggins
 - c. Consideration/Approval of January 2024 Invoice for Law and Resource Planning Assoc.
 - d. Consideration/Approval of the Minutes for the Special Board Meeting – January 8, 2024
 - e. Consideration/Approval of the Minutes for the Regular Board Meeting – January 8, 2024
 - f. Consideration/Approval of the Minutes for the Special Board Meeting – January 26, 2024
 - g. Memo on MRGCD Approved Licenses for January 2024 (For Informational Purposes Only)
- 3:05 4. **Call to Order**
 - a. Oath of Office for Newly Appointed Board of Director – Honorable Judge J. Miles Hanisee, NM Court of Appeals
 - 1. Bernalillo County Position No. 4 – Colin T. Baugh
- 3:15 5. **Report on the New Mexico Legislature** – John Thompson, MRGCD Lobbyist
- 3:25 6. **Items from the Floor (Comments are limited to six (6) minutes)**
- 4:00 7. **Report(s) from the Human Resources Department** – Christine L. Nardi, MBA
 - a. Introduction of MRGCD New Hires
- 4:05 8. **Report(s) from the Water Operations and Distribution Divisions**
 - a. Report on Water Supply Conditions – Anne Marken, Water Ops Division Manager
 - b. Overview of New MRGCD Gauging Website – Brittney Erdmann, Hydrology Technician II
 - c. Status Report on Water Distribution – Matt Martinez, Water Distribution Division Manager
- 4:20 9. **Report(s) from the Secretary-Treasurer/CFO** – Pamela Fanelli, CMA, CGFM
 - a. Consideration/Approval of Resolution #M-02-12-24-206 for the Loan Agreement by and between the NM Finance Authority and the Middle Rio Grande Conservancy District
 - b. Consideration/Approval of the Revised MRGCD Travel Policy and the Report on the Finance Committee Meeting, February 12, 2024 – Chair Russo Baca, Vice Chair Dunning and Director Kelly
- 4:35 10. **Report(s) from the Department of the Interior**
 - a. Bureau of Reclamation – Jennifer Faler, Area Manager
 - b. Bureau of Indian Affairs – Dr. Sarah Delavan, Designated Engineer
- 4:45 11. **Report(s) from the Public Information Officer – Amanda Molina**
- 4:50 12. **Report(s) from the Chief Operations Officer – Eric Zamora, PE**
 - a. Report from the Equipment, Repair & Transportation (ER&T) Division Manager – Rusty Swint
 - b. Off Season Updates – Eric Zamora, COO

- 5:00 13. **Report(s) from the Chief Engineer/CEO – Jason M. Casuga, PE**
- a. Report on Construction Updates – Alicia Lopez, Mapping & Engineering Manager
 - b. Consideration/Approval of Abiquiu Storage Agreement and the Suballotment Agreement – Jason M. Casuga, CE/CEO & Casey Ish, Conservation Program Supervisor
 - c. Report on the SWCA Outfall Monitoring Project – Casey Ish, Conservation Program Supervisor
 - d. Introduction and Updates from the Bosque Ecosystem Monitoring Program (BEMP) – Dr. Ara Winter BEMP/Sevilleta Information Manager and Yasmeen Najmi, MRGCD Planner
 - e. Report on the NM Water Dialogue 29th Annual Statewide Meeting, January 11, 2024 – Jason M. Casuga, CE/CEO and Chair Russo Baca
 - f. Report on the Sandoval County Farmers & Irrigators Information Meeting, January 22, 2024 – Jason M. Casuga, CE/CEO, Chair Russo Baca, Vice Chair Dunning, Directors Kelly and Duggins
 - g. Report on the Bernalillo County Farmers & Irrigators Information Meeting, February 6, 2024– Jason M. Casuga, CE/CEO, Chair Russo Baca, Directors Kelly, Sandoval and Baugh
 - h. Report on the Pueblo of Isleta Farmers & Irrigators Information Meeting, January 30, 2024 – Jason M. Casuga, CE/CEO, Chair Russo Baca, Vice Chair Dunning and Director Jiron
 - i. Report on the Sandia Tribal Council Meeting, January 31, 2024 – Jason M. Casuga, CE/CEO, Chair Russo Baca, Vice Chair Dunning and Director Sandoval
 - j. Report on the Six Middle Rio Grande Pueblo Coalition Meeting, February 8, 2024 – Jason M. Casuga, CE/CEO and Director Jiron
 - k. Information on Upcoming Events
 1. Socorro Community Conversation on Water, Socorro Fairgrounds | February 17, 2024
 2. Land and Water Summit, Albuquerque, NM | March 6-8, 2024
 3. Law of the Rio Grande Conference, Santa Fe, NM | April 11-12, 2024
- 5:45 14. **Report(s) from the MRGCD Attorney(s) – Chief Water Counsel or General Counsel**
- 5:50 15. **Report(s) from the Board**
- a. Report on the Legislative Committee Meeting, January 12, 2024 – Chair Russo Baca and Vice Chair Dunning
 - b. Report on the Conservation Advisory Meeting, January 18, 2024 – Chair Russo Baca
 - c. Report on the Food and Farms Day, NM Legislature, January 25, 2024 – Chair Russo Baca
 - d. Report on the World's Largest Matanza, January 27, 2024 – Chair Russo Baca
 - e. Report on the Los Lunas Village Council Meeting, February 8, 2024 – Chair Russo Baca and Director Jiron
 - f. Report on the Personnel Committee Meeting, February 12, 2024 – Chair Russo Baca, Vice Chair Dunning and Director Kelly
- 6:00 16. **Executive Session**
- a. NMSA 1978 Open Meetings Act, Section 10-15-1(H)2
 1. Limited Personnel Matters
 - b. NMSA 1978 Open Meetings Act, Section 10-15-1(H)7
 1. Threatened or Pending Litigation

THE PUBLISHING OF THIS AGENDA DOES NOT PRECLUDE THE CONSIDERATION OF OTHER MATTERS.

If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing or meeting, please contact the Board Liaison at (505) 247-0234 at least one (1) week prior to the meeting or as soon as possible. Public documents, including the agenda and minutes can be provided in various formats.

Check Number	Vendor Name	Check Amount	Description	Location
149852	4 RIVERS EQUIPMENT	8.88	BELT, KIT, & GROMMETS	ALBUQUERQUE DIVISION
		(1.48)	CREDIT SEALING INV 1560465 PO 20241985	ALBUQUERQUE DIVISION
		186.74	FILTERS UNIT 47027	ALBUQUERQUE DIVISION
149853	A-1 QUALITY REDI-MIX	1,197.00	FY24 BUDGET CONCRETE/ SHOTCRETE	SOCORRO DIVISION
149854	ACTION HOSE INC.	60.62	HOSE UNIT 44418	ALBUQUERQUE DIVISION
		89.33	MISC PARTS UNIT 57306	BELEN DIVISION
149855	ALBUQUERQUE SUPPLY	616.30	WATER JUGS, HOOKS AND TAPE	INVENTORY
149856	AMAZON CAPITAL	117.30	FUSES	WATER OPS & CONS
		59.99	PC AIR DUSTER	INFORMATION SYS
		212.87	SUPPLIES /TABLE	INFORMATION SYS
149857	AQUA SYSTEMS 2000	144,275.00	GATE ORDER - STOREY WASTEWAY PROJECT	GRANTS FUND BELEN
149858	ASAP GLASS, LLC.	1,623.13	REPAIR WINDOW OUTSIDE MAIN ENTRANCE	GENERAL OFFICE
149859	AVALLONE, SARAH	262.67	JAN24- RETIREE	HUMAN RESOURCES
149860	BANK OF AMERICA	401.36	CRWUA 2023 ANNUAL CONF. LAS VEGAS, NV	EXEC TEAM
		2.18	DEC23 - ZENDESK MONTHLY CHARGE	INFORMATION SYS
		43.05	FRAME REFITS & NAME PLATES	BOARD OF DIRECTORS
		1,549.15	FY24-ADOBE ADMIN LICENSES	INFORMATION SYS
		75.91	TRANSPORTATION LAS VEGAS, NV CRWUA CONF.	EXEC TEAM
		163.42	MEALS 2023 ANNUAL CONF. LAS VEGAS	EXEC TEAM
149861	BATTERY SYSTEMS INC	858.06	HYDRO BATTERIES/CHARGERS	INVENTORY
149862	BENAVIDEZ, CAROL	519.79	JAN24- RETIREE	HUMAN RESOURCES
149863	BOOT BARN	150.00	FY24 - BOOT VOUCHER	WATER DISTRIBUTION DIV
149864	BRUCKNER TRUCK SALES	39.26	O-RING UNIT 44416	ALBUQUERQUE DIVISION
149865	CARRILLO, RALPH	(200.00)	JUL23-JAN24- RETIREE	NON DIVISION
		227.24	JUL23-JAN24- RETIREE	HUMAN RESOURCES
149866	CENTURY EQUIPMENT	2,240.68	MISC. BATWING MOWER PARTS UNIT 8425.21	SOCORRO DIVISION
		5,951.84	MOTOR & SEAL KIT UNIT 57025	BELEN DIVISION
149867	CENTURY LINK	80.65	505-864-7466 429B DEC23	BELEN DIVISION
		164.25	575-835-1454 245B JAN24	SOCORRO DIVISION
149868	CF PADILLA, LLC	1,039,335.82	SOCORRO MAIN CANAL RECON PHASE 1	GRANTS FUND SOCORRO
149869	CHACON, MARK	19.94	JAN24- RETIREE	HUMAN RESOURCES
149870	CHOICE STEEL COMPANY	3,259.60	PIPE	INVENTORY
149871	CINTAS FIRST AID	45.00	DEC23 - WATER COOLER RENTAL	EQUIPMENT REPAIR & TRANS
		45.00	DEC23- WATER COOLER RENTAL	SOCORRO DIVISION
149872	CITY OF ALBUQUERQUE	1,000.95	DEC23 FUEL CHARGES	EQUIPMENT REPAIR & TRANS
		125.00	DEC23 FUEL ADMIN FEE	NON DIVISION
		93.40	DEC23 FUEL CHARGES	WATER DISTRIBUTION DIV
149873	CITY OF ALBUQUERQUE	193,603.00	JAN24 - PRESBYTERIAN COA001401362	NON DIVISION
149874	CITY OF BELEN	381.87	25 GENERAL E BACA DEC23	BELEN DIVISION
149875	CONSERVANCY OIL CO	2,360.82	DEF FLUID	INVENTORY
149876	CONTINENTAL BATTERY	376.38	BATTERIES UNIT 54421 & 53452	BELEN DIVISION
		350.88	BATTERIES UNITS 57503, 67113, 64412, & 53456	BELEN DIVISION
		299.88	BATTERIES UNITS 57503, 67113, 64412, & 53456	SOCORRO DIVISION
149877	CRANE, JOHN	210.42	JAN24- RETIREE	HUMAN RESOURCES
149878	CRITTER CONTROL	219.61	DEC23 - COCHITI PEST CONTROL ACCT# 924370	COCHITI DIVISION
149879	D.R.B. ELECTRIC, INC	9,471.00	LIGHTING WAREHOUSE	ALBUQUERQUE DIVISION
149880	DELTA DENTAL	11,339.41	JAN24 - DELTA DENTAL FY2024	NON DIVISION
149881	DESERT GARDENS	19,644.69	VEGETATION REMOVAL 341-2023	LICENSING & LAND SALES
149882	DESERT GREENS EQUIP	(787.52)	CREDIT MISC PARTS INV 02-79226 PO 20242036	ALBUQUERQUE DIVISION
		129.33	HOSES & CLAMPS UNIT 57027	BELEN DIVISION
		845.20	MISC. JOHN DEERE MOWER PARTS	ALBUQUERQUE DIVISION
		284.13	MISC. JOHN DEERE MOWER PARTS	SOCORRO DIVISION
		58.13	THERMOSTAT & SEAL UNIT 67016	SOCORRO DIVISION
		1,113.19	TIE ROD ENDS & SEALS UNIT 47022	ALBUQUERQUE DIVISION
149883	DMC LOGISTICS	375.37	JAN24 -DELIVERY OF BOD MEETING PACKETS	BOARD OF DIRECTORS
149884	ENCHANTMENT SAFETY A	4,336.68	GLOVES SAFETY VESTS & TAPE	INVENTORY
		360.00	REPLACEMENT JACKETS	WATER DISTRIBUTION DIV

Check Number	Vendor Name	Check Amount	Description	Location
149885	FINANCE AUTHORITY	13,045.81	JAN24 EQUIPMENT	DEBT SERVICE FUND
		17,788.60	PPRF-4727 JAN24 EQUIP. PURCHASE	DEBT SERVICE FUND
149886	FLEETPRIDE	236.98	STRAPS & FLAG MAGNETS UNIT 74803	EQUIPMENT REPAIR & TRANS
149887	FRANK'S SUPPLY CO	4.66	BREAKER UNIT 3375.53	WATER DISTRIBUTION DIV
149888	GENSLER, DAVID	338.63	DEC23- RETIREE	HUMAN RESOURCES
149889	GM PIPE, LLC	17,713.44	96" CMP PIPE	INVENTORY
149890	GOMEZ, RAY	1,691.80	JAN24- RETIREE	HUMAN RESOURCES
149891	GOVERNMENT PORTFOLIO	962.32	NOV23- INVESTMENT ADVISOR FEES	ACCOUNTING
149892	GREENWOOD, JEFFREY C	370.92	JAN24- RETIREE	HUMAN RESOURCES
149893	HM LIFE INSURANCE	1,434.51	JAN24 - DAVIS VISION FY2024	NON DIVISION
149894	JARAMILLO, DANNY A.	1,273.29	JAN24- RETIREE	HUMAN RESOURCES
149895	KRONOS SAASHR, INC.	1,274.99	DEC23 - UKG KRONOS READY SOFTWARE	INFORMATION SYS
149896	LAW & RESOURCE	5,787.58	DEC23 - COUNSEL	NON DIVISION
149897	LOPEZ PRECISION, LLC	31,704.94	MILLER ON-FARM CONSTRUCTION PROJECT	GRANTS FUND GO
149898	MAINTENANCE SERVICE	414.10	JAN24- JANITORIAL CLEANING	ALBUQUERQUE DIVISION
		2,036.03	JAN24- JANITORIAL CLEANING	GENERAL OFFICE
149899	MARQUEZ, BELLINA C	718.05	JAN24- RETIREE	HUMAN RESOURCES
149900	MARQUEZ, DENNIS M	1,394.21	JAN24- RETIREE	HUMAN RESOURCES
149901	MARTINEZ, DANIEL	554.35	JAN24- RETIREE	HUMAN RESOURCES
149902	MID-REGION COUNCIL	10,000.00	DIGITAL ORTHOIMAGERY PROJECT 2ND PAYMENT	ENGINEERING & MAPPING
149903	NEW MEXICO GAS CO	607.64	DEC23 MONTHLY UTILITY CHARGES	BELEN DIVISION
149904	NEW MEXICO GAS CO	224.26	DEC23 MONTHLY UTILITY CHARGES	COCHITI DIVISION
149905	NEW MEXICO MUTUAL	18,488.03	INSTALLMENT & DEDUCTIBLE	NON DIVISION
149906	OCCUPATIONAL HEALTH	127.00	POST ACCIDENT	ALBUQUERQUE DIVISION
		229.25	PRE EMPLOYMENT SCREENINGS	ALBUQUERQUE DIVISION
		229.25	PRE EMPLOYMENT SCREENINGS	WATER DISTRIBUTION DIV
149907	OLGUIN TAMMY	192.01	JAN24- RETIREE	HUMAN RESOURCES
149908	PENA BLANCA SANITATION	80.39	DEC23 SYSTEM# 38	COCHITI DIVISION
149909	PNM	522.70	JAN24 MONTHLY UTILITY CHARGE	COCHITI DIVISION
		2,687.10	DEC23 MONTHLY UTILITY CHARGES	ALBUQUERQUE DIVISION
		45.43	JAN24 MONTHLY UTILITY CHARGE	BELEN DIVISION
149910	POLING, JAMES	84.79	JAN24- RETIREE	HUMAN RESOURCES
149911	PORT PLASTICS, INC.	272.00	HINGE PINS	WATER OPS & CONS
149912	PRUDENTIAL OVERALL S	104.26	UNIFORM RENTAL	EQUIPMENT REPAIR & TRANS
		150.00	MECHANIC UNIFORMS	BELEN DIVISION
149913	PURCELL TIRE COMPANY	28.66	TIRE REPAIR UNIT 45306	ALBUQUERQUE DIVISION
149914	QUEST DIAGNOSTICS	111.20	DOT RANDOM	SOCORRO DIVISION
		40.20	POST ACCIDENT	EQUIPMENT REPAIR & TRANS
149915	RED SHOVEL LLC	522.56	MONTHLY GROUNDS MAINTENANCE	GENERAL OFFICE
149916	RELEVANT INDUSTRIAL	57.53	HOSE UNIT 47019	ALBUQUERQUE DIVISION
149917	SAN ACACIA MDWCA	21.53	JAN24 WATER SAN ACACIA	SOCORRO DIVISION
149918	SANDOVAL COUNTY LAND	149.52	LANDFILL DEC23	ALBUQUERQUE DIVISION
149919	SOCORRO ELECTRIC	3,684.03	DEC23 MONTHLY UTILITY CHARGES	SOCORRO DIVISION
149920	SOUTHERN TIRE MART	395.13	TIRE REPAIRS/SERVICE CALL UNIT 47205	ALBUQUERQUE DIVISION
		923.14	TIRES UNIT 13422	EXEC TEAM
		3,283.51	TIRES UNIT 44412	ALBUQUERQUE DIVISION
		775.58	TIRES UNIT 53462	ALBUQUERQUE DIVISION
149921	STAPLES ADVANTAGE	14.98	CREDIT CARD RECEIPT PAPER	ACCOUNTING
		12.34	CREDIT CARD RECEIPT PAPER	GENERAL OFFICE
		42.68	NOTEBOOKS	GENERAL OFFICE
		12.46	SUPPLIES	HUMAN RESOURCES
		24.75	SUPPLIES	LICENSING & LAND SALES
		603.12	SUPPLIES	GENERAL OFFICE
149922	THOMPSON, REBECCA	391.75	FALL 2023 TUITION REIMBURSEMENT	ACCOUNTING
149923	TNT STARTERS AND ALT	339.00	MISC PARTS	BELEN DIVISION
149924	UNIFIRST CORP	127.50	UNIFORM RENTAL	SOCORRO DIVISION
149925	UNIFORMS & MORE	120.00	UNIFORM SHIRT ORDER	ALBUQUERQUE DIVISION

Check Number	Vendor Name	Check Amount	Description	Location
		123.00	UNIFORM SHIRT ORDER	LICENSING & LAND SALES
149926	UNIVERSITY MRO LLC	8.50	SPECIMEN PROCESSING	SOCORRO DIVISION
149927	UNUM LIFE INSURANCE	9,022.46	DEC23 - UNUM LIFE EMPLOYER	NON DIVISION
		4,017.41	DEC23- LIFE, AD&D, STD, & LTD	NON DIVISION
		1,717.86	DEC23-CRITICAL, HOSPITAL & ACCIDENT	NON DIVISION
149928	V-VARGAS, ERMELINDA	506.50	JAN24- RETIREE	HUMAN RESOURCES
149929	WATER STRATEGIES	8,000.00	JAN24 - FEDERAL CONSULTING SERVICES	NON DIVISION
149930	WEX BANK	62,365.34	DEC23: UNL \$12,142 DSL \$50,197 FEES \$26.49	MULTIPLE DEPTS/DIVISIONS
149931	WIGGINS, WILLIAMS	13,567.58	DEC23 COUNSEL	NON DIVISION
149932	BANK OF AMERICA	117.62	PORTABLE MONITOR	INFORMATION SYS
		167.88	CERTIFICATE RENEW MAPS.MRGCD.COM	INFORMATION SYS
		470.00	CONFERENCE REGISTRATION	LICENSING & LAND SALES
		439.98	COSTCO - SUPPLIES	INFORMATION SYS
		156.81	COSTCO - SUPPLIES	GENERAL OFFICE
		118.53	ANNUAL SAMS CLUB MEMBERSHIP	NON DIVISION
		210.65	NEW LABOR LAWS POSTER	SAFETY DEPARTMENT
		559.00	REGISTRATION FAMILY FARM ALLIANCE CONF.	EXEC TEAM
		80.00	REGISTRATION NM WATER DIALOGUE 29TH ANN.	EXEC TEAM
149933	4 RIVERS EQUIPMENT	3,000.00	MINI EXCAVATOR RENTAL 1/9/24-2/5/24	ALBUQUERQUE DIVISION
		2,700.00	MINI EXCAVATOR RENTAL 12/12/23-1/8/24	ALBUQUERQUE DIVISION
		169.21	MIRROR UNIT 37308	COCHITI DIVISION
149934	A-1 QUALITY REDI-MIX	2,677.75	FY24 BUDGET CONCRETE/ SHOTCRETE	SOCORRO DIVISION
		1,307.86	MATERIALS- MWO XING PROJECT @4014APOL	SOCORRO DIVISION
		3,173.75	RIP RAP FOR MWO XING @ 4014APOL	SOCORRO DIVISION
149935	ACTION HOSE INC.	16.06	FITTINGS & NUTS	ALBUQUERQUE DIVISION
		64.23	HOSE	ALBUQUERQUE DIVISION
149936	ALBUQUERQUE BOLT	19.20	BOLTS UNIT 17201	ALBUQUERQUE DIVISION
		160.00	NUTS AND BOLTS FOR TURNOUTS	ALBUQUERQUE DIVISION
149937	ALLSTATE HYDRAULICS	350.00	FABRICATE PIN	ALBUQUERQUE DIVISION
		685.70	MANUFACTURE & FABRICATE GATE COUPLING	WATER OPS & CONS
		1,562.32	R&R HYDRAULIC CYLINDER UNIT 47024	ALBUQUERQUE DIVISION
149938	AT&T	5,913.25	MONTHLY WIRELESS CHARGES	ALL DIVISIONS/DEPTS.
149939	AUI INC	2,300.00	DAMAGE DEPOSIT REFUND SP-155-2023	NON DIVISION
149940	AUTOZONE, INC	46.48	ADDITIVE UNIT 47207	ALBUQUERQUE DIVISION
		10.84	FUSES UNIT 44012	ALBUQUERQUE DIVISION
149941	AWARDS ETC.	14.00	NAME PLATE & TITLE PLATE	LICENSING & LAND SALES
149942	BERNALILLO COUNTY CL	25.00	RELEASE OF LIEN	ACCOUNTING
149943	BLACK ROCK	2,291.54	4"-8" RIP RAP	BELEN DIVISION
149944	BOBCAT OF ALBUQUERQUE	21.58	GREASE FITTINGS UNIT 47203	ALBUQUERQUE DIVISION
149945	BOHANNAN HUSTON	32,157.67	DEC23 - FEEDER 3 STATION	CAPITAL INV FUND ENG
		3,899.78	DEC23 - IRRIGATION ASSESSMENT	ENGINEERING & MAPPING
		1,437.87	SAN ACACIA LEVEE CERT- USACE CO	ENGINEERING & MAPPING
149946	BOYD-SHUCK NAPA	10.77	REPAIR- 2008 FORD F350	SOCORRO DIVISION
		57.25	REPAIR- 2022 THUNDERCREEK SERVICE TRAILER	SOCORRO DIVISION
		159.98	SHOP SUPPLIES NEEDED FOR MECHANIC	SOCORRO DIVISION
		102.19	WELDING SUPPLIES	SOCORRO DIVISION
149947	CASTLE BRANCH, INC.	153.20	PRE EMPLOYMENT BACKGROUND CHECK	HUMAN RESOURCES
149948	CENTURY EQUIPMENT	36.46	NUTS & CAPS	SOCORRO DIVISION
		245.52	ROLL PIN & U-JOINTS	ALBUQUERQUE DIVISION
149949	CHASE MECHANICAL LLC	199.72	SERVICE CALL - HEATER	EQUIPMENT REPAIR & TRANS
149950	CINTAS FIRST AID	55.00	WATER COOLER MONTHLY SERVICES	BELEN DIVISION
149951	CONSTRUCTION RENTAL	23,402.00	DIESEL POWERED AIR COMPRESSOR UNIT 1760.31	COCHITI DIVISION
		1,581.78	HOSE REEL FOR AIR COMPRESSOR UNIT 1760.31	COCHITI DIVISION
149952	CONTINENTAL BATTERY	119.00	BATTERIES UNITS 47024 & 54018	ALBUQUERQUE DIVISION
		148.92	BATTERIES UNITS 47024 & 54018	BELEN DIVISION
149953	CRAIG INDEPENDENT	66.64	TIRE BALANCE AND ROTATION UNIT 73614	BELEN DIVISION
		98.85	TIRE REPAIR	BELEN DIVISION

Check Number	Vendor Name	Check Amount	Description	Location
149954	CRITTERS OIL CHANGE	225.00	OIL CHANGE - 3 UNITS	BELEN DIVISION
		300.00	OIL CHANGE - 4 UNITS	WATER DISTRIBUTION DIV
149955	DESERT GREENS EQUIP	123.60	FILTER BOX	SOCORRO DIVISION
		313.21	GLOW PLUG HARNESS PLUGS	ALBUQUERQUE DIVISION
		450.33	SEAT SUSPENSION & HOSE	ALBUQUERQUE DIVISION
		1,314.95	WHEEL CENTER & HARDWARE	SOCORRO DIVISION
149956	GENUINE NAPA	126.96	ADAPTERS UNIT 57306	BELEN DIVISION
		27.54	FILTER UNIT 37104	BELEN DIVISION
		72.10	FILTER UNIT 54418	BELEN DIVISION
		27.54	FILTER UNIT 57108	BELEN DIVISION
		30.98	HOSE CLAMP & FUEL LINE UNIT 5444160	BELEN DIVISION
		425.11	MISC PARTS	BELEN DIVISION
		102.09	MISC PARTS UNIT 57117	BELEN DIVISION
		70.66	SEALS	BELEN DIVISION
		19.99	SHOP SUPPLIES	BELEN DIVISION
		45.99	SPINDLE NUT SOCKET	BELEN DIVISION
		190.64	STARTER UNIT 54018	BELEN DIVISION
149957	GPS, LLC	163.91	TIRE REPAIR- 1994 JD MOWER TRACTOR	SOCORRO DIVISION
		48.46	TIRE REPAIR- 2012 CHEVROLET TRUCK	SOCORRO DIVISION
		72.69	TIRE REPAIR- 2023 KENWORTH DUMP TRUCK	SOCORRO DIVISION
149958	HOME DEPOT CREDIT	32.91	ANCHOR KIT	WATER OPS & CONS
		162.15	BUILDING MAINTENANCE	ALBUQUERQUE DIVISION
		288.98	FIELD SUPPLIES/TOOL	BELEN DIVISION
		173.04	QUICKCRETE EPOXY	BELEN DIVISION
		123.59	ICE CHEST	GENERAL OFFICE
		173.36	MISC SUPPLIES	ALBUQUERQUE DIVISION
		280.79	PAINT UPDATES	ALBUQUERQUE DIVISION
		200.32	SMALL TOOLS AND SUPPLIES	WATER OPS & CONS
		65.92	TERMINAL KIT 100 PC	WATER OPS & CONS
		1,610.32	WRENCHES, RATCHET SET, HAMMER, BATTERIES	WATER DISTRIBUTION DIV
		159.94	WRENCH SET	WATER OPS & CONS
149959	INLAND KENWORTH INC.	552.24	AIR BAGS UNIT 74803	EQUIPMENT REPAIR & TRANS
149960	INTRAWORKS, INC.	148.79	SECURITY SOCORRO JAN24 - MAR24	SOCORRO DIVISION
149961	JOSE M. AGUILAR J.A	168.64	TIRE INSTALL UNIT 57116	BELEN DIVISION
		297.51	TIRE REPAIR UNIT 57205	BELEN DIVISION
149962	KETTWICH, DONALD L.	88.00	RODENT MANAGEMENT- WILLIAMS LATERAL	ALBUQUERQUE DIVISION
149963	LARRY H. MILLER CASA	225.39	BLOWER MOTOR UNIT 44012	ALBUQUERQUE DIVISION
149964	LEVEL 3 FINANCING IN	1,414.39	INTERNET: FEB24	COCHITI DIVISION
		242.77	INTERNET: JAN24	BELEN DIVISION
		1,547.85	INTERNET: JAN24	INFORMATION SYS
		242.77	INTERNET: JAN24	SOCORRO DIVISION
149965	MAC HYDRAULIC & LUBR	433.33	FUEL METER UNIT 74203	EQUIPMENT REPAIR & TRANS
149966	MATHESON TRI-GAS INC	85.63	ARGON REFILL	EQUIPMENT REPAIR & TRANS
149967	MCBRIDE'S INC	259.23	TIMBREN-SES UNIT 43617	ALBUQUERQUE DIVISION
149968	MCT INDUSTRIES, INC.	234.05	TARP ARM UNIT 44418	ALBUQUERQUE DIVISION
149969	MONTANO, JERRY	96.00	RODENT MANAGEMENT	BELEN DIVISION
149970	MORA, RUBEN	600.72	JAN24- RETIREE	HUMAN RESOURCES
149971	NAPA AUTO PARTS	19.27	BLOW GUN KIT UNIT 44422	ALBUQUERQUE DIVISION
		213.75	DOT LOG BOOKS	ALBUQUERQUE DIVISION
		71.25	DOT LOG BOOKS	BELEN DIVISION
		28.96	FILTER & ADDITIVE	ALBUQUERQUE DIVISION
		9.52	GASKET UNIT 80015 & FUEL SENDING UNIT 43620	WATER DISTRIBUTION DIV
		24.12	HANDLE UNIT 64412	SOCORRO DIVISION
		5.56	HOSE CLAMP UNIT 44416	ALBUQUERQUE DIVISION
		187.98	MISC. PARTS UNIT 80016	WATER DISTRIBUTION DIV
		28.18	OIL FILTER UNIT 44416	ALBUQUERQUE DIVISION
		24.86	PAINT MARKERS & CLAMPS SUPPLIES	EQUIPMENT REPAIR & TRANS

Check Number	Vendor Name	Check Amount	Description	Location
		16.17	THERMOSTAT UNIT 80015	WATER DISTRIBUTION DIV
		185.76	TRANSMISSION FLUID UNIT 13422	EXEC TEAM
149972	NEW MEXICO GAS CO	548.52	JAN24 MONTHLY UTILITY CHARGE	GENERAL OFFICE
		273.65	JAN24 MONTHLY UTILITY CHARGE	ALBUQUERQUE DIVISION
		1,764.60	JAN24 MONTHLY UTILITY CHARGE	EQUIPMENT REPAIR & TRANS
149973	NEW MEXICO TRACTOR S	159.70	DEF FILTER KIT/ BAR	BELEN DIVISION
		61.48	DRIVER, REWIND STARTER UNIT 6627.88	BELEN DIVISION
		15.49	MISC PARTS UNIT 6627.88	BELEN DIVISION
		181.88	MISC PARTS UNITS 57023 & 57117	BELEN DIVISION
		327.76	PARTS AND REPAIRS UNIT 57023	BELEN DIVISION
		27.99	SHAIN SPROCKET UNIT 6627.31	BELEN DIVISION
		28.44	TIPS UNIT 57022	BELEN DIVISION
149974	NM UNDERGROUND	2,300.00	DAMAGE DEPOSIT REFUND SP-227-2023	NON DIVISION
149975	O'REILLY AUTO PARTS	25.98	FLUID	WATER DISTRIBUTION DIV
		145.06	RIGHT REAR TAIL LIGHT ASSEMBLY UNIT 53452	BELEN DIVISION
149976	OCCUPATIONAL HEALTH	241.07	PRE EMPLOYMENT SCREENINGS	ALBUQUERQUE DIVISION
		241.07	PRE EMPLOYMENT SCREENINGS	BELEN DIVISION
149977	PACIFIC OFFICE AUTO	460.99	JAN24 -COPIER LEASE & PROPERTY TAX	ALBUQUERQUE DIVISION
		274.60	JAN24 -COPIER LEASE & PROPERTY TAX	EQUIPMENT REPAIR & TRANS
		1,511.52	JAN24 -COPIER LEASE & PROPERTY TAX	GENERAL OFFICE
149978	PNM	231.80	JAN24 MONTHLY UTILITY CHARGE	EQUIPMENT REPAIR & TRANS
		1,232.47	JAN24 MONTHLY UTILITY CHARGE	GENERAL OFFICE
		1,615.09	DEC&JAN24 MONTHLY UTILITY CHARGE	ALBUQUERQUE DIVISION
		2.57	JAN24 MONTHLY UTILITY CHARGE	ALBUQUERQUE DIVISION
		54.75	JAN24 MONTHLY UTILITY CHARGE	ALBUQUERQUE DIVISION
149979	POWER EQUIPMENT	46.53	FILTER	ALBUQUERQUE DIVISION
149980	POWER FORD	208.00	ATF	ALBUQUERQUE DIVISION
		335.80	ATF	WATER DISTRIBUTION DIV
		(2,000.00)	CREDIT CORE CHARGE INV 65881 PO 20242128	WATER DISTRIBUTION DIV
		40.62	O-RINGS	WATER DISTRIBUTION DIV
		11,186.76	TRANSMISSIONS	WATER DISTRIBUTION DIV
149981	PURCELL TIRE COMPANY	143.28	ALIGNMENT UNIT 43620	ALBUQUERQUE DIVISION
		1,047.97	TIRE	ALBUQUERQUE DIVISION
		45.85	TIRE REPAIR	ALBUQUERQUE DIVISION
		103.91	TIRE REPAIR UNIT 47314	ALBUQUERQUE DIVISION
		42.80	TIRE REPAIR UNIT 54419	ALBUQUERQUE DIVISION
149982	RAKS BUILDING SUPPLY	60.22	240WW	WATER OPS & CONS
		48.61	MISC SUPPLIES	ALBUQUERQUE DIVISION
		93.86	SHOP SUPPLIES TOOLS	SOCORRO DIVISION
149983	RELEVANT INDUSTRIAL	212.11	HOSE ASSEMBLY UNIT 47024	ALBUQUERQUE DIVISION
149984	RUSSO BACA, STEPHANIE	80.00	REIMBURSEMENT OF REGISTRATION	BOARD OF DIRECTORS
149985	SANCHEZ RAYMOND M	240.00	RODENT MANAGEMENT- JARAL 1 & JARAL 2	BELEN DIVISION
149986	SANDERS-SPENCER	2,876.02	TUITION REIMBURSEMENT FALL 2023	LICENSING & LAND SALES
149987	SILVA'S AUTO TIRE	20.00	TIRE REPAIR ON UNIT 53453	BELEN DIVISION
149988	SNELLING	1,116.15	ABQ DIVISION TEMP- 40.50 HRS	ALBUQUERQUE DIVISION
149989	SOCORRO COUNTY CLERK	25.00	RELEASE OF LIEN	ACCOUNTING
149990	SOCORRO ELECTRIC	273.73	JAN24 MONTHLY UTILITY CHARGE	SOCORRO DIVISION
149991	SOUTHERN TIRE MART	78.57	TIRE REPAIR	ALBUQUERQUE DIVISION
		6,600.00	TIRES UNIT 57503	BELEN DIVISION
149992	U.S. DISTRIBUTING	72.97	FUEL SENDER UNIT 43620	ALBUQUERQUE DIVISION
149993	UTILITY TRAILER	193.86	STRAPS, KIT, & FLAGS	EQUIPMENT REPAIR & TRANS
149994	VALENCIA COUNTY CLERK	25.00	RELEASE OF LIEN	ACCOUNTING
		75.00	RELEASE OF LIEN	ACCOUNTING
149995	VALLEY SANITATION	5.20	TRASH PICKUP	BELEN DIVISION
		96.20	TRASH REMOVAL	BELEN DIVISION
149996	WAGNER EQUIPMENT CO.	243.00	RODS, ANGLES, WASHERS, & LOCKNUTS	SOCORRO DIVISION
149997	WIPER SUPPLY INC	887.19	JANITORIAL RESTOCK	INVENTORY

Check Number	Vendor Name	Check Amount	Description	Location
149998	CHILD SUPPORT ENFORCE	1,410.86	PAYROLL GARNISHMENT	NON DIVISION
149999	STATE OF NEW MEXICO	258.21	PAYROLL GARNISHMENT	NON DIVISION
150000	THOMASON LAW FIRM	138.39	PAYROLL GARNISHMENT	NON DIVISION
150001	4 RIVERS EQUIPMENT	44.22	A/C BELT	BELEN DIVISION
		1,225.12	DEF TANK HEADER ASSEMBLY	BELEN DIVISION
		482.16	LIGHT, HEATER CORE, & FITTING	BELEN DIVISION
		179.72	SEAT BELT	BELEN DIVISION
150002	ALBUQUERQUE FENCE CO	1,326.00	GATE ADDITION	ALBUQUERQUE DIVISION
		163,695.73	GENERAL OFFICE FENCING	GENERAL OFFICE
150003	ALBUQUERQUE PUB	109.09	NOTICE OF SPECIAL MEETING - BERNALILLO	BOARD OF DIRECTORS
150004	ALL AMERICAN PUMPING	115.00	JAN24- PORTABLE TOILET RENTAL	SOCORRO DIVISION
150005	ASAP GLASS, LLC.	231.39	REPAIR TINT ON FRONT WINDOW	GENERAL OFFICE
150006	BERNALILLO COUNTY CL	100.00	RELEASE OF LIENS	ACCOUNTING
150007	C & C SERVICES	1,116.89	CRUSHED CONCRETE	ALBUQUERQUE DIVISION
150008	CONTRERAS ALVARADO	32.21	ACTUAL EXPENSES SOUTHWEST HAY CONF.	CONSERVATION/PLANNING
150009	CRAIG INDEPENDENT	224.37	CRAIG TIRE 54018	BELEN DIVISION
		39.14	TIRE REPAIR	BELEN DIVISION
		22.21	TIRE REPAIR	WATER DISTRIBUTION DIV
150010	CRITTERS OIL CHANGE	75.00	OIL CHANGE	BELEN DIVISION
		75.00	OIL CHANGE	WATER OPS & CONS
150011	GM PIPE, LLC	10,735.00	PIPE RESTOCK	INVENTORY
150012	GREENWOOD-BRAWLEY	592.00	RODENT MANAGEMENT- ISLA & LAMITAR LATERAL	SOCORRO DIVISION
150013	LEE'S ELECTRIC MOTOR	31.00	BRUSHES	EQUIPMENT REPAIR & TRANS
150014	LEGALSHIELD	429.95	JAN24 - LEGALSHIELD	NON DIVISION
150015	MARCO STEEL & ALUMIN	127.61	ALUMINUM - COCHITI MAIN CANAL	WATER OPS & CONS
150016	MCT INDUSTRIES, INC.	153.12	TARP BAR & STOPS	ALBUQUERQUE DIVISION
150017	MELLOY FORD LOS LUNA	143.80	HANDLE/LATCH/CABLE	BELEN DIVISION
150018	NM TECH	6,412.69	ASR FEASIBILITY STUDY 11/20/23-12/17/23	GRANTS FUND GO
150019	OCCUPATIONAL HEALTH	241.07	PRE EMPLOYMENT SCREENINGS	BELEN DIVISION
		241.07	PRE EMPLOYMENT SCREENINGS	COCHITI DIVISION
		241.07	PRE EMPLOYMENT SCREENINGS	EQUIPMENT REPAIR & TRANS
150020	OPEN SPACE ALLIANCE	50.00	COMMUNITY OUTREACH	NON DIVISION
150021	POLING, JAMES	84.79	FEB24- RETIREE	HUMAN RESOURCES
150022	PRECISION SURVEYS	8,676.73	HARWOOD LATERAL SURVEY /KRUIAK	LICENSING & LAND SALES
150023	PRUDENTIAL OVERALL S	208.52	UNIFORM RENTAL	EQUIPMENT REPAIR & TRANS
		100.00	UNIFORM RENTAL	BELEN DIVISION
150024	PURCELL TIRE COMPANY	45.85	TIRE REPAIR	BELEN DIVISION
150025	ROADSAFE TRAFFIC	379.25	SIGNS	ALBUQUERQUE DIVISION
150026	ROMERO, ALFRED	362.56	DEC23- RETIREE	HUMAN RESOURCES
150027	SANDOVAL COUNTY CLERK	25.00	RELEASE OF LIEN	ACCOUNTING
150028	SOUTHWEST CONSTRUCT	301.77	CUTTING EDGE & HARDWARE	BELEN DIVISION
		1,142.36	SHANKS & TEETH	BELEN DIVISION
150029	SOUTHWEST GENERAL TI	594.20	TIRES	BELEN DIVISION
150030	TAFOYA, MARK A	624.67	FEB24- RETIREE	HUMAN RESOURCES
150031	TECHNA GLASS	199.31	WINDSHIELD REPLACEMENT	ALBUQUERQUE DIVISION
150032	TNT STARTERS AND ALT	234.22	ALTERNATOR FOR SKIDSTEER	BELEN DIVISION
150033	VALLEY SANITATION	10.40	TRASH REMOVAL	BELEN DIVISION
150034	WILSON & COMPANY	22,548.51	TO#12 SOCORRO MAIN CANAL N. SECT	GRANTS FUND SOCORRO
150035	WILSON & COMPANY	49,225.37	CORRALES SIPHON DESIGN 12/2/23- 12/29/23	GRANTS FUND ALBUQUERQUE
150036	WIPER SUPPLY INC	1,413.16	JANITORIAL SUPPLIES	INVENTORY
		36.68	MOP HEADS	ALBUQUERQUE DIVISION

Check Number	Vendor Name	Check Amount	Description	Location
		969,173.92	TOTAL PAYROLL	
		797,060.76	TOTAL CHECKS - GENERAL FUND	
		30,834.41	TOTAL CHECKS - DEBT SERVICE FUND	
		1,293,502.33	TOTAL CHECKS - GRANTS FUND	
		61,911.96	TOTAL CHECKS - CAPITAL INVESTMENT FUND	
		<u>\$ 3,152,483.38</u>	GRAND TOTAL	
Pamela S. Fanelli, CFO		Stephanie Russo Baca, Chair		

**MINUTES OF THE
SPECIAL MEETING OF THE
BOARD OF DIRECTORS OF THE
MIDDLE RIO GRANDE CONSERVANCY DISTRICT**

JANUARY 8, 2024 - 2:00 P.M.

Directors having been duly notified; Madam Chair Russo Baca called the special meeting to order at 2:04 pm. The following Directors and Staff were present:

DIRECTORS		STAFF	
Stephanie Russo Baca, Madam Chair	Present	Jason Casuga	Chief Engineer/CEO
Karen Dunning, Vice Chair	Present	Lorna Wiggins	General Counsel
Brian Jiron, Director	Present	Dr. Charles DuMars	Chief Water Counsel
John P. Kelly, Director	Absent	Pamela Fanelli	Secretary-Treasurer/CFO
Glen Duggins, Director	Absent	Eric Zamora	Chief Operating Officer
Michael T. Sandoval, Director	Present	Anne Marken	Water Distribution Division Mgr.

The following names of individuals were interested viewers, callers and/or participants:

Rin Tara	Jerry Montano	Josh Hind, MRGCD
Danny Orris	John Fleck, UNM	Judith McSweeney, MRGCD
Josh Gamboa, MRGCD		

AGENDA ITEM NO. 1 – PLEDGE OF ALLEGIANCE

Rin Tara led the Pledge of Allegiance at today's meeting.

Madam Chair Russo Baca declared a quorum, and the meeting was publicly noticed.

AGENDA ITEM NO. 2 – APPROVAL OF THE AGENDA

There were no additions to the agenda.

Vice Chair Dunning made the **MOTION TO APPROVE THE MEETING AGENDA**.
Seconded by Madam Chair Russo Baca. The **MOTION CARRIED UNANIMOUSLY**.

AGENDA ITEM NO. 3 - WATER AVAILABILITY REPORT - Anne Marken, Water Operations
Division Manager

Jason Casuga stated they still had an outlook for a decent snowpack, which was a good thing from a spring runoff standpoint but not for storage. He said the expectation would be to have agreements in place for some level of storage available to MRGCD. He noted that the Compact debt was 115,000 to 120,000 acre feet range, which was higher than anticipated.

Anne Marken said January usually meant snowpack conditions in the mountains and most of the basin were below median. She displayed SNOTEL graphs that represented the average snowpack conditions in both basins and individual sites. The graphs showed the Rio Grande Headwaters in Colorado at 62% of median, the Upper Rio Grande in New Mexico, including the Rio Chama Basin, at 84% of median, Rio Grande Elephant Butte site, including Otowi Gauge south drainage and Jemez, at 131% of median, and Upper San Juan Basin, at 72% of median. Ms. Marken said she was optimistic the conditions could still change due to El Nino conditions that were expected to persist through April. She stated the National Weather Service's three month outlook forecasted equal chances for above or below average temperatures and

45 likelihood of above average precipitation going through March. She expressed that MRGCD
46 committed to begin charging its irrigation network on February 26th, but no specifics to give on
47 the charge plan because it is condition contingent. She stated the Compact official number
48 would not be reported until later in the spring at the Rio Grande Compact Commission. Ms.
49 Marken explained that it was expected to grow the Compact debt in a year like 2023, where
50 they had high spring runoff and low in-flows. She said that it would most likely preclude
51 MRGCD from storing any native Rio Grande water upstream in 2024 so they would only have
52 their San Juan Chama water available for storage.

53
54 Mr. Casuga stressed there was a lot of winter left for things to change but they wanted to give
55 the details as they sat right now. He reminded that they did expect a spot for storage. He said
56 it was a large portion of his efforts to go throughout the state and attend water leader
57 conferences and decision making conference to express to leaders and legislators the impact of
58 Compact debt and violation of the Compact.

59
60 **AGENDA ITEM NO.4 - MRGCD IRRIGATION/WATER BANK COMMITTEE REPORT &**
61 **RECOMMENDATIONS ON WATER BANK LEASE RATES & FEES**
62

63 Director Jiron said they talked about increasing the water service charge per acre and stated
64 there had not been an increase since 2020 due to COVID, but now they needed to catch up and
65 to raise the service cost from \$43.82 to \$51.25 per acre in the Irrigation Committee Meeting.

66
67 Director Sandoval stated they discussed in length the justification for raising the price and said
68 they did need to catch up. He added they were making that recommendation to the full board to
69 implement it for the 2024 season.

70
71 Vice Chair Dunning said they also discussed the increase in the Finance Committee, and it
72 boiled down to an equity issue. She said there were many complaints about raising the mill rate
73 for people who did not irrigate, so raising the service cost seemed to be more equitable and
74 benefited people who actually needed the infrastructure.

75
76 Madam Chair Russo Baca added that they also discussed it was in parity to other irrigation
77 Districts. She agreed that irrigators paying the water service charge were not actually seeing
78 much of an increase on the mill levy for only ag exempt property. She said Elephant Butte
79 Irrigation District paid \$90 an acre plus additional fees and Carlsbad Irrigation District paid \$96
80 an acre.

81
82 Mr. Casuga reminded that they were not an irrigation District, but a conservancy District and
83 they provided other benefits to the public beyond the benefit they provided to irrigators. He
84 explained that people in Albuquerque paid an ad valorem who did not irrigate, but lived in a
85 historical flood plain of the Rio Grande and were protected by MRGCD infrastructure and levees
86 and divert water from the river and deliver it to ag property. He said the District still offered
87 water at a price substantially less than other irrigation Districts who were essentially doing the
88 same thing when delivering irrigation water. Mr. Casuga expressed it was important to
89 advertise that they had more missions than just delivering irrigation water, so charging the ad
90 valorem on top of the water service charge made sense for the value the District and
91 infrastructure brings. He also noted the District would not be accepting leases to lease water as
92 was done in years past because the water bank would not be open due to conditions currently
93 not being met from a storage and compact standpoint. He explained they could do an alternate
94 curtailment which would allow a landowner to choose to dry a portion of their property and allow
95 that water to be used on a different portion or piece of property they owned. Mr. Casuga stated

only the alternate curtailment process, or ACL, would be available. He also added the water service charge bill would not actually be seen until December 2024.

AGENDA ITEM NO.5 - ITEMS FROM THE FLOOR (Comments are limited to six (6) minutes)

There were no comments from the public.

AGENDA ITEM NO. 6 - CONSIDERATION/APPROVAL OF RESOLUTION M-01-08-24-205 FOR THE ADOPTION OF WATER BANK RATES & FEES FOR 2024 IRRIGATION SEASON

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE MIDDLE RIO GRANDE CONSERVANCY DISTRICT

ADOPTION OF WATER BANK RATES & FEES FOR 2024 IRRIGATION SEASON

M-01-08-24-205

WHEREAS, the Board of Directors (Board) of the Middle Rio Grande Conservancy District (District), has reviewed a recommendation from the Board's Water Bank Committee for the fees for the 2024 irrigation season; and

WHEREAS, at a Special Meeting of the Board held January 8, 2024, called for the purpose of establishing Water Bank Rates and Fees, the Board approved the following for the 2024 irrigation season:

Administration Fee
\$100.00/per lease
(for 5 years subject to "NO" changes to Water Bank Contract)

Water Service Charge (per acre)
\$51.25 per acre / per year

Lease Rate (per acre)
\$50.00 per acre / per year

NOW, THEREFORE, BE IT HEREBY RESOLVED that the Governing Body of the Middle Rio Grande Conservancy District, hereby approves the fees and lease rates for the Water Bank hereinabove described.

RESOLVED: in session this 8th day of January 2024.

MIDDLE RIO GRANDE CONSERVANCY DISTRICT

Vice Chair Dunning made the **MOTION TO APPROVE RESOLUTION M-01-08-24-205 FOR THE ADOPTION OF WATER BANK RATES & FEES FOR 2024 IRRIGATION SEASON.** Seconded by Director Sandoval. The **MOTION CARRIED UNANIMOUSLY.**

AGENDA ITEM NO. 7 - ADJOURN

With no further comments, questions, or concerns, Madam Chair Russo Baca adjourned the meeting at 2:27 pm.

Approved to be the correct Minutes of the Board of Directors of January 8, 2024.

ATTESTED:

Pamela Fanelli, CMA, CGFM
Secretary/Treasurer

Stephanie Russo Baca, Madam Chair
MRGCD Board of Directors

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**MINUTES OF THE
2,207th REGULAR MEETING OF THE
BOARD OF DIRECTORS OF THE
MIDDLE RIO GRANDE CONSERVANCY DISTRICT**

JANUARY 8, 2023 - 3:00 PM

Directors having been duly notified; Madam Chair Russo Baca called the regular meeting to order at 3:01 pm. The following Directors and Staff were present:

DIRECTORS

Stephanie Russo Baca, Madam Chair Present
Karen Dunning, Vice Chair Present
Brian Jiron, Director Present
Michael T. Sandoval, Director Present
John P. Kelly, Director Absent
Glen Duggins, Director Absent

STAFF

Jason Casuga Chief Engineer/CEO
Lorna Wiggins General Counsel
Dr. Charles DuMars Chief Water Counsel
Pamela Fanelli Secretary-Treasurer/CFO
Eric Zamora Chief Operating Officer
Anne Marken Water Distribution Division Mgr.

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12
13

The following names of individuals were interested viewers, callers and/or participants

Christine Nardi, MRGCD	Sarah Delavan, BIA	Jerry Montano
Richard DeLoia, MRGCD	Alicia Lopez, MRGCD	Martin Hayes
Casey Ish, MRGCD	Colin Baugh	Luke Smith
Judith McSweeney, MRGCD	John Fleck, UNM	Ashley Veihl, MRGCD
Doug Strech, MRGCD	Craig Hoover, BHI	Mark Sanders
Mike Lopez	Kim Lopez	Adriana Villar
Katrina Gallegos, SVRAA	Yasmeen Najmi, MRGCD	

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15
16

AGENDA ITEM NO. 1 – PLEDGE OF ALLEGIANCE

17 Ashley Veihl led the Pledge of Allegiance at today's meeting.

18
19 Chair Russo Baca declared a quorum, and the meeting was publicly noticed.

20
21
22

AGENDA ITEM NO. 2 – APPROVAL OF THE AGENDA

23 There were no changes made to the agenda.

24
25 Vice Chair Dunning the **MOTION TO APPROVE THE MEETING AGENDA**. Seconded
26 by Madam Chair Russo Baca. The **MOTION CARRIED UNANIMOUSLY**.

27
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30

**AGENDA ITEM NO. 3 - CONSIDERATION/APPROVAL OF 2024 OPEN MEETINGS ACT
RESOLUTION BD-01-08-24-57 - Pamela Fanelli, Secretary-Treasurer/CFO**

31 Ms. Fanelli explained the Open Meetings Act Resolution established rules and regulations for
32 the meetings throughout the year.

33
34
35
36
37

Madam Chair Russo Baca the **MOTION TO APPROVE THE OPEN MEETINGS ACT
RESOLUTION BD-01-08-24-57**. Seconded by Director Sandoval. The **MOTION CARRIED
UNANIMOUSLY**.

38
39

AGENDA ITEM NO. 4 - CONSENT AGENDA

- 40 a. **Consideration/Approval of Payment Ratification - January 8, 2024**
 41 b. **Consideration/Approval of November 2024 Invoice for Wiggins, Williams &**
 42 **Wiggins**
 43 c. **Consideration/Approval of November 2024 Invoice for Law and Resource Planning**
 44 **Assoc.**
 45 d. **Consideration/Approval of the Minutes for the Regular Board Meeting - December**
 46 **11, 2023**
 47 e. **Consideration/Approval of Per Diem, Mileage & Expense Reimbursement**
 48 **regarding New Mileage Rates as of January 1, 2024**
 49 f. **Memo on MRGCD Approved Licenses for December 2024 (For informational**
 50 **Purposes Only)**

51
 52 Vice Chair Dunning commented on the approved licenses, stating she was pleased to see a
 53 neighborhood in the South Valley back to having lights along the acequias and continuing their
 54 tradition.

55
 56 Director Sandoval made the **MOTION TO APPROVE THE CONSENT AGENDA.**
 57 Seconded by Vice Chair Dunning. The **MOTION CARRIED UNANIMOUSLY.**

58
 59 **AGENDA ITEM NO. 5 - WATER OPERATIONS UPDATE -**

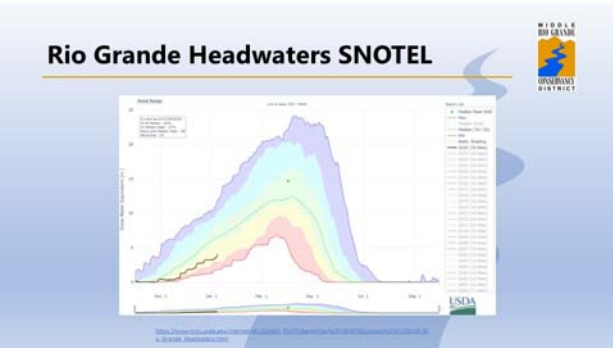
60 **a. Anne Marken, Water Ops Division Manager**

61
 62 Anne Marken said conditions in most of the basins were below median. She displayed
 63 SNOTEL graphs that represented individual sites within each basin to estimate overall
 64 conditions for the basins they represent. The graphs showed the Rio Grande Headwaters in
 65 Colorado at 62% of median, the Upper Rio Grande in New Mexico, including the Rio Chama
 66 Basin, at 84% of median, Rio Grande Elephant Butte site, including Otowi Gauge south
 67 drainage and Jemez, at 131% of median, and Upper San Juan Basin, at 72% of median. Ms.
 68 Marken said she was optimistic the conditions could still change due to El Nino conditions that
 69 were expected to persist through April. She stated the National Weather Service's three month
 70 outlook forecasted equal chances for above or below average temperatures and above average
 71 precipitation going through March. She expressed that MRGCD committed to begin charging its
 72 irrigation network on February 26th, but no specifics to give on the charge plan yet because it is
 73 condition contingent. She stated the Compact official number would not be reported until later
 74 in the spring at the Rio Grande Compact Commission. Ms. Marken explained it was expected
 75 to grow the Compact debt in a year like 2023, because they had high spring runoff and low in-
 76 flows. She said that it would most likely preclude MRGCD from storing native Rio Grande water
 77 upstream in 2024 so they would only have San Juan Chama water available for storage.

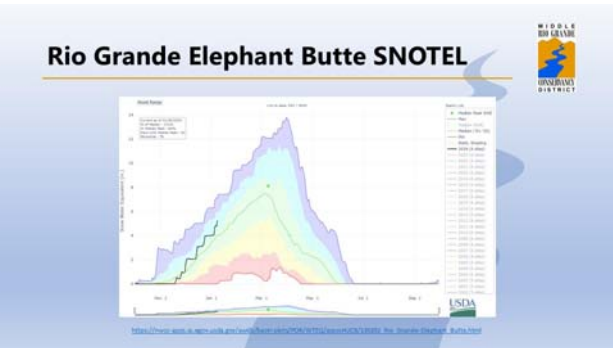
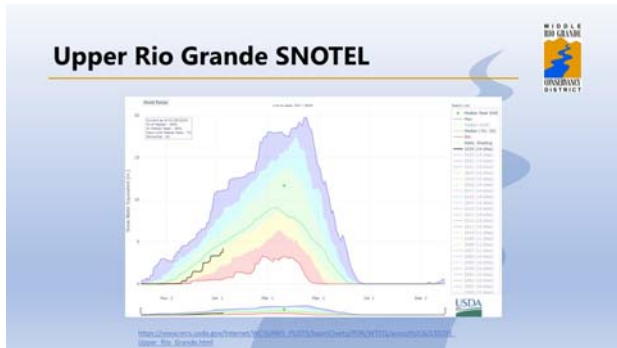
78
 79 Jason Casuga added they were looking at different scenarios for their startup plan. He said so
 80 much depended on the total release from Cochiti. He said they would share more on that at the
 81 next meeting. He explained the importance of the March forecast, stating it was what MRGCD
 82 and other federal agencies use to look at to see what the year would be like. He said what was
 83 up there did not look good, so people should take it even keel, because it was too early to tell
 84 right now, and a lot could change. Mr. Casuga added as long as they had spring runoff they
 85 would have a little bit of supplemental water from San Juan Chama but would depend on rain
 86 after that.

87
 88 Director Sandoval asked what the projected numbers for P&P storage in Abiquiu were. Ms.
 89 Marken answered they should be storing soon. She said Army Corps of Engineers were
 90 working on their outlet works and were limited on what they could bypass out of Abiquiu. She

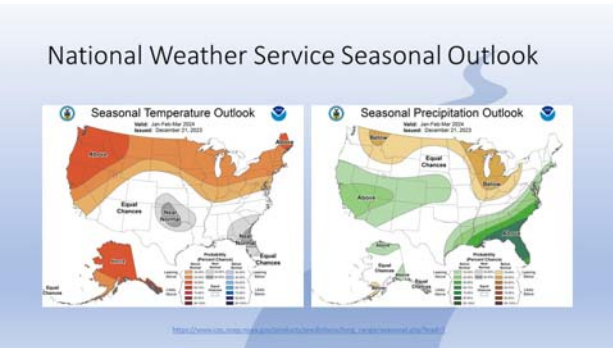
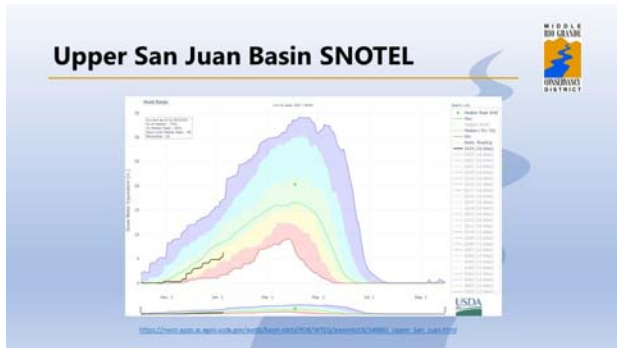
91 said there was incidental storage and they were looking at tagging it as P&P, but it was still too
92 early to know what the number would be.
93



94
95



96
97



98
99

100 **AGENDA ITEM NO. 6 - VACANCY OF POSITION NO.4 - BERNALILLO COUNTY SEAT**

101
102 **a. Announcement of Applicants**

103
104 Madam Chair Russo Baca announced the four applicants for Position No. 4, Colin T. Baugh,
105 Elaine Hebard, Lee Gamelsky and Simon T. "Scooter" Haynes.

106
107 **b. Setting the Date for a Special Meeting**

108
109 Discussion was had and scheduled the special meeting to do the public interviews and ask
110 applicant's questions for January 26, 2024, with two time options, pending discussion with the
111 absent board members, and considered possibly adding another day if applicants were not
112 available on that day.
113

114 **AGENDA ITEM NO. 7 - ITEMS FROM THE FLOOR (Comments are limited to six (6)**
 115 **minutes)**

116
 117 **Katrina Gallegos**
 118

119 Ms. Gallegos, a commissioner with the South Valley Regional Acequia Association (SVRAA)
 120 introduced herself to the Board. She stated she was neighbors with Adriana Villar and said
 121 there was some concern within her neighborhood and within SVRAA on what was happening in
 122 the process with Ms. Villar. She asked the Board what she could say to her community to quell
 123 some of their anxiety of the situation. Ms. Gallegos also said there were rumors that Ms. Villar
 124 was trying to pressure a neighbor to sell his property so she could gain access to the acequia
 125 and water rights.
 126

127 **Jerry Montano**

128 Mr. Montano asked why the crews in Bosque were not cutting trees around ditches. He FELT
 129 there were only going to grow bigger, and they should cut them all down. He also discussed
 130 Feeder 3, stating it was nice and clean now, but now they needed more water from the Highline.
 131 He also asked about the Mechenbier suit.
 132

133 **AGENDA ITEM NO. 8 - REPORT(S) FROM THE HUMAN RESOURCES DEPARTMENT -**
 134 **Christine L. Nardi, MBA**

135
 136 **a. Introduction of MRGCD New Hires**
 137

138 Christine Nardi introduced the new MRGCD hires, including an ISO assigned to the Belen
 139 Service Area and a new field maintenance technician in the Albuquerque Division, with a
 140 vacancy rate of 8.7%.

General Office

AARON	FISH	IRRIGATION SYSTEMS OPERATOR	01/08/2024
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Albuquerque Division

GREGORIO	HERRERA	FIELD MAINTENANCE TECHNICIAN	01/08/2024
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141
 142
 143 **AGENDA ITEM NO. 9 - REPORT(S) FROM THE CHIEF PROCUREMENT OFFICER - Richard**
 144 **DeLoia, CPO**

145 **a. Consideration/Approval for a Socorro Main Canal Culvert Crossing - Alicia Lopez,**
 146 **Engineering & Mapping Manager**
 147

148 Richard DeLoia presented approval of the Socorro Main Canal North Culvert Crossing Project
 149 with an award to Lopez Precision LLC for \$121,913.38 including NM gross receipts tax through
 150 MRGCD on-call contractors and farm infrastructure contracts.
 151

152 **b. Consideration/Approval on the Scope of Work for the Atrisco Acequia Madre**
 153 **Project Phase I Preliminary Design - Yasmeen Najmi, MRGCD Planner**
 154

155 Mr. DeLoia presented approval for the Atrisco Acequia Madre Project, 65% design phase task
 156 order, with an award to Bohannan Huston Inc. for \$104,978.50 with NM gross receipts tax
 157 through MRGCD on-call engineering contracts.
 158

159 Mr. Casuga added \$75,104 of this would be covered by the capital outlay grant.
 160

161 Vice Chair Dunning asked what they were going to do to ensure coordination between the
 162 county, city, and MRGCD to make sure somebody doesn't bring up an issue that had not been
 163 brought up before.

164
 165 Yasmeen Najmi stated they had a four party agreement with the city, county, MRGCD, and the
 166 water authority for coordination and planning of the project and were continually updating the
 167 agreement. She said the Metropolitan Redevelopment Authority was not included in this phase
 168 or design, but they were unclear on future plans for the property. She explained the design
 169 money would be going for phase one, not including that property owned by the city.

170
 171 Mr. Casuga added they believed the right use for that small triangular piece would be to go
 172 along with the project and he hoped everybody would see it was an easy win for the city, county
 173 MRGCD, and ABCWUA to come together.

174
 175 **c. Consideration/Approval of Hwy 147 Tunnel Boring & Open Cut Operation - Change**
 176 **Order 1 - Alicia Lopez, Engineering & Mapping Manager**

177
 178 Mr. DeLoia presented approval of the change order due to unforeseen construction issues with
 179 the New Mexico Highway 147 Project and requested approval for AUI Inc for Change Order 1
 180 for \$813,775.34 with NM gross receipts tax awarded through MRGCD on-call contracts for
 181 construction.

182
 183 Ms. Lopez explained some unexpected things happened and they ran into a pipe alignment that
 184 the old plans said was removed, so they were now shifting alignment, which meant they needed
 185 more dewatering and addition work on the trench boxes.

186
 187 Mr. Casuga said they were up against the clock to place this before the river swells. He said
 188 they had to ensure they could get the Highline up and running but the collapse was a piece of
 189 infrastructure they could not ignore if they wanted to provide necessary drainage without
 190 spending significant amounts of money right now. He said they were relying on historical
 191 documentation and it showed it had removed but was not.

192
 193 Vice Chair Dunning asked how they dealt with things not being correct on the plans, so it did not
 194 happen again. Ms. Lopez answered they were making built documents for projects done and
 195 solidifying what was done for their files, so from here forward that would not happen.

196
 197 Director Jiron said he heard the completion date of February 26th had been changed, so he
 198 wanted to know when it would be completed. Ms. Lopez said the irrigation canal and Belen
 199 Highline would be done by the 26th and the drain and all construction within the drain might go
 200 until the end of March.

201
 202 Madam Chair Russo Baca stated they discussed it in the finance committee meeting and said
 203 while it was a financial burden, the District could afford it.

204
 205 Vice Chair Dunning made the **MOTION TO APPROVE AGENDA ITEMS 9(a) through**
 206 **9(c)**. Seconded by Director Jiron. The **MOTION CARRIED UNANIMOUSLY**.

207
 208 **AGENDA ITEM NO. 10 - REPORT(S) FROM THE SECRETARY-TREASURER/CFO - Pamela**
 209 **Fanelli, CMA, CGFM**

210

211 **a. Presentation/Approval of the 2nd Quarter Financial Statements for FY2024 and**
 212 **Report from the Finance Committee Meeting, January 8, 2024 - Vice Chair Dunning**
 213 **and Chair Russo Baca**
 214

215 Ms. Fanelli submitted the fiscal year 2024 financial information for review and approval. She
 216 said the year to date revenue total was \$8,687,000 and total expenditures was \$13,433,000.
 217 She said the District had received approximately 26% to the total budgeted ad valorem and was
 218 trending at about 48% of salaries and benefits. She noted there was a projected salary deficit,
 219 but they were making operational changes to the account for it. She stated year to date
 220 revenues for the grant fund was \$490,000, expenditure total of \$1,848,000, and a total of
 221 \$1,168,000 of unbilled revenue to granting agencies. Ms. Fanelli said the District received their
 222 first disbursement of the ad valorem distribution for the capital investment fund and transferred
 223 in 2.3 million from the capital surplus cash account in the general fund to pay for the Highway
 224 147 Project. She stated expenditures year to date in the capital investment fund were
 225 \$708,000, transfers to the grant fund \$123,000, and transfers to the grant fund for grant match
 226 at \$179,000.
 227

228 Vice Chair Dunning complimented Ms. Fanelli and her staff. She said they had a robust
 229 program and things did not fall through the cracks if someone was out of the office or on
 230 vacation.
 231

232 Chair Russo Baca made the **MOTION TO APPROVE THE PRESENTATION OF THE**
 233 **SECOND QUARTER FINANCIAL STATEMENTS.** Seconded by Vice Chair Dunning. The
 234 **MOTION CARRIED UNANIMOUSLY.**
 235

236 **AGENDA ITEM NO. 11 - REPORT(S) FROM THE DEPARTMENT OF INTERIOR**

237 **a. Bureau of Reclamation - Jennifer Faler, Area Manager**
 238

239 Ms. Faler was not present at today's meeting.
 240

241 **b. Bureau of Indian Affairs - Dr. Sarah Delavan, Designated Engineer**
 242

243 Dr. Delavan stated many of the six pueblos had new governors or war chiefs and had new goals
 244 and needs. She said she and staff had and would continue working together closely with them.
 245 She stated the storage in Abiquiu Reservoir started for the prior and paramount water and there
 246 was 215 acre feet for the 2024 Irrigation season last week.
 247

248 **AGENDA ITEM NO. 12 - REPORT(S) FROM THE CHIEF OPERATING OFFICER - Eric**
 249 **Zamora, PE**
 250

251 **a. Report from the Safety Program Manager, LeeAnn Corwin**
 252

253 LeeAnn Corwin, Safety Program Manager, gave an update on safety. She said to date they had
 254 33 employees with their OSHA 10 construction certification and 22 supervisors and team leads
 255 with their OSHA 30 certifications. She stated there were zero cases and the total numbers of
 256 recordables went down from 22 in 2022 to 14 in 2023. She said they had a .96 EMR rating that
 257 would drop at the fiscal in July. Ms. Corwin expressed they had generated 11 standard
 258 operating procedures in 2023, including open burning, distracted driving, wasp removal, and
 259 turnout installations. She said they would continue with their weekly safety meetings and make
 260 an effort to start recording their own training videos and go out to ditches and provide training
 261 videos to show expectations. Ms. Corwin announced upcoming training, including OSHA
 262 training classes in January, DDC classes in February, and CPR and first aid training in March.

Trend Analysis Summary
Middle Rio Grande Conservancy District
As of: Dec 31, 2023
Policy: 19003

Category	Total	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023
Workers Injury Cases											
Slips or injury by tripping/stumbling	4										
Slips or injury by repetitive motion	0										
Fall, slip, or trip injury from object or surface	2										
Caught or crushed between objects or equipment	0										
Struck or crushed by equipment	0										
Transportation - driver	0										
Total	6										
Workers Compensation											
Medical benefits	\$6,900										
Temporary disability	\$0										
Permanent disability	\$0										
Other	\$0										
Total	\$6,900										

OSHA's Form 300A (Rev. 03/2016)
Summary of Work-Related Injuries and Illnesses

2023 reporting

Establishment information:
Your establishment name: Middle Rio Grande Conservancy District
Date: 12/31/2023
City: Albuquerque
State: NM
Industry: Manufacturing (e.g., Manufacturing of motor vehicles)
NAICS Code: 339999

Number of Cases:
Total number of cases: 6
Total number of cases with lost time: 6
Total number of cases with job transfer or restriction: 6

Number of Days:
Total number of days lost: 0
Total number of days with job transfer or restriction: 0

Injury and Illness Types:
Total number of: 6
(1) Injury: 6
(2) Skin Disorder: 0
(3) Respiratory Condition: 0
All Other Diseases: 0

263

Middle Rio Grande Conservatory District
Worker's Compensation – Experience Modification Rate (EMR)



264

265

266

Vice Chair Dunning asked about several payments made to DOT labeled random and post-accident on the reports and if that meant there were that many accidents or that DOT came out and did their own testing randomly.

267

268

269

Christine Nardi stated DOT randoms were regulated by federal DOT for everyone that possessed CDL and did random testing. She said there were DOT drug tests and then non-DOT post-accident drug tests. Mr. Casuga added they would have to look at the accident data, but it was not uncommon to have randoms done.

270

271

272

273

Ms. Corwin also gave a presentation on the Bureau of Reclamation completion of the Corrales Siphon. She showed pictures of the stages and progress of the work and said the only thing left to do was put in some signage.

274

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288

b. Division Office Updates - Eric Zamora, COO

289 Mr. Zamora first recognized Ms. Corwin's fortitude in leading and the changes she was trying to
 290 implement for the betterment of the District and it had paying off. He said she was a tremendous
 291 asset to the organization. Mr. Zamora then gave an update on January 2024 operations. He
 292 gave an update on the welding shop project in Albuquerque Division to give the workers a better
 293 place to work. He displayed pictures of the process of building the welding shop. He mentioned
 294 that if they would have ordered a structure instead of building one, it would have cost in the
 295 \$75,000 to \$100,000 range, but they built one for less than \$50,000. Mr. Zamora said they now
 296 build their own headwalls and concrete walls in house.

297

298 Mr. Zamora stated they held a training session in Socorro Division where they invited all four
 299 divisions for construction crews for a demonstration project for turnout install. He said they
 300 talked about preparation for an installation, the subgrade, and tools, equipment, and PPE they
 301 needed. He gave a shoutout to Mr. Avalos and his staff in Socorro, stating his welder was the
 302 one that built the first prototypes. He talked about an SOP that he and Mr. Casuga were
 303 reviewing for implementation as a result of their training session and could now install a turnout
 304 in a day. Mr. Zamora expressed he met with all division managers in their regular meeting that
 305 morning and they talked about tree removal and how they would address the issues with trees
 306 and maintenance in the upcoming year. He said they currently had two projects pending about
 307 \$50,000 worth of tree removal with a \$200,00 budget, so they needed to see what they could do
 308 in house.

309

310 Madam Chair Russo Baca suggested having a day to highlight all the great work their crews do,
 311 like a meet the workers or meet the machines day or something to recruit.

312

313 Vice Chair Dunning asked how much it costs to have the installs manufactured in house versus
 314 the \$5,000 to buy them. Mr. Zamora answered about \$200 apiece.

315

316 Director Sandoval asked what size turnouts each structure could take. He also asked what was
 317 the smallest and biggest. Mr. Zamora showed different signs of turnouts and stated they

318 penetrated the hole with the pipe from the turnout and grout around it and were good for any
319 size.

320

321 **AGENDA ITEM NO. 13 - REPORT(S) FROM THE CHIEF ENGINEER - Jason M. Casuga, PE**

322

323 **a. Consideration/Approval for the MOA between MRGCD and Socorro County for**
324 **Schmittle Road Water Conservation Project - Casey Ish, Conservation Program**
325 **Supervisor**

326

327 Casey Ish presented a MOU between MRGCD and Socorro County for Schmittle Road Water
328 Conversation Project for their consideration and approval for \$200,000 of funding that the
329 county would make available to replace an inefficient and long earthen ditch with a pipe system
330 that tied into around 150 acres to make it part of a federal and landowner cost share program in
331 the future as part of the on-farm program.

332

333 Madam Chair Russo Baca said it seemed like a great project and would hopefully have
334 conservation of water savings.

335

336 Madam Chair Russo Baca made the **MOTION TO APPROVE THE MOA BETWEEN**
337 **MRGCD AND SOCORRO COUNTY**. Seconded by Vice Chair Dunning. The **MOTION**
338 **CARRIED UNANIMOUSLY**.

339

340 **b. Report on 2024 Legislative Session - John Thompson, MRGCD Lobbyist**

341

342 John Thompson gave a report on the 2024 Legislative Session. He explained they only dealt
343 with matters on the budget, including fiscal issues, taxes, things that either add or detract from
344 the budget. He stated there was 3.5 billion dollars in extra money, but there was a long line to
345 it. He said he believed they would see a large injection to the Water Trust Fund but may see
346 some modifications to the Water Trust Board on what's allowable from a project perspective.
347 He also believed they could see legislation create a federal matching fund of the state. Mr.
348 Thompson said he had not heard of anything on water policy bills. He said there was a draft bill
349 that floated around the investment pension and oversight committee that had water professional
350 in it but there was strong opposition to that measure. He assured that if anyone had any
351 questions, they could call him. He stated he would send out weekly updates via email on
352 Sunday nights.

353

354 Dr. DuMars asked Mr. Thompson is he had heard any rumors about funding for a Middle Rio
355 Grande adjudication suit. He answered he had not but could check on that.

356

357 **c. Capital Project Construction Updates - Alicia Lopez, Mapping & Engineering**
358 **Manager**

359

360 Alicia Lopez gave a construction update on the Highway 147 culvert replacement. She stated it
361 was an area that needed repairs for a long time, including removing the upstream collapsed
362 pipe and attempting to slope and reinforce the embankments. She said they realized they did
363 not have enough room to do that safely, so they contracted AUI to begin setting dewatering
364 wells, installing trench boxes, and placing tunnel boring machines and explained all the work
365 they had to do. She discussed the Socorro Main Canal Channel Lining Project, which
366 consisted of shotcrete lining and improving the infrastructure within the first mile of the Socorro
367 Main Canal. Ms. Lopez said CF Padilla began work on November 1st. She said the remaining
368 funds would be allocated to phase two. She discussed the Storey Wasteway Project that would
369 allow them to move water both to the drain and the river more reliably and was part of the

370 Conservation Program efforts. She stated Compass Engineering was awarded a contract to
 371 help with federal procurement with construction starting on January 22nd. Ms. Lopez
 372 discussed the Peralta Drain Pedestrian Bridge Project for the Whitfield Wildlife Conservation
 373 Area, and the project was completed on December 15th and was done using capital outlay
 374 funds. She noted there were three large projects in design right now, the Corrales Siphon,
 375 Feeder 3, and Bosque 1 Wasteway.

376

377 **d. Report on the Colorado River Water Users Association (CRWUA) Annual**
 378 **Conference, December 13-15, 2024 - Jason M. Casuga, CE/CEO and Chair Russo**
 379 **Baca**

380

381 Mr. Casuga discussed the CRWUA Annual Conference. He explained why it was important for
 382 them to attend the meeting, stating a small piece of water they use comes by a series of tunnels
 383 from Colorado into New Mexico so it was important to pay attention to. He said emotions ran
 384 high on the Colorado River and there was a lot of energy. He said he was able to make some
 385 great contacts and learn. Mr. Casuga said he learned there was a big shortfall that would affect
 386 San Juan Chama at some point in time. He said he came away from the conference realizing
 387 how important it was for New Mexico to get right with the Rio Grande Compact.

388

389 Dr. DuMars said the question was what they were going to do with Navajo and how would the
 390 sharing of shortages affect the Navajo Reservoir, which was an important issue for the San
 391 Juan Chama Project and everyone in the Farmington area.

392

393 Mr. Casuga reiterated that MRGCD mitigated the risk of the Colorado River and its issues on
 394 their San Juan Chama water by returning to the ability to store native as soon as possible.

395

396 Madam Chair Russo Baca said it was a very intense conference. She said it was interesting
 397 that ag always had a target on its back for water conservation but a lot of other states and big
 398 cities that did not have any agriculture still had to make cuts. She said they offset every drop of
 399 water by installing cooling systems. She said ag was looking at conservation efforts especially
 400 on tribal land and suggested they could maybe be their leaders on some conservation efforts
 401 and could collaborate with some of the Colorado River Water user tribes to see how they did it.

402

403 Mr. Casuga added he attended a seminar with a presentation from an Australian irrigation
 404 district about a mega drought they faced and the modernization that came out of it including
 405 mechanizing systems. He said it made him think of efforts they could do as a District like
 406 modernizing and investing in technology. He said there were many parallels to the irrigation
 407 district in Australia and what had seen in MRGCD.

408

409 Dr. DuMars mentioned the water manager for the Jicarilla Tribe who put together something
 410 called the Ten Tribes Partnership seven years ago and now grew to have a substantial quantity
 411 of water available for the Colorado River tribes. He said it was an interesting model that needed
 412 to be discussed in the future.

413

414 **e. Report on the Valencia County Farmers/Irrigators Informational Meeting,**
 415 **December 19, 2023 - Jason M. Casuga, CE/CEO**

416

417 Mr. Casuga gave a report on the Valencia County Farmers Meeting. He said it was not as well
 418 attended as he thought it would be, but still well attended. He said they talked about water
 419 delivery challenges and projects. He stated they had a question and answer session and there
 420 were more Compact questions in Valencia than in Socorro.

421

422 Director Jiron said he expected more farmers to be there. He said Socorro had a lot of good
423 input and felt it went fairly well.

424
425 Vice Chair Dunning asked Director Jiron what they could do to get better attendance. Director
426 Jiron said it could be the time of the meetings because some farmers had different jobs in the
427 mornings.

428
429 Mr. Casuga said they would try to advertise the off season meetings much earlier. He said they
430 were trying to invest in technology for mass texting and developed a newsletter with a way for
431 people to sign up on the website to be emailed out. He said they were also open to shifting
432 locations to make it easier for people to attend.

433
434 **f. Information on Upcoming Events**

- 435 **1. Sandoval County Farmers & Irrigators Information Meeting, Town of**
- 436 **Bernalillo Public Library - January 22, 2024**
- 437 **2. Pueblo of Isleta Farmers & Irrigators Information Meeting, Isleta Reception**
- 438 **Hall - January 30, 2024**
- 439 **3. Bernalillo County Farmers & Irrigators Information Meeting, Open space**
- 440 **Visitor Center - February 6, 2024**
- 441 **4. Family Farm Alliance Annual Conference, Reno, NV - February 22-23, 2024**
- 442 **5. Land and Water Summit, Albuquerque, NM - March 6-8, 2024**
- 443 **6. National Water Resources Association (NWRA) 2024 Policy Conference,**
- 444 **Washington DC - April 9-11, 2024**
- 445 **7. Law of the Rio Grande Conference, Santa Fe, NM - April 11-12, 2024**

446
447 Dr. DuMars added the NWRA Conference was important to attend because it was an election
448 year and people would be trying to fund anything they could.

449
450 **AGENDA ITEM NO. 14 - REPORT(S) FROM THE MRGCD ATTORNEY(S) - Chief Water**
451 **Counsel or General Counsel**

452
453 Lorna Wiggins said there were two proceedings going with the Villar case. She said the criminal
454 action against her was scheduled to begin February 8th and the civil action would be January
455 10th. She stated Ms. Villar had failed to participate in discovery and MRGCD had not received
456 any information, so they were going to ask the court to rule on a motion to compel on the 10th.

457
458 Ms. Wiggins also gave an update on the Supreme Court's action in the Williams v. City of
459 Albuquerque case, also referred to as the homeless case. She said the Supreme Court heard
460 oral arguments on December 13th and entered an order directing the district court to identify
461 with particularity that statues or ordinances were enjoined either in whole or in part and directed
462 the district court to set out the scope of the injunction that was entered with the idea that the city
463 needed to be able to give law enforcement clear direction. She said she expected to have
464 direction from the court within a month to six weeks.

465
466 Dr. DuMars stated he asked the Wild Earth Guardians legal counsel what the point of a PBU
467 case was if they were going to adjudicate the Middle Rio Grande.

468
469 Madam Chair Russo Baca expressed that there were things happening with the State Engineer
470 right now with adjudications.

471
472
473

474 **AGENDA ITEM NO. 15 - REPORT(S) FROM THE BOARD**

- 475
- 476 a. **Report on the Irrigation Committee Meeting, December 18, 2023 - Directors**
- 477 **Duggins, Sandoval and Jiron**
- 478
- 479 b. **Report on the Conservation Advisory Meeting, December 21, 2023 - Chair Russo**
- 480 **Baca**

481

482 Madam Chair Russo Baca said it was a very quiet meeting but there were great hydrology

483 updates. She said construction was starting on on-farm programs and multiple projects were

484 being considered for funding for the program. She also reminded that additional information

485 was on the website for applying for the following program and to get those applications in before

486 February 16th.

487

488 Vice Chair Dunning made the **MOTION TO APPROVE THE REPORTS FROM THE**

489 **BOARD**. Seconded by Director Sandoval. The **MOTION CARRIED UNANIMOUSLY**.

490

491

492 With no further comments, questions, or concerns, Madam Chair Russo Baca adjourned the

493 meeting at 5:12 pm.

494

495 Approved to be the correct Minutes of the Board of Directors of January 08, 2024.

496

497

498 **ATTESTED:**

499

500

501

502

503 _____

504 Pamela Fanelli, CMA, CGFM
Secretary/Treasurer

503 _____

504 Stephanie Russo Baca, Madam Chair
MRGCD Board of Directors

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**MINUTES OF THE
SPECIAL MEETING OF THE
BOARD OF DIRECTORS OF THE
MIDDLE RIO GRANDE CONSERVANCY DISTRICT**

JANUARY 26, 2024 - 9:00 A.M.

Directors having been duly notified; Madam Chair Russo Baca called the special meeting to order at 9:13 am. The following Directors and Staff were present:

DIRECTORS		STAFF	
Stephanie Russo Baca, Madam Chair	Present	Jason Casuga	Chief Engineer/CEO
Karen Dunning, Vice Chair	Present	Patty Williams	General Counsel
Brian Jiron, Director	Present	Dr. Charles DuMars	Chief Water Counsel
John P. Kelly, Director	Present	Pamela Fanelli	Secretary-Treasurer/CFO
Glen Duggins, Director	Present	Anne Marken	Water Distribution Division Mgr.
Michael T. Sandoval, Director	Present		

11
12
13
The following names of individuals were interested viewers, callers and/or participants:

Elaine Hebard	Colin T. Baugh	Scooter Haynes
Martin Haynes	Lee Gamelsky	Greg Gonzales
Patricia Tapia	Louie Tapia	K. A. McCord
Barbara Grothus	Max Havelka	Neri Holguin
Santiago Maestas	Doug Strech	Christine Nardi, MRGCD
Janet Jarrett	Nathan Campbell	Judy McSweeney, MRGCD
Susan Selbin	Doug Strech, MRGCD	

14
15
16
AGENDA ITEM NO. 1 – PLEDGE OF ALLEGIANCE

17
18
Dr. DuMars led the Pledge of Allegiance at today's meeting.

19
20
21
Madam Chair Russo Baca declared a quorum, and the meeting was publicly noticed. She stated that due to Director Sandoval attending virtually, roll call votes were taken.

22
23
AGENDA ITEM NO. 2 – APPROVAL OF THE AGENDA

24
25
There were no changes to the agenda.

26
27
28
Vice Chair Dunning made the **MOTION TO APPROVE THE MEETING AGENDA.**
Seconded by Director Kelly. Roll call vote was administered, and the **MOTION CARRIED.**

Director Jiron	Yes	Vice Chair Dunning	Yes
Director Kelly	Yes	Director Sandoval	Yes
Chair Russo Baca	Yes	Director Duggins	Yes

29
30
31
32
**AGENDA ITEM NO. 3 – APPLICANT INTERVIEWS FOR THE BOARD POSITION NO. 4
BERNALILLO COUNTY VACANT SEAT**

33
34
35
36
Jason Casuga, CE/CEO, explained how the interviews would be conducted stating that he emailed questions to all four applicants: Colin T. Baugh, Simon T. "Scooter" Haynes, Elaine Hebard and Lee Gamelsky. Each would be given five (5) minutes to make a statement to the board and then would be given two (2) minutes per question to verbally answer the questions

37 provided to the board in writing. The remaining time would be allotted to the board for any
38 follow-up questions related to their answers.

39
40 The chair read the questions sent to the applicants which are: (1) What do you believe are the 3
41 biggest challenges the MRGCD faces over the next 5 years and why? (2) Please describe your
42 understanding of MRGCD's relationship with the six Middle Rio Grande Pueblos. (3) Please
43 describe your understanding of the challenges and opportunities the MRGCD has as increased
44 urbanization continues within the benefited area. (4) How would you, as a board member,
45 interact with a constituent with different political views than you? (5) What are the two most
46 important areas of improvement you believe the MRGCD needs to focus on over the next two
47 years? and, (6) Why should you be chosen for the vacant Bernalillo County Board Position No.
48 4 seat?

49
50 The chair asked that each applicant approach the dais to select a number out a basket for the
51 order that the interviews would be conducted.

52
53 Elaine Hebard was the first applicant, Colin T. Baugh was the second, Simon T. "Scooter"
54 Haynes was the third and, lastly, Lee Gamelsky. They each addressed the board with an
55 introduction and their answers to the required questions above.

56
57 Following each applicants comments, the board had a chance for various follow-up questions.
58 Director Kelly wanted to hear each of their opinions or thoughts regarding the Low Flow
59 Conveyance Channel. Vice Chair Dunning queried each to see if they were appointed, would
60 they run for this position in 2025. Director Duggins asked if they had any relationships with
61 District personnel and wanted to hear the applicants idea on what a cover crop is, and which
62 crops are considered cover crops. Chair Russo Baca also asked if each applicant currently had
63 a water service charge contract.

64
65 See attached appendices for each applicant to include their initial submitted forms, their
66 questions and answers, as well as email messages of support.

67
68 *Chair Russo Baca requested a short break at 10:50 a.m. and the meeting reconvened at 10:58*
69 *a.m.*

70
71 **AGENDA ITEM NO. 4 - ITEMS FROM THE FLOOR (Comments are limited to two (2)**
72 **minutes)**

73
74 **Santiago Maestas**

75 Mr. Maestas is a resident of Pajarito and a commissioner on the Pajarito Acequia. He stated he
76 worked with Elaine Hebard. He felt her to be a knowledgeable, good asset and thought she
77 would be a great advocate about the water issues in New Mexico.

78
79 **Kathy McCord**

80 Ms. McCord is a Valencia County resident and not only represented the county but also the
81 local grassroots organization known as Valencia Water Watchers. They were acquainted with
82 Elaine Hebard since 2021 as she did research and helped to organize community opposition to
83 the expansion of Facebook data campus. She felt that Ms. Hebard to be very knowledgeable,
84 willing to inform, educate and advocate.

85
86 **Barbara Grothas**

87 Ms. Grothas stated she's known Ms. Hebard for years and wasn't aware of her interest. She
88 showed her support for both Ms. Hebard and Mr. Baugh.

89 **Louie Tapia**
90 Mr. Tapia spoke of his support for Ms. Hebard as she’s concerned about groundwater and felt it
91 important along with that the farmers have irrigation water.
92

93 **Patricia Tapia**
94 She stated that she and the farmers of the Pajarito Village Association are concerned about the
95 water depletion and stand in support for Elaine Hebard.
96

97 **Janet Jarratt**
98 Ms. Jarratt, former Valencia County board member and the first female chairperson, said she
99 heard some horrifying answers earlier. She supports Elaine Hebard as she felt one of the most
100 important things that the board has to be able to do is listen with respect. She said Ms. Hebard
101 is open minded and intellectual.
102

103 **AGENDA ITEM NO. 5 – FINAL VOTE AND SELECTION OF BOARD VACANCY CANDIDATE**
104 **TO SERVE THE REMAINING TERM OF POSITION NO. 4 BERNALILLO COUNTY SEAT**
105

106 The chair asked for nominations from the board for the candidates.
107

108 Vice Chair Dunning thanked everybody who applied and thought this group was the most
109 qualified they’ve ever had. She then nominated Colin T. Baugh for being an irrigator and a
110 mayordomo which she felt is lacking on the current board.
111

112 Vice Chair Dunning made the **MOTION TO NOMINATE COLIN T. BAUGH.** Seconded
113 by Director Kelly.
114

115 Director Duggins made the **MOTION TO NOMINATE SIMON T. “SCOOTER” HAYNES.**
116 Seconded by Chair Russo Baca.
117

118 Chair Russo Baca made the **MOTION TO NOMINATE ELAINE HEBARD.** No one
119 seconded the motion.
120

121 Vice Chair Dunning made the **MOTION TO CLOSE NOMINATIONS.** Seconded by
122 Chair Russo Baca.
123

124 The chair asked for a rollcall vote for Mr. Baugh for the appointment to serve the
125 remaining term of Position No. 4 Bernalillo County seat.
126

Director Sandoval	Yes	Director Jiron	Yes
Director Kelly	Yes	Chair Russo Baca	Yes
Vice Chair Dunning	Yes	Director Duggins	No

127
128 The chair congratulated Colin T. Baugh and thanked everyone for attending today’s meeting.
129

130 **AGENDA ITEM NO. 6 - ADJOURN**
131

132 With no further comments, questions, or concerns, Madam Chair Russo Baca adjourned
133 the meeting at 11:11 a.m.
134

135 Approved to be the correct Minutes of the Board of Directors of January 26, 2024.
136
137

138 **ATTESTED:**

139

140

141

142

143 _____
144 Pamela Fanelli, CMA, CGFM
Secretary/Treasurer

Stephanie Russo Baca, Madam Chair
MRGCD Board of Directors



**MEMORANDUM
LICENSING AND LANDS DEPARTMENT**

F.Y.I.

TO: Jason M. Casuga, P.E., Chief Executive Officer/Chief Engineer

THRU: Eric Zamora, P.E., Chief Operations Officer

FROM: Michael Padilla, Right-of-Way Supervisor

DATE: February 8, 2024

RE: M.R.G.C.D. Executed Licenses for January 2024

1. 168-2023 – License to maintain an existing 60” Ø X 20’ culvert crossing within the Upper Arroyos Acequia Right-of-Way.
2. 199-2023 – License with Vexus Fiber to install and maintain a buried utility crossing within the Alameda Lateral Right-of-Way.
3. 243-2023 – License with Public Service Company of New Mexico to maintain an aerial utility crossing within the Arenal Main Canal Right-of-Way.
4. 245-2023 – License with Public Service Company of New Mexico to maintain an aerial utility crossing within the Atrisco Lateral Right-of-Way.
5. 247-2023 – License with Public Service Company of New Mexico to maintain an aerial utility crossing within the Albuquerque Riverside Drain Right-of-Way.
6. 279-2023 – Special Use License with Anchor Built Inc. to temporarily access the west bank and install crusher fines for roadway stabilization within the Peralta Acequia Right-of-Way.
7. 297-2023 – Special Use License with Snyder Construction to modify an existing 60” Ø X 28’ culvert crossing within the Alameda Lateral right-of-way.
8. 349-2023 – Special Use License with Albuquerque Asphalt Inc. to remove and replace an existing 48” Ø X 35’ culvert crossing within the Bosque Lateral No. 1 right-of-way.
9. 354-2023 – Amendment to a Special Use License with NM Underground Utilities to extend the expiration date for in-channel construction to February 20, 2024 and dewatering until March 29, 2024 within the Atrisco Riverside Drain right-of-way.
10. 362-2023 – Amendment to a License with Tinnie Corp to make modifications to an existing 60” Ø X 28’ culvert crossing within the Alameda Lateral right-of-way.
11. 006-2024 – Special Use License with BCD Racing for a special event for a cyclocross bicycle race on Saturday, January 20 and 28, 2024 within the Peralta Main Canal right-of-way.



HB 6 PAID FAMILY & MEDICAL LEAVE ACT (Christine Chandler)

Link to PDF & FIR: [Bill Info](#)

Action Text: HPREF [2] HHC/HCEDC-HHC [4] DP-HCEDC

Position: Priority: Category:
Current Location: HCEDC
Referrals: HHC/HCEDC
Scheduled on - Date: Time: Location:
Updated on - Date: 01/25/2024
Introduced on - Date: 01/13/2024
Message #: 14

Summary: House Bill 6 (HB 6) enacts the Paid Family and Medical Leave Act and creates the Paid Family and Medical Leave Fund. HB 6 provides for the Paid Family and Medical Leave Program to pay eligible employees a percentage of their wages to bond with a new child or care for a family member for a limited time. HB 6 makes exceptions for certain employees. HB 6 provides for the Workforce Solutions Department to administer the program. Similar programs are preempted. HB 6 creates a temporary advisory committee.

Relationship: House Bill 6 duplicates Senate Bill 226552 to create the Paid Family and Medical Leave Act.

HB 8 ELECTED OFFICIALS & GOV'T CONDUCT ACT CHANGES (Kathleen M Cates)

Link to PDF & FIR: [Bill Info](#)

Action Text: HPREF [1] not prntd-HRC [2] w/dm-prntd-ref- HGEIC/HJC-HGEIC [3] DP-HJC [5] DNP-CS/DP [6] PASSED/H (66-0)- SJC/SFC-SJC

Position: Priority: Category:
Current Location: SJC
Referrals: HGEIC/HJC/SJC/SFC
Scheduled on - Date: 02/10/2024 Time: 12:00 Location: Rm 321
Updated on - Date: 02/01/2024
Introduced on - Date: 01/12/2024
Message #: 21

Summary: House Bill 8 (HB 8) - Outlines amendments to the Governmental Conduct Act in the state of New Mexico.

HB 9 CLIMATE, ENERGY & WATER DIVISION (Meredith Dixon)

Link to PDF & FIR: [Bill Info](#)

Action Text: [4] HCEDC/HAFC-HCEDC [9] DNP-CS/DP-HAFC

Position: Priority: Category:
Current Location: HAFC
Referrals: HCEDC/HAFC
Scheduled on - Date: Time: Location:
Updated on - Date: 02/06/2024
Introduced on - Date: 01/29/2024
Message #:

Summary: House Bill 9 (HB 9) creates the Climate, Energy and Water Division within the Economic Development Department and provides the powers and duties of the division. It establishes the decarbonization technology program and creates the Climate, Energy and Water Project Fund. HB 9 appropriates fifteen million dollars (\$15,000,000). House Bill 9 (HB 9) creates the Climate, Energy and Water Division within the Economic Development Department and provides the powers and duties of the division. It establishes the decarbonization technology program and creates the Climate, Energy and Water Project Fund. HB 9 appropriates fifteen million dollars (\$15,000,000).

Relationship: HB 9 relates to HB 237

Current Law: New Mexico's objective is to achieve a statewide reduction in greenhouse gas emissions of at least 45% by 2030 as compared to 2005 levels. Governor Lujan Grisham by executive order 2019-003 established the Climate Change Task Force comprised of nine smaller, interagency Climate Action Teams responsible for proposing, planning, and implementing strategies to reduce greenhouse gas emissions and enhance New Mexico's ability to adapt to climate change.

HB 11 PAID FAMILY & MEDICAL LEAVE INSURANCE ACT (Marian Matthews)

Link to PDF & FIR: [Bill Info](#)

Action Text: [2] HHC/HCEDC-HHC

Position: Priority: Category:
Current Location: HHC
Referrals: HHC/HCEDC
Scheduled on - Date: Time: Location:
Updated on - Date: 01/18/2024
Introduced on - Date: 01/18/2024
Message #: 14

Summary: House Bill 11 (HB 11) enacts the Paid Family and Medical Leave Insurance Act and creates an authority and board. HB 11 creates the Paid Family and Medical Leave Insurance Fund and provides for administration. HB 11 excepts certain employees. HB 11 provides for rule making and an appeals process. HB 11 preempts similar programs. HB 11 prescribes penalties.

Relationship: Relates to SB 3 and HB 6 Paid Family and Medical Leave Act.

HB 11 PAID FAMILY & MEDICAL LEAVE INSURANCE ACT (Marian Matthews)

Link to PDF & FIR: [Bill Info](#)

Action Text: [2] HHC/HCEDC-HHC

Position: Priority: Category:
Current Location: HHC
Referrals: HHC/HCEDC
Scheduled on - Date: Time: Location:
Updated on - Date: 01/18/2024
Introduced on - Date: 01/18/2024
Message #: 14

Summary: House Bill 11 (HB 11) enacts the Paid Family and Medical Leave Insurance Act and creates an authority and board. HB 11 creates the Paid Family and Medical Leave Insurance Fund and provides for administration. HB 11 excepts certain employees. HB 11 provides for rule making and an appeals process. HB 11 preempts similar programs. HB 11 prescribes penalties.

Relationship: Relates to SB 3 and HB 6 Paid Family and Medical Leave Act.

HB 41 CLEAN TRANSPORTATION FUEL STANDARDS (Kristina Ortez)

Link to PDF & FIR: [Bill Info](#)

Action Text: HPREF [2] HENRC/HJC-HENRC- DP-HJC [4] DNP-CS/DP [8] PASSED/H (36-33) [6] SCONC/SFC-SCONC [7] DP-SFC

Position: Priority: Category:
Current Location: SFC
Referrals: HENRC/HJC/SCONC/SFC
Scheduled on - Date: Time: Location:
Updated on - Date: 02/08/2024
Introduced on - Date: 01/03/2024
Message #: 2

Summary: House Bill 41 (HB 41) authorizes the Environmental Improvement Board to adopt rules to establish and assess fees for a clean transportation fuels standard.

Current Law: The state has no clean fuel transportation standards or program currently.

HB 154 PUBLIC RETIREES RETURNING TO WORK (William Rehm)

Link to PDF & FIR: [Bill Info](#)

Action Text: [2] rclid frm/h

Position: Priority: Category:
Current Location:
Referrals: HRC
Scheduled on - Date: Time: Location:
Updated on - Date: 01/18/2024
Introduced on - Date: 01/18/2024
Message #:

Summary: House Bill 154 (HB 154) This act is related to public employees in the state of New Mexico. The act outlines conditions under which certain public employees may retire and subsequently return to work for affiliated public employers.

HB 177 NM MATCH FUND (Meredith Dixon)

[Link to PDF & FIR: Bill Info](#)
Action Text: [2] HRDLC/HAFC-HRDLC [3] DP-HAFC [7] DP/a [9] PASSED/H (65-0) [6] SFC-SFC [8] DP

Position: Priority: Category:
Current Location: SCal
Referrals: HRDLC/HAFC/SFC
Scheduled on - Date: 02/11/2024 Time: 13:00 Location: Senate Chambers
Updated on - Date: 02/10/2024
Introduced on - Date: 01/18/2024
Message #: 12

Summary: House Bill 177 (HB 177) creates the New Mexico Match Fund and appropriates one hundred million dollars (\$100,000,000) to the NM Match Fund. It declares an emergency.

Current Law: Currently the state has no one source for matching funds or project overruns for federal grants. Having a source of matching funds and funds for administrative use for the grant will make it easier, especially for smaller qualified entities, to obtain and keep federal grant awards.

HB 182 ELECTION CHANGES (Gail C. Chasey)

[Link to PDF & FIR: Bill Info](#)
Action Text: [2] HGEIC/HJC-HGEIC [6] DP-HJC [10] DNP-CS/DP

Position: Priority: Category:
Current Location: HCal
Referrals: HGEIC/HJC
Scheduled on - Date: 02/12/2024 Time: 10:30 Location: House Chambers
Updated on - Date: 02/08/2024
Introduced on - Date: 01/22/2024
Message #: 27

Summary: House Bill 182 (HB 182) amends sections of the Campaign Reporting Act by requiring disclaimers for advertisements generated by using artificial intelligence or containing materially deceptive media. It also creates the crime of distributing materially deceptive media. The bill has an emergency clause, to take effect immediately.

HB 196 GOV'T ACCOUNTABILITY TRUST & FUND (Nathan Small)

[Link to PDF & FIR: Bill Info](#)
Action Text: [2] HAFC-HAFC [10] DNP-CS/DP [12] PASSED/H (39-28) [7] SFC-SFC

Position: Priority: Category:
Current Location: SFC
Referrals: HAFC/SFC
Scheduled on - Date: 02/11/2024 Time: 12:00 Location: Rm 322
Updated on - Date: 02/09/2024
Introduced on - Date: 01/22/2024
Message #:

Summary: House Bill 196 (HB 196) creates the Government Accountability Expendable Trust (GAET) and the Government Accountability Program Fund (GAPF); provides for distributions from the GAET to the GAPF to fund pilot projects that will be evaluated by the Legislative Finance Committee in consultation with the state budget division of the Department of Finance and Administration (DFA) and the state agency administering the pilot project; changes a provision of law that currently transfers certain excess revenue to the tax stabilization reserve to instead transfer the excess revenue to the GAET.

Current Law: Currently, the Government Accountability Expandable Trust (GAET) and Government Accountability Program Fund (GAPF) do not exist, nor are there related allowable distributions. Also, certain excess revenue currently may only be transferred to the Tax Stabilization Reserve. If the bill does not pass, this situation will remain the status quo.

HB 196 GOV'T ACCOUNTABILITY TRUST & FUND (Nathan Small)

Link to PDF & FIR: [Bill Info](#)

Action Text: [2] HAFC-HAFC [10] DNP-CS/DP [12] PASSED/H (39-28) [7] SFC-SFC

Position: Priority: Category:

Current Location: SFC

Referrals: HAFC/SFC

Scheduled on - Date: 02/11/2024 Time: 12:00 Location: Rm 322

Updated on - Date: 02/09/2024

Introduced on - Date: 01/22/2024

Message #:

Summary: House Bill 196 (HB 196) creates the Government Accountability Expandable Trust (GAET) and the Government Accountability Program Fund (GAPF); provides for distributions from the GAET to the GAPF to fund pilot projects that will be evaluated by the Legislative Finance Committee in consultation with the state budget division of the Department of Finance and Administration (DFA) and the state agency administering the pilot project; changes a provision of law that currently transfers certain excess revenue to the tax stabilization reserve to instead transfer the excess revenue to the GAET.

Current Law: Currently, the Government Accountability Expandable Trust (GAET) and Government Accountability Program Fund (GAPF) do not exist, nor are there related allowable distributions. Also, certain excess revenue currently may only be transferred to the Tax Stabilization Reserve. If the bill does not pass, this situation will remain the status quo.

HB 211 WATER PROJECT PRIORITIZATION (Susan K Herrera)

Link to PDF & FIR: [Bill Info](#)

Action Text: [3] HAAWC/HAFC-HAAWC [5] DNP-CS/DP-HAFC [10] DP/a [13] PASSED/H (67-0) [8] SCONC-SCONC

Position: Priority: Category:

Current Location: SCONC

Referrals: HAAWC/HAFC/SCONC

Scheduled on - Date: Time: Location:

Updated on - Date: 02/10/2024

Introduced on - Date: 01/23/2024

Message #:

Summary: House Bill 211 (HB 211) prioritizes Water Project Fund projects that are urgent to address public health and safety. It allows the Water Trust Board to authorize water projects for wastewater conveyance and treatment and provides that the New Mexico Finance Authority set requirements of financial capability of qualifying entities and determine costs of originating grants and loans. HB 211 removes the requirement that eligible entities conduct an audit and that water project plans are reviewed and recommended by the state engineer and the Department of Environment before approval. It removes fiscal agent fees from items that are eligible for grants and loans and reduces the amount of water project funds distributed to the state engineer. HB 211 allows the New Mexico Finance Authority to fund water projects without receiving the approval of the legislature for the next five years and changes the date that the Water Trust Board is required to report to the legislature. It provides that money in the Water Project Fund may be used to hire contractors to provide technical assistance.

COMMITTEE SUBSTITUTE

The House Agriculture, Acequias and Water Resources Committee introduced a committee substitute for HB 211 (HAAWC CS/HB 211) that prioritizes Water Project Fund projects that are urgent to address public health and safety. It allows the Water Trust Board to authorize water projects for wastewater conveyance and treatment and provides that the New Mexico Finance Authority set requirements of financial capability of qualifying entities and determine costs of originating grants and loans. HAAWC CS/HB 211 removes the requirement that eligible entities conduct an audit. It removes fiscal agent fees from items that are eligible for grants and loans and reduces the amount of water project funds distributed to the state engineer for the next five years. HAAWC CS/HB 211 allows the New Mexico Finance Authority to fund water projects without receiving the approval of the legislature for the next five years and changes the date that the Water Trust Board is required to report to the legislature. It provides that money in the Water Project Fund may be used to hire contractors to provide technical assistance;

Current Law:

Pursuant to the Water Project Finance Act (Section 72-4A-1 et seq NMSA 1978), NMFA provides administrative support to the sixteen-member Water Trust Board and manages the Water Project Fund on its behalf. NMFA makes loans and grants for projects recommended by the Water Trust Board and authorized by the legislature including water conservation or recycling, treatment or water reuse projects; flood prevention projects; Endangered Species Act (ESA) collaborative projects; water storage, conveyance or delivery projects; and/or watershed restoration and management projects. The Water Project Fund annually receives nine percent of Senior Severance Tax Bond ("STB") proceeds as well as a distribution from the Water Trust Fund. Water Trust Board awards are a combination of grants and loans, based upon the financial capacity of the applicants.

<https://www.nmfinance.com/water-project-fund/>

HB 219 REDUCE GROSS RECEIPTS TAX RATE (Jason C. Harper)

Link to PDF & FIR: [Bill Info](#)

Action Text: [3] HCEDC/HTRC-HCEDC [5] w/drn-HTRC

Position: Priority: Category:

Current Location: HTRC

Referrals: HCEDC/HTRC

Scheduled on - Date: Time: Location:

Updated on - Date: 01/30/2024

Introduced on - Date: 01/23/2024

Message #:

Summary:

House Bill 219 (HB 219) reduces Gross Receipts Tax and Compensating Tax rates. HB 219 expands deductions for the sale of professional services.

HB 301 FUTURE WATER TRUST FUND (William Rehm)

Link to PDF & FIR: [Bill Info](#)

Action Text: [6] HAAWC/H AFC-HAAWC [9] DP-HAFC

Position: Priority: Category:

Current Location: HAFC

Referrals: HAAWC/H AFC

Scheduled on - Date: 02/12/2024 Time: 13:30 Location: Rm 307

Updated on - Date: 02/06/2024

Introduced on - Date: 01/31/2024

Message #:

Summary:

House Bill 301 (HB 301) creates the Future Water Trust Fund and the Future Water Project Fund. It includes the Future Water Trust Fund in the permanent funds invested by the State Investment Council. HB 301 makes an appropriation.

Current Law:

The Water Trust Fund (WTF) another constitutionally protected permanent fund, created in 2006, distributes \$4 million annually to the state's Water Trust Board, which authorizes spending these and other state funds on various water infrastructure projects around New Mexico.

<https://www.sic.state.nm.us/investments/permanent-funds/water-trust-fund/>

SB 1 WATER TRUST FUND (Peter Wirth)

Link to PDF & FIR: [Bill Info](#)

Action Text: [1] SCC/SCONC/SFC-SCC-germane-SCONC [3] DP-SFC

Position: Priority: Category:

Current Location: SFC

Referrals: SCC/SCONC/SFC

Scheduled on - Date: Time: Location:

Updated on - Date: 01/24/2024

Introduced on - Date: 01/16/2024

Message #:

Summary:

Senate Bill 226849 (SB) transfers one hundred million dollars (\$100,000,000) to the Water Trust Fund. The Water and Natural Resources Committee asked for the introduction of this bill.

Current Law:

The Water Trust Fund (WTF) is a constitutionally protected permanent fund created in 2006 with an initial appropriation of \$40 million and a subsequent legislative contribution of \$15 million in 2007.

The WTF distributes \$4 million annually to the state's Water Trust Board, which authorizes spending these and other state funds on various water infrastructure projects around New Mexico.

<https://www.sic.state.nm.us/investments/permanent-funds/water-trust-fund/>

SB 3 PAID FAMILY MEDICAL LEAVE ACT (Mimi Stewart)

Link to PDF & FIR: [Bill Info](#)

Action Text: [1] SCC/STBTC/SFC-SCC [2]germane-STBTC [4] DP-SFC [6] DP/a [7] fl/aa- PASSED/S (25-15) [13] HHHC-HHHC

Position: Priority: Category:
Current Location: HHHC
Referrals: SCC/STBTC/SFC/HHHC
Scheduled on - Date: Time: Location:
Updated on - Date: 02/10/2024
Introduced on - Date: 01/10/2024
Message #: 12

Summary: Senate Bill 3 (SB 3) enacts the Paid Family and Medical Leave Act and creates the Paid Family and Medical Leave Fund. SB 3 provides for the Paid Family and Medical Leave Program to pay eligible employees a percentage of their wages to bond with a new child or care for a family member for a limited time. SB 3 makes exceptions for certain employees. SB 3 provides for the Workforce Solutions Department to administer the program. Similar programs are preempted. SB 226552 creates a temporary advisory committee.

Relationship: Senate Bill 3 duplicates House Bill 6 to create the Paid Family and Medical Leave Act.

SB 9 CONSERVATION LEGACY FUND (Steven P. Neville)

Link to PDF & FIR: [Bill Info](#)

Action Text: [1] SCC/SCONC/SFC-SCC-germane-SCONC [3] DP-SFC

Position: Priority: Category:
Current Location: SFC
Referrals: SCC/SCONC/SFC
Scheduled on - Date: Time: Location:
Updated on - Date: 01/24/2024
Introduced on - Date: 01/16/2024
Message #:

Summary: Senate Bill 9 (SB 9) transfers three hundred million dollars (\$300,000,000) to the Conservation Legacy Permanent Fund for the purposes of the fund and makes an appropriation.

Relationship: SB 9 relates to SJR 15

Current Law: After four years of negotiations with constituent interest groups, New Mexico created the Land of Enchantment Legacy Fund during the 2023 legislative session. Until that year, New Mexico did not have a dedicated revenue stream for conservation and restoration projects which meant there were no line items in funding bills for these types of projects and no federal matching funds. The legislature appropriated \$100 million during that same session, with \$50 million slated to be spent over the next four years, and \$50 million put into a permanent fund to generate interest. Money from the fund goes to 10 existing programs, including 10% to the River Stewardship program which does riparian restoration work, 22% to the Game and Fish Department for Endangered Species work, and 22.5% to the Department of Agriculture for soil health and noxious weeds management. The rest of the spending will go toward other conservation causes.

SB 43 UTILITY EASEMENTS FOR BROADBAND (Michael Padilla)

Link to PDF & FIR: [Bill Info](#)

Action Text: [1] SCC/STBTC/SJC-SCC

Position: Priority: Category:
Current Location: SCC
Referrals: SCC/STBTC/SJC
Scheduled on - Date: Time: Location:
Updated on - Date: 01/17/2024
Introduced on - Date: 01/04/2024
Message #: 13

Summary: Senate Bill 43 (SB 43) enacts the Utility Easements for Broadband Act, authorizing the use and sharing of easements for the provision of communication services throughout the state.

Relationship: Senate Bill 49 (SB 49) - Rural Infrastructure Response Act
Senate Bill 45 (SB 45) - Broadband Infrastructure

Current Law: Chapter 62 NMSA 1978 is currently in place to provide guidance on electric (and other) utilities. If the bill does not pass, the proposed additional sections will not be included to modify and clarify the existing law related to easements for broadband.

SB 101 WATER LAW VIOLATION PENALTIES (Antoinette Sedillo-Lopez)

Link to PDF & FIR: [Bill Info](#)

Action Text: [1] SCC/SCONC/SJC-SCC

Position: Priority: Category:
Current Location: SCC
Referrals: SCC/SCONC/SJC
Scheduled on - Date: Time: Location:
Updated on - Date: 01/18/2024
Introduced on - Date: 01/12/2024
Message #:

Summary: Senate Bill 101 (SB 101) authorizes the Office of the State Engineer to inspect permit and license holder records. It increases the maximum penalty for a violation of water law and provides for an annual increase in penalties for a violation of water law to account for inflation.

Current Law: There is no requirement that owners or lessees must show the OSE or other officials any of their records upon request. The maximum daily penalty for most violations is now one hundred dollars (\$100) and the maximum civil penalty in a district court action on an appeal of a suspension or revocation of a license is one thousand dollars.

SB 111 PROTECT STATE WATERS (Siah Correa Hemphill)

Link to PDF & FIR: [Bill Info](#)

Action Text: [1] SCC/SCONC/SFC-SCC [2]germane-SCONC- DP-SFC

Position: Priority: Category:
Current Location: SFC
Referrals: SCC/SCONC/SFC
Scheduled on - Date: Time: Location:
Updated on - Date: 01/25/2024
Introduced on - Date: 01/18/2024
Message #:

Summary: Senate Bill 111 (SB 111) appropriates eight hundred forty thousand dollars (\$840,000) to the Department of Environment to provide additional resources to protect water in the state

Current Law: According to NMED website, one of the steps to identify surface water quality issues is to collect water quality data and information through organized, quality-controlled monitoring. The Surface Water Quality Bureau in the NMED uses robust scientific methods in a way that is transparent to water quality agencies and the public. Its Monitoring Program tests surface water quality for such bodies as streams, rivers, lakes, and reservoirs and focuses primarily on chemical, physical, and biological conditions in these perennial waters, and includes sampling for most pollutants that have numeric or narrative water quality criteria in New Mexico. To meet federal and state requirements and expectations, the Surface Water Quality Bureau of the NMED developed and occasionally updates a monitoring strategy (2016, revisions pending 2023). It assesses the data collected during these water quality surveys to determine if they meet state water quality standards. These data assessments are then used to develop the State of New Mexico Clean Water Act §303(d)/305(b) Integrated Report and Total Maximum Daily Load planning documents.
<https://www.env.nm.gov/surface-water-quality/water-quality-monitoring/>

SB 160 RIO GRANDE STATE PARK RESTORATION (Antonio "Moe" Maestas)

Link to PDF & FIR: [Bill Info](#)

Action Text: [2] SCC/SCONC/SFC-SCC-germane-SCONC [4] DP-SFC

Position: Priority: Category:
Current Location: SFC
Referrals: SCC/SCONC/SFC
Scheduled on - Date: Time: Location:
Updated on - Date: 01/30/2024
Introduced on - Date: 01/22/2024
Message #:

Summary: Senate Bill 160 (SB 160) appropriates twenty million dollars (\$20,000,000) for the restoration of the Rio Grande Valley State Park.

Current Law:

According to the city of Albuquerque's website, the state legislature established the Rio Grande Valley State Park [known colloquially as the Bosque (forest)] in 1983 which is managed cooperatively by the Open Space Division and the Middle Rio Grande Conservancy District. The 4,300-acre park extends from Sandia Pueblo in the north through Albuquerque and south to Isleta Pueblo, and is located on both the east and west sides of the Rio Grande.

The City's Open Space Division and Albuquerque Fire and Rescue secured a nearly \$1,000,000 FEMA grant in 2019 to support a wildfire mitigation project to reduce the severity of catastrophic wildfires and support overall forest health in the park. FEMA approved the mitigation plan in September 2023. The project area is 470 acres on both the west and east sides of the Rio Grande, south of Bridge Boulevard to north of Central Avenue. In recent years, this stretch of forest has seen numerous wildfires varying in size and severity. Crews are primarily focused on removing non-native species of plants as well as thinning understory vegetation that serves as ladder fuels under large cottonwood trees and removing downed wood.

<https://www.cabq.gov/parksandrecreation/open-space/lands/rio-grande-valley-state-park>.

SB 169 LAND & WATER CONSERVATION FUND CHANGES (Mimi Stewart)

Link to PDF & FIR: [Bill Info](#)

Action Text: [2] SCC/SCONC/SFC-SCC [4]germane-SCONC [6] DP/a-SFC [7] DP/a [8] PASSED/S (38-0) [13] HRDLC-HRDLC

Position: Priority: Category:

Current Location: HRDLC

Referrals: SCC/SCONC/SFC/HRDLC

Scheduled on - Date: Time: Location:

Updated on - Date: 02/10/2024

Introduced on - Date: 01/23/2024

Message #: 48

Summary:

Senate Bill 169 (SB 169) amends the State Supplemental Land and Water Conservation Fund by removing the political subdivision fund matching requirement and changing the incorporated municipality population cap. It amends eligible recipients of funds and requires prioritization of funding requests of Indian nations, tribes and pueblos. SB 169 removes a reference to a defunct entity and revising citations. It appropriates ten million dollars (\$10,000,000).

Amendment
2/9/2024

The Senate Finance Committee amended SCONC SB 169A (SFC SB 169AA) by removing the political subdivision fund matching requirement and changing the incorporated municipality population cap in the State Supplemental Land and Water Conservation Fund. It amends eligible recipients of funds and requires prioritization of funding requests of Indian nations, tribes and pueblos. It clarifies the State Supplemental Land and Water Conservation Fund's usage . SFC SB 169AA removes a reference to a defunct entity and revising citations

Current Law:

The Energy, Minerals And Natural Resources Department administers the State Supplemental Land and Water Conservation Fund including processing of grants which are conditioned, in part, on having at least fifty percent federal funding for the project. (Section 16-1-2 NMSA 1978)

The US Congress has funded the federal Land and Water Conservation Fund (LWCF) since 1965 with the goals of acquiring land and interest in land to safeguard natural areas, water resources and cultural heritage, and to provide recreation opportunities to all Americans.

Congress permanently authorized the LWCF in 2019, and in 2020 enacted full funding of \$900 million annually, allocated among the BLM, the National Park Service, the U.S. Fish & Wildlife Service, the U.S. Forest Service and state and local governments. The fund helps strengthen communities, preserve history and protect the national endowment of lands and waters, in part, by providing matching grants to state governments for the acquisition and development of public parks and other outdoor recreation sites. The BLM uses LWCF to support specific conservation and recreation projects and to enhance public access to public land, waters and resources, under the direction of the bureau's National Conservation Lands and Community Partnerships office.

<https://www.blm.gov/programs/land-and-water-conservation-fund>

<https://www.doi.gov/lwcf>

SB 185 WATER PROJECT FUND (Roberto "Bobby" Gonzales)

Link to PDF & FIR: [Bill Info](#)

Action Text: [2] SCC/SCONC/SFC-SCC [3]germane-SCONC [4] DP-SFC

Position: Priority: Category:
Current Location: SFC
Referrals: SCC/SCONC/SFC
Scheduled on - Date: Time: Location:
Updated on - Date: 01/30/2024
Introduced on - Date: 01/23/2024
Message #:

Summary: Senate Bill 185 (SB 185) appropriates one hundred fifty million dollars (\$150,000,000) to the Water Project Fund.

Relationship: SB 185 duplicates HB 201 and relates to HB 148.

Current Law: Pursuant to the Water Project Finance Act (Section 72-4A-1 et seq NMSA 1978), NMFA provides administrative support to the sixteen-member Water Trust Board and manages the Water Project Fund on its behalf. NMFA makes loans and grants for projects recommended by the Water Trust Board and authorized by the legislature including water conservation or recycling, treatment or water reuse projects; flood prevention projects; Endangered Species Act (ESA) collaborative projects; water storage, conveyance or delivery projects; and/or watershed restoration and management projects. The Water Project Fund annually receives nine percent of Senior Severance Tax Bond ("STB") proceeds as well as a distribution from the Water Trust Fund. Water Trust Board awards are a combination of grants and loans, based upon the financial capacity of the applicants.
<https://www.nmfinance.com/water-project-fund/>

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the Legislature. LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

FISCAL IMPACT REPORT

SPONSOR <u>Rep. Chandler/Sen. Stewart</u>	LAST UPDATED <u>2/6/24</u>	ORIGINAL DATE <u>1/24/24</u>
SHORT TITLE <u>Paid Family & Medical Leave Act</u>	BILL NUMBER <u>Senate Bill 3/aSFC</u>	ANALYST <u>Faubion/Mercer-Garcia</u>

REVENUE* (dollars in thousands)

Type	FY25	FY26	FY27	FY28	FY29	Recurring or Nonrecurring	Fund Affected
General fund payback	\$0	\$0	\$0	\$6000.0	\$6000.0	Recurring	General Fund
General fund payback	\$0	\$0	\$0	(\$6000.0)	(\$6000.0)	Recurring	PFML Fund
Contributions	\$0	\$184,546.4	\$376,286.8	\$390,855.5	\$405,940.2	Recurring	PFML Fund
Benefits Paid	\$0	\$0	(\$117,649.0) to (\$228,134.9)	(\$239,823.0) to (\$465,044.3)	(\$249,078.8) to (\$482,992.3)	Recurring	PFML Fund

Parentheses () indicate revenue decreases.

*Amounts reflect most recent analysis of this legislation.

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY25	FY26	FY27	FY28*	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
WSD Start-up Costs	\$24,362.5	\$23,215.0			\$47,577.5	Nonrecurring	General Fund
WSD Ongoing Operating Costs			\$28,725.0	\$22,849.0	\$28,725.0	Recurring	PFML Fund
State Employer Contributions	\$0	\$10,334.4	\$21,288.9		\$31,623.4	Recurring	General Fund
Total	\$24,362.5	\$33,549.4	\$50,013.9	\$22,849.0	\$107,925.9	Recurring/Nonrecurring	

*FY28 included to show ongoing recurring costs are lower than in FY27. Total is not included in 3-year totals.

Duplicates House Bill 6, Conflicts with House Bill 11

Sources of Information

LFC Files

Agency Analysis Received From
 Workforce Solutions Department (WSD)
 Attorney General's Office (NMAG)
 State Personnel Office (SPO)
 University of New Mexico (UNM)
 Economic Development Department (EDD)
 Health Care Authority (HCA)

State Investment Council (SIC)
Council of University Presidents (CUP)

Agency Analysis was Solicited but Not Received From
Taxation and Revenue Department (TRD)
Higher Education Department (HED)
Public Education Department (PED)
Department of Finance and Administration (DFA)

SUMMARY

Synopsis of SFC Amendment to Senate Bill 3

The Senate Finance Committee (SFC) amendment to Senate Bill 3 made several technical revisions and added several definitions of the bill.

The amendment added definitions related to “employee leasing arrangements,” or instances in which a temp agency provides contractor employees to a client. The amendment then clarified when an employee leasing arrangement is in place, contributions shall be remitted by the employee leasing contractor.

The SFC amendment also struck the language “related by blood or affinity” in the section of the bill which defines familial relationships that would render an employee eligible for leave.

The SFC amendment also clarifies self-employed individuals and employees may not be eligible for leave if the leave compensation duplicates other benefits or compensation the employee receives for the same period of time.

None of the SFC changes are projected to have a significant fiscal impact or affect the fiscal analysis below.

Synopsis of original Senate Bill 3

Senate Bill 3 (SB3) would codify a 12-week paid family medical leave (PFML) benefit for nearly all workers in the state and establish a state-run PFML program for employees who do not receive a qualifying benefit from their employer. The bill establishes procedures for administering and overseeing the state PFML program, calculating payroll tax contributions and leave benefits, and establishes mechanisms to maintain fund solvency.

Contributions. The bill requires employee contributions of 0.5 percent and employer contributions of 0.4 percent of wages into the newly established PFML fund. Taxable income is capped at the maximum income subject to the social security payroll tax, set at \$168.6 thousand in 2024.

Starting on January 1, 2028, the WSD secretary would be required to ensure the fund is self-sufficient by performing an annual financial analysis and setting the premium for the following calendar year at a rate that would obtain contributions equal to 135 percent of the benefits paid during the previous year and all administrative costs minus net assets remaining in the fund as of June 30 of the current calendar year. The rate can only be raised up to 0.1 percent each year. The

premium set by this standard would be paid 55 percent by the employee and 45 percent by the employer.

The bill includes a provision allowing the department to waive employers and employees from contributing to the fund if the employer already has a leave program in place that is equal to or more generous than the proposed PFML benefit for an equal or lesser contribution premium by the employee.

Benefits. The 12-week benefit can be taken consecutively or intermittently and in increments of no less than eight hours. To receive the benefit, the employee would have to pay into the fund for at least a six-month period in the year prior to taking leave. Benefits paid equal 100 percent of the state minimum wage plus 67 percent of the employees wage above the minimum wage up to the state average wage.

Definitions. Leave can be taken for oneself or to care for a family member for the following qualifying events:

- A serious health condition;
- Seeking safe leave from domestic violence, stalking, sexual assault, or abuse; and
- On active military duty or called to impending active duty.

Family member is defined as the employee's spouse or domestic partner and the employee's or employee's spouse or domestic partner's biological, adoptive, foster, or step:

- Child or child under one's care (in loco parentis),
- Parent or legal guardian,
- Grandparent,
- Great-grandparent,
- Grandchild,
- Sibling, and
- Any other individual that is the equivalent of a family relationship.

Leave can be taken for oneself:

- To bond with a child following birth or adoption, and
- Following the death of family member under the age of 18.

Administration. The PFML benefit would be paid for with money in the PFML fund, with some of the money in the fund going toward administrative costs and paying back the general fund for start-up costs incurred by the Workforce Solutions Department (WSD). The bill includes annual \$6 million fund transfers starting on January 1, 2028, from the newly created PFML fund to the general fund until the total transfers from the PFML fund equal the amount of appropriations made to WSD for administrative start-up costs.

The bill creates a PFML implementation advisory committee with members from various community organizations and others, provides for rule-making authority for WSD, clarifies that the bill would not affect collective bargaining unit agreements, preempts local entities' policies, creates an administrative process for appeals, establishes WSD disciplinary powers, and makes it unlawful for an employer or other person to interfere with a person attempting to exercise a right under PFML.

The bill also requires WSD to contract with an actuarial consultant by January 1, 2025, to analyze the program components, including the premium rate, the rate structure, the benefit formula, and the fund reserve.

The bill requires WSD process and resolve claims according to timeliness standards outlined in the bill, including providing claimants with notice of claim approvals within 10 days and afford parties with appeal and procedural due process. Individuals or the department may bring motions of alleged violations of PFML, and the department must provide a due process hearing and ruling within 20 days.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns, or May 15, 2024, if enacted.

FISCAL IMPLICATIONS

Fund Solvency

Three scenarios were used to provide a range of potential costs depending on the assumed uptake rate. In two of the three scenarios, the fund becomes insolvent, triggering a provision requiring the secretary to increase the premium rates. However, in both insolvent scenarios, there are many years before insolvency, giving the department and the Legislature time to adjust if deemed necessary. One scenario shows revenues into the fund outpacing benefit payments out of the fund, resulting in fund sustainability and the possibility to lower the premium rate.

Contribution payments by employees and employers into the PFML fund begin January 1, 2026. Leave compensation benefit payments to employees from the PFML fund begin January 1, 2027. The estimated contributions and payouts included in the tables represent a range of scenarios given varying, but plausible, estimates of the number, duration, and average amount of leave compensation claims, as well as varying estimates of the value of contributions. Other assumptions—such as wage levels, employment duration, length of leave, number of claims per qualifying event, and others—could have significant impacts on the estimates of the fund's revenues and disbursements.

Low Uptake Scenario					
	2026	2027	2028	2029	2030
Eligible Workers	753,519	757,935	761,839	766,033	770,250
Leave Takers	48,077	48,359	48,608	48,875	49,145
Annual Benefits Paid		\$235,298,019	\$244,348,002	\$253,809,607	\$263,637,583
Administrative Costs*	\$47,577,500	\$28,725,000	\$22,849,000	\$22,849,000	\$22,849,000
Reimburse General Fund		\$6,000,000	\$6,000,000	\$6,000,000	\$6,000,000
Total Estimated Cost	\$47,577,500	\$270,023,019	\$273,197,002	\$282,658,607	\$292,486,583
Estimated Revenue to FMLA Fund	\$ 369,092,841.4	\$383,480,781	\$398,230,138	\$413,650,343	\$429,667,647
Calendar Year Cash Flow	\$ 369,092,841.4	\$ 113,457,762.0	\$ 125,033,136.3	\$ 130,991,736.3	\$ 137,181,064.3
Fund Balance Prior Year		\$369,092,841	\$482,550,603	\$607,583,740	\$738,575,476
FMLA Fund Balance (deficit)	\$369,092,841	\$482,550,603	\$607,583,740	\$738,575,476	\$875,756,540

Middle Uptake Scenario					
	2026	2027	2028	2029	2030
Eligible Workers	753,519	757,935	761,839	766,033	770,250
Leave Takers	69,648	70,056	70,417	70,804	71,194
Annual Benefits Paid		\$388,835,040	\$403,790,332	\$419,425,838	\$435,666,780
Administrative Costs*	\$47,577,500	\$28,725,000	\$22,849,000	\$22,849,000	\$22,849,000
Reimburse General Fund		\$6,000,000	\$6,000,000	\$6,000,000	\$6,000,000
Total Estimated Cost	\$47,577,500	\$423,560,040	\$432,639,332	\$448,274,838	\$464,515,780
Estimated Revenue to FMLA Fund	\$ 369,092,841.4	\$383,480,781	\$398,230,138	\$413,650,343	\$429,667,647
Calendar Year Cash Flow	\$ 369,092,841.4	\$ (40,079,260.0)	\$ (34,409,194.4)	\$ (34,624,495.4)	\$ (34,848,133.2)
Fund Balance Prior Year		\$369,092,841	\$329,013,581	\$294,604,387	\$259,979,892
FMLA Fund Balance (deficit)	\$369,092,841	\$329,013,581	\$294,604,387	\$259,979,892	\$225,131,758

High Uptake Scenario					
	2026	2027	2028	2029	2030
Eligible Workers	753,519	757,935	761,839	766,033	770,250
Leave Takers	81,500	81,978	82,400	82,854	83,310
Annual Benefits Paid		\$456,269,774	\$473,818,726	\$492,165,861	\$511,223,430
Administrative Costs*	\$47,577,500	\$28,725,000	\$22,849,000	\$22,849,000	\$22,849,000
Reimburse General Fund		\$6,000,000	\$6,000,000	\$6,000,000	\$6,000,000
Total Estimated Cost	\$47,577,500	\$490,994,774	\$502,667,726	\$521,014,861	\$540,072,430
Estimated Revenue to FMLA Fund	\$ 369,092,841.4	\$383,480,781	\$398,230,138	\$413,650,343	\$429,667,647
Calendar Year Cash Flow	\$ 369,092,841.4	\$ (107,513,993.4)	\$ (104,437,588.4)	\$ (107,364,517.9)	\$ (110,404,783.5)
Fund Balance Prior Year		\$369,092,841	\$261,578,848	\$157,141,260	\$49,776,742
FMLA Fund Balance (deficit)	\$369,092,841	\$261,578,848	\$157,141,260	\$49,776,742	(\$60,628,042)

2026 administrative costs include all startup costs and is not calculated as part of the PFML fund cashflow as it is a separate general fund appropriation. Subsequent years only reflect ongoing operating expenses.

Risk: Uptake Rates. Uptake rates are extremely difficult to predict because every state and program is unique. Differing health outcomes, wages, existing leave landscape, number of births, and other factors could greatly affect uptake rates relative to other states. All existing state PFML programs are in wealthier states, and their uptake rates may be quite a bit lower than in New Mexico. There are several reasons to suggest more New Mexicans will utilize a PFML program, and New Mexico could have a higher uptake rate than existing programs:

- The package proposed in this bill covers a broader set of eligible events and more broadly defines family than comparator states.
- Data from the U.S. Department of Labor shows low-wage workers have a 3 percent higher rate of taking the unpaid leave available under the federal Family and Medical Leave Act (FMLA).
 - New Mexico has one of the highest rates of workers earning under \$15 hourly at about 44.5 percent.

- Leave utilization increases as duration allowed and benefit amounts increase. This proposal has a more generous leave benefit calculation than many other states.
- New Mexico ranks unfavorably on several potentially impactful, qualifying health indicators that may elevate the number of people qualifying for leave:
 - New Mexico has higher rates of diabetes, chronic liver disease death, chronic lower respiratory death rates, and injury than the national average.
 - New Mexico has the seventh highest premature death rate among states, with about 9,789 years of potential life lost per 100 thousand population based on a 75-year life span.
 - New Mexico has had the highest alcohol-related death rate in the United States since 1997.
- This bill includes exigency leave for an individual or for family members on or about to go on active duty that is not included in many other state paid family leave program. New Mexico is ranked 24th in military enlistees per capita and has:
 - 14,330 active-duty service members,
 - 4,818 spouses of active-duty members,
 - 8,161 children of active-duty members.
- This bill includes safe leave, which is not included in many other comparator states. New Mexico violence data indicate many people may qualify for this leave¹.
 - New Mexico’s law-enforcement reported rate of domestic violence is 1.3 percent of the population, comprising of 12,999 separate incidences in 2019.
 - The U.S. annual rate of partner violence is around 6.5 percent.
 - The U.S. annual stalking rate is 4.2 percent for women and 1.9 percent for men. New Mexico ranks in the worst 10 states for stalking for both men and women.

Federal workers with an event that qualifies for FMLA, whose criteria match very closely to the eligibility criteria outlined in this bill, tend to be around 14 percent of workers, according to federal studies.² While some of these workers may not claim FMLA or claim FMLA and use existing benefits, like accrued sick leave, these higher rates suggest a high-end estimate of PFML uptake of around 10 percent. It is well-documented that more people will apply for and utilize leave when it is paid. More people are taking leave than ever before. The percentage of U.S. workers taking leave for FMLA reasons increased by 2 percent from 2012 to 2018, even while number of eligible workers declined by 3 percent over the same period.

Additionally, University of New Mexico (UNM) analysis points out the following:

As proposed, the bill provides for a lower threshold for eligibility than the federal Family Medical Leave Act. Specifically, the bill requires only that an employee pay into the fund for six months during any 12-month period to be eligible for PFML, whereas federal FMLA requires an employee work 1,250 hours in the 12-month period preceding the leave. As such, part-time employees who are unable to meet the hours-worked requirement for federal FMLA will likely meet eligibility criteria for PFML, increasing leave benefits available to these employees.

¹ nmcscap.org/wp-content/uploads/DV_Report_Trends_2015-2019_Betty_Caponera_Oct20web.pdf

² https://www.dol.gov/sites/dolgov/files/OASP/evaluation/pdf/WHD_FMLA2018SurveyResults_Appendices_Aug2020.pdf

Other New Mexico Leave Programs' Uptake Rates. In Executive Order 2019-036, the governor created a 12-week paid parental leave program for state employees after employees complete one full year in the position. The Legislature passed a similar policy for legislative staff in 2022. In the executive order, the qualifying reasons for taking leave are following the birth or adoption of a child. The policy is much more narrowly defined than proposed in this bill. Even with this much narrower definition, the uptake rate for the state's parental leave policy in 2022 was about 3.7 percent. UNM previously reported a roughly 5 percent uptake rate for its paid parental leave program.

Risk: Waived or Reduced Contributions. Over 52 thousand employees in New Mexico work for a business with fewer than five employees, contributing to nearly 10 percent of total wages. This could result in up to a 5 percent reduction in program contributions through the payroll tax than estimated. This bill also allows self-employed individuals to opt out of the program. However, employees only need to pay into the fund for six months to qualify for benefits, opening the door for people, especially those who are expecting a child, to pay in for six months, claim the benefit, and then opt out of the system.

This bill also allows organizations to waive their participation if they provide a PFML program that meets the basic requirements outlined in the state plan. This will overwhelmingly apply to larger, higher paying industries and businesses, jeopardizing the revenues flowing into the fund. The payroll tax on higher wages helps sustain the fund, which would be used disproportionately by lower wage earners.

The bill caps the income that can be taxed for the program at the social security taxable income level, which is \$168.6 thousand in 2024³. This renders the PFML payroll tax regressive, as those with income higher than \$168 thousand are taxed at a lower rate than those at lower incomes. Additionally, taxes on higher incomes help sustain the fund, and capping the income level that can be taxed may not be prudent in a low-income state. However, the maximum weekly benefit is capped at the average wage, so it may not be fair to tax all income, especially once the amount paid into the fund far exceeds the benefit one could claim.

Microsimulation Background, Model Specifications, and Limitations. This analysis uses the Worker PLUS model developed by the U.S. Department of Labor (DOL) to model the costs and revenues of hypothetical or real paid family and medical leave programs across states. The Worker PLUS model uses the DOL FMLA employee survey public microdata to predict leave behavior given the state's underlying demographic makeup. With user-supplied paid leave program parameters (such as eligibility rules), the model then simulates specific leave-taking behavior and outcomes (including number of leaves, leave lengths, benefit levels, and benefit eligibility) with individual workers in a state using data from the five-year American community survey public use microdata sample.

The model has its limitations within the New Mexico context that require some out-of-model adjustments. Arguably the most crucial assumption for predicting PFML costs is uptake rates, or the share of eligible workers that utilize the program by taking leave. The Worker PLUS model does not approximate uptake rates. Users approximate uptake rates for each leave type and input them into the model on the front-end. The model uses the specified uptake rates for each type of

³ <https://www.ssa.gov/oact/cola/cbb.html>

leave-taker within the demographic makeup of the state to predict leave behavior. The model has preset uptake rates by leave type from three states, California, New Jersey, and Rhode Island, or users can input their own uptake rates into the model. Uptake rates have the largest impact on cost of any other variable input for any given program.

The model cannot accommodate additional types of leave beyond the six types already built in (own medical event, maternity leave, child bonding, ill parent, ill child, and ill spouse). This bill includes more reasons for leave, including caring for a sibling, grandparent, or other extended relative, safe leave in instances of violence or stalking, and exigency leave for active service members and their families, which are not accounted for in the DOL model. The model also cannot approximate leave for optional participants, such as self-employed individuals who may or may not participate under this bill's proposal. This analysis assumes no participation of the self-employed to provide a baseline estimate of revenues consistent across the analysis. Their participation will increase both revenues and costs of the program. The estimated magnitude of those increases is unknown.

The model also does not have the capacity to apply a different tax rate depending on eligibility criteria. For example, this bill exempts businesses under five employees from paying the employer contribution. As the model cannot apply different tax rates, it is applying the full 0.9 percent rate on every participant's wage, likely inflating revenue forecasts.

When the DOL compared the model output to actual program results, it found that the model underestimated both revenues and benefit costs. The model used for the purpose of this analysis underpredicts program costs by 3 percent to 19.8 percent, depending on the program⁴. This model also underpredicts revenue by approximately 10 percent to 15 percent⁵. This range of discrepancy supports the LFC's practice of presenting a range of possible outcomes.

Lastly, the DOL microsimulation is run on 2020 data, and therefore, the results must be adjusted to forecast years 2026 and beyond when the program is in effect. It is also important to run the model using 2020 specifications, such as the 2020 average wage, minimum wage, maximum taxable income, etc. to get the most accurate results possible.

New Mexico Model Specifications and Results. A first analysis was run on the DOL model using the 2020 Rhode Island uptake rates, which are considerably lower than the 2014-2018 uptake rates. 2020 was an unusual year because it was the peak of the coronavirus pandemic, and data from this period should be used with extreme caution. It is unclear why uptake rates would drop during this period. Rhode Island's demographics on health, family makeup, income, and workplace benefits suggest its uptake rates may be lower than New Mexico's. This simulation is considered a low uptake scenario.

The second run of the model uses actual uptake rates from the Rhode Island PFML program from 2014-2018 with some adjustments for the New Mexico context, particularly the inclusion of safe and exigency leave and some differing underlying demographic makeup, such as a higher fertility rate and having a greater share of people aged under 18 and over 65. This simulation is

⁴ chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.dol.gov/sites/dolgov/files/OASP/evaluation/pdf/microsim_issue_brief_4_model_testing_508.pdf

⁵ chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.dol.gov/sites/dolgov/files/OASP/evaluation/pdf/microsim_issue_brief_6_benefit_financing_508.pdf

considered a middle uptake rate scenario.

The last run of the model uses actual uptake rates from the Rhode Island PFML program from 2014-2018 with a 20 percent upward adjustment to each uptake rate by type. This is to account for any state-to-state differences, program eligibility differences, and model underestimation. This is considered a high uptake scenario.

A summary of the key components of each model is presented in the charts below.

Constant model parameters						
	2020 (simulation year)	2026	2027	2028	2029	2030
Minimum wage annualized	\$ 18,720	\$ 27,040	\$ 28,080	\$ 29,120	\$ 30,160	\$ 31,200
Minimum wage	\$ 9.00	\$ 13.00	\$ 13.50	\$ 14.00	\$ 14.50	\$ 15.00
Average wage annualized	\$ 50,336	\$ 54,392	\$ 54,392	\$ 54,392	\$ 54,392	\$ 54,392
Average wage	\$ 24.20	\$ 26.15	\$ 26.15	\$ 26.15	\$ 26.15	\$ 26.15
Weekly benefit at mean wage	\$ 767	\$ 1,013	\$ 1,052	\$ 1,093	\$ 1,134	\$ 1,177
Maximum weekly benefit	\$ 968	\$ 1,256	\$ 1,305	\$ 1,355	\$ 1,407	\$ 1,462
Taxable income threshold	\$ 137,700	\$180,979	\$188,034	\$195,266	\$202,827	\$210,681

	Low Uptake	Middle Uptake	High Uptake
Uptake Rates (in model)			
own health	5.4%	8.2%	9.9%
maternity	1.8%	2.8%	3.4%
new child	1.1%	1.3%	1.5%
ill child	0.5%	0.6%	0.7%
ill spouse	0.1%	0.2%	0.2%
ill parent	0.1%	0.1%	0.1%

Beginning January 2028, this bill allows the secretary of WSD to adjust the rate a maximum of 0.1 percent to ensure collections reach 135 percent of the prior year’s disbursements. This could significantly increase the required contributions for both employees and employers if increases are required year after year. The bill does not include other solvency triggers, such as allowing WSD to lower the benefit rate or payout amounts if solvency is in question.

The Paid Family and Medical Leave Taskforce, created by Senate Memorial 1 in the 2022 legislative session, studied the impacts of establishing a 12-week paid family and medical leave (PFML) benefit for nearly all state residents and produced a report with their findings. According to the report, contributions to the fund were expected to generate \$463.2 million in 2025. The report estimated benefit pay outs of \$368.3 million in 2026.

Appropriations

There are no appropriations included in this bill for start-up costs. If the Legislature adopts SB3, funding will need to be included in the General Appropriation Act of 2024 or other legislation.

Direct Costs to State Agencies

Total cost to the state to pay the 0.4 percent employer contribution is \$20.1 million as estimated using FY25 figures. The state may choose to give employees a raise to cover the employee contribution above other planned compensation increases. If state agencies absorb the 0.5 percent employee contribution in the form of higher salaries, the total cost is \$45.1 million. A high-level breakdown can be found in the table below.

	Salary	0.5% employee contribution	0.4% employer contribution	Total Contribution
Legislative	\$13,808,400	\$69,042	\$55,234	\$124,276
Judicial	\$239,578,900	\$1,197,895	\$958,316	\$2,156,210
Executive	\$1,189,111,360	\$5,945,557	\$4,756,445	\$10,702,002
Public Education	\$2,503,728,400	\$12,518,642	\$10,014,914	\$22,533,556
Higher Education	\$1,070,487,100	\$5,352,436	\$4,281,948	\$9,634,384
Total	\$5,016,714,160	\$25,083,571	\$20,066,857	\$45,150,427

*LFC Volume III, FY25

Agency analysis may vary. This analysis uses payroll figures as reported in Volume III of the 2024 LFC report to the Legislature, Legislating for Results: Supplemental Tables and Graphs, for consistency. For example, UNM estimates its costs to pay both the employee and employer contributions to exceed \$6.7 million annually. This figure includes central campus, branch campuses, and the Health Sciences Center, but excludes UNM Hospital.

UNM CAMPUS	EMPLOYEE COST	EMPLOYER COST	TOTAL UNM COST
Main Campus	\$1,661,712	\$1,365,720	\$2,991,082
Health Sciences	\$1,945,965	\$1,747,728	\$3,502,737
Gallup Branch	\$46,015	\$37,048	\$82,826
Los Alamos Branch	\$14,209	\$11,603	\$25,577
Taos Branch	\$33,107	\$26,722	\$59,592
Valencia County Branch	\$40,673	\$32,774	\$73,211
Grand Total	\$3,741,681	\$3,221,596	\$6,735,026

The Council of University Presidents provided the following analysis:

The table below shows estimated direct costs for six of the seven CUP institutions, reflecting the employers’ PFMLA contribution at 0.4 percent of wages. First-year direct costs for the six institutions that submitted data would total almost \$5.2 million and over a three-year period (assuming the employers’ contribution rate is unchanged) would amount to just over \$16.7 million.

DIRECT EMPLOYER COSTS FOR HB6/SB3 (PFMLA Contributions)

<i>Instn</i>	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>TOTAL</i>	<i>Rec/Non</i>	<i>Fund</i>
ENMU	299.5	314.5	330.2	944.2	recurring	GF
NMHU	0.0	0.0	0.0	0.0	recurring	GF
NMSU	1,195.6	1,255.4	1,318.1	3,769.1	recurring	GF
NMT	160.0	334.0	351.0	845.0	recurring	GF
NNMC	36.5	38.7	41.0	116.2	recurring	GF
UNM	3,221.6	3,382.7	3,551.8	10,156.1	recurring	GF
WNMU	279.4	294.8	311.1	885.3	recurring	GF
Total	\$ 5,192.6	\$ 5,620.0	\$ 5,903.3	\$ 16,715.9	recurring	GF

Notes: Data for NMHU was not available at the time this FIR was prepared.
 Projected costs for years 2 & 3 assume a 5% increase per year.
 UNM's numbers include UNM HSC and its branches.
 NMSU's submission did not indicate whether branches were included.

These numbers pale in comparison to the substantial accrued leave costs or liabilities that institutions would incur with the current bill, as explained by NM Tech below. Additional administrative costs will likely be minimal.

NMTech states: “This bill will have a significant financial impact on the institution if it is not fully funded by the state. The total additional cost of the employer contributions is estimated to average \$343 thousand per year over three years, assuming a 5 percent annual salary increase. If premiums are calculated to increase in the future, the additional cost to the institution will be higher. In addition, this bill will require the institution to accrue leave while employees are on their PFMLA leave. As a result, the institution is estimated to incur an average of \$904 thousand in additional liabilities or costs per year, or \$2.7 million to \$3.6 million over three years, assuming a 5 percent annual salary increase”

NMSU states: Unless a waiver is received from participation in the program, as the bill allows, and in conjunction with other university leave programs already in place, participating employees will have an unprecedented amount of leave. Among other available leave, NMSU regular full-time employees accrue 21 days of leave per fiscal year and 12 days of sick leave (prorated for less than 1.00 FTE), up to 3 days of compassionate leave, holiday leave, etc., and eligible employees can participate in the NMSU sick leave bank, which allows for up to 70 days of paid leave.”

NMTech states: “This bill requires employees to contribute 0.5 percent of their wages to the PFMLA fund for the first three years. The estimated cost to employees of the institution is approximately \$1.3 million over three years. After the first three years, employees are required to contribute 55 percent of the premium set by the Secretary.

Workforce Solutions Department

According to the Workforce Solutions Department, the estimated cost associated with this new program for the first two fiscal years would be approximately \$47.6 million dollars. This includes direct operational staffing, IT Infrastructure support, and indirect cost for operational sustainment – such as facilities and administrative services.

The bill includes annual transfers of \$6 million, starting on January 1, 2028, from the newly created PFML fund to the general fund until the total transfers from the PFML fund equal the amount of appropriations made to WSD for start-up costs.

Program Year	Year 1	Year 2	Year 3	Ongoing
Fiscal Year	State Fiscal Year 2025 7/1/24 to 6/30/25	State Fiscal Year 2026 7/1/25 - 6/30/26	State Fiscal Year 2027 7/1/26 to 6/30/27	State Fiscal Year 2028+ 7/1/28 +
Activities	Planning/Rule Making/ Initial Contract Awards/ Start IT build	Operational Builds and IT and Facilities, Half Operations	Full implementation, O&M, post-implementation improvements	Running Full Program
Milestones	Rulemaking Complete 6/30/2025	Premium Collections begin 1/1/26	Benefit begins 1/1/27 New governor 1/1/27	Subject to annual escalation related to COLA pay increases, etc.
IT	\$ 17,000,000	\$ 10,500,000	\$ 9,250,000	\$ 4,000,000
Ops	\$ 2,490,000	\$ 8,000,000	\$ 13,730,000	\$ 14,279,200
Totals	\$ 19,490,000	\$ 18,500,000	\$ 22,980,000	\$ 18,279,200
With AS&T	\$ 24,362,500	\$ 23,125,000	\$ 28,725,000	\$ 22,849,000

WSD uses a variety of methods to compute staffing, including receiving data from states with existing programs, evaluating the bill for program requirements, and modeling staffing based on the unemployment insurance staffing structure. Comparisons with other states were difficult to obtain because no other state seems to include contributions, benefit administration, appeals and enforcement all in one agency.

WSD reported the following policy choices that are reflected in this bill that would affect staffing, and as a result, funding estimates related to operating costs:

- The timeline of twenty (20) days for DWS to issue a determination of eligibility after an application is complete is likely onerous. PFML cases may entail medical documents that require review and evaluation under strict confidentiality requirements pursuant to the HIPAA. Washington State for example reports over four average weeks, and over 5 weeks as a median for processing claims, with a median of 2.3 weeks, now that its program is mature. The provision that defers the 20-day timeline to start running when all information has been received is helpful on this issue.
- Similarly, Section 10(A)(2)(a) of the bill prescribes narrow time frames for hearings to be held within ten business (10) days with a ruling and final decision twenty (20) business days later. While this is an improvement from past years’ version of this bill, these narrow time frames entail significant amounts of staffing and resources dedicated to the hearing procedures to ensure timeliness and compliance. Also, as a practical matter, it is unlikely that all parties will always be available and prepared to present all relevant evidence at a hearing within these narrow time frames. Timeliness and compliance will require significant staffing and resources dedicated to meet PFMLA’s objectives.
- Making government agencies subject to PFML means DWS (like all agencies) will need to staff in anticipation of coverage issues. Many states do not mandate that public

agencies are covered (RI, CA, NJ, DC).

A 2021 DOL report suggests states implementing paid family leave have generally assumed two to three years of start-up costs for programs before they begin to disburse program benefits. IT costs are generally the largest start-up costs states incur, accounting for 48 to 91 percent of costs reported in implementing states. Among analyzed states, the DOL report noted projected and actual start-up costs up to \$82 million.

The 2021 DOL report noted claims processing and review staff are the largest drivers of ongoing administrative costs, and the number of processing staff is driven by the expected number of claims and time to process determinations. The DOL report included ongoing administrative costs ranging between \$8 million and \$239 million in implementing states, and noted costs tend to increase incrementally over time. Among existing and operating programs included in the DOL report, costs per processed claims ranged between \$155 in Rhode Island and \$256 per claim in California, or between 4 percent and 6 percent of benefit disbursements. In addition, a 2023 brief published by National Partnership for Women analyzed administrative costs in the District of Columbia, Washington State, Massachusetts, and Connecticut and reported operating costs to range between 4.6 percent and 10.5 percent of premiums collected annually.

SIGNIFICANT ISSUES

Waiver Eligibility

The University of New Mexico (UNM) make the following comments on its leave programs and waiver eligibility:

UNM has a strong track record of investing in its employee benefits programs. While it does not currently offer a paid family medical leave program, UNM does offer a paid parental leave (PPL) program for benefits-eligible employees that provides for 4-weeks of paid leave to be used in conjunction with other available employee sick and annual leave. UNM's PPL program compensates employees at full pay without requiring employee contributions. Regular full-time staff employees also accrue nearly seven weeks of sick and annual leave each year (264 hours), and together can accrue a total of nearly 1300 hours of leave before maxing out (1,040 sick leave and 252 annual leave). When used, these leave hours are paid at an employee's full salary and are often take concurrently with FMLA. Additionally, UNM provides other programs such as a catastrophic leave program to safeguard employees who are required to be out of the office for extended periods of time for medical reasons. UNM previously reported a roughly 5 percent uptake rate for its paid parental leave program.

Further, UNM faculty are eligible for a semester of parental leave at full pay, as well as up to six months of paid sick leave for cases of extended illness or injury. However, the proposed state PFML will fill a current gap for temporary, on-call, and student employees who are not in a benefits-eligible status. These employees have limited access to paid leave, and it is anticipated that the state PFML program will be a significant benefit to them.

The criteria used for considering a waiver outlined in Section 4 (G) are unclear, specifically as it pertains to existing paid leave programs that run concurrently with FMLA and how the Department will determine what constitutes "substantially similar."

It is not clear how the reemployment requirements articulated in Section 8 would apply to employees who are subject to an employment agreement or contract with a fixed end date, and whether reinstatement rights extend past the contract end date.

Finally, because it prohibits the reduction of other leave benefits, this legislation also raises the possibility of employees utilizing more than the allotted 12 weeks by stacking other employer-provided leave with the state PFML program. For instance, an employee could take the 12 weeks of state PFML, and then request four weeks of paid PPL from UNM at full pay, and then exhaust any paid sick or annual leave, significantly exceeding the 12-week duration of leave. The additional complexity of these programs potentially running in parallel will be significant, and likely require additional staff resources to manage and oversee these programs.

The State Personnel Office notes the following:

The effect of this Act on the State of New Mexico as an employer is unclear. Section 2 of the Act defines “employer” as a person that has one or more employees within the state and includes an agent of an employer and the state or a political subdivision of the state. Section 11 of the Act pre-empts a city, county, home rule municipality or other political subdivision of the state from adopting or continuing any program that provides rights and benefits as set out in the Act. But the bill is silent on whether the State of New Mexico is pre-empted as well.

Section 4(G) of the Act permits an employer that has adopted and operates a paid family and medical leave plan substantially similar to or greater than the program offered under the Act to apply for a waiver exempting the employer from participating in the program. Section 4(I)(1) presupposes that any employer granted a waiver is covered by a *privately* run leave program rather than a public plan. There is no recognition that the State of New Mexico has its own Paid Parental Leave policy in place pursuant to Executive Orders 2019-036 and 2020-062.

WSD notes Section 5(A)(2) states that an employee’s time with an opt-out employer counts towards the 6-month contribution requirement. Employees in this situation will be drawing from the fund without having contributed to it.

Workforce

This bill could improve labor force participation in New Mexico, particularly among women. New Mexico’s labor force participation rate (LFPR) is consistently lower than the national average and the fifth lowest in the country, as of 2021. According to analysis released by WSD in 2021, the labor force participation rate of women ages 16 years and older in New Mexico was 51.1 percent, 5 percentage points lower than the U.S. rate of 56.1 percent. New Mexico had the fourth lowest LFPR in the U.S. In this analysis, the impact of children is one of the reasons WSD cited for low LFPR, particularly among women, in New Mexico.

Research published in the American Economic Review suggests short-duration paid leave in the months directly proceeding and following a birth increases the labor force attachment of women who otherwise would have exited the labor force temporarily in the months around a birth. Analysis of the impact of paid leave laws in California and New Jersey concluded short leave is unlikely to alter the behavior of women who would otherwise exit the labor force for prolonged

periods after a birth, but reducing a brief interruption following a birth may have long-term employment benefits for affected women.

Business Environment

This bill acts as a 0.5 percent payroll increase on employees and a 0.4 percent increase on employers. The *Tax Foundation 2023 State Business Tax Climate Rankings* currently rank New Mexico at 22nd overall, with corporate taxes ranking 12th and unemployment insurance taxes (one of the primary payroll taxes) ranked 9th.⁶ Increasing taxes on businesses will likely make New Mexico less competitive compared with other and neighboring states.

The reporting and administrative requirements outlined in this bill may present increase costs of doing business in New Mexico, especially smaller businesses and those without a full human resources department or staff (see “Administrative Implications” for further discussion).

Investment of the Fund

The State Investment Council notes the following:

Section 3 of the bill outlines how the PFMLF will be administered, including how the fund will be invested, specifically, Section 3, line 24-25: “Money in the fund shall be invested by the state investment officer.” There is no additional detail or stipulations as to what guidelines, standard of care, distribution/spending policy, timing, or other details that are typically included in statute for similar investment/reserve or endowment funds managed by the Council.

It is understood from the rest of the bill that some of these details cannot yet be determined due to the program Rules that the bill directs the Workforce Solutions Department (WSD) and its advisors to implement, as well as required actuarial work related to premiums that will be collected to make the fund self-sustaining and the related benefits it will deliver. However, the non-traditional structure of the PFMLF presents potential challenges in relation to its investment by the State Investment Officer, which is why SIC would raise the following concerns:

- Investments placed with the State Investment Officer and overseen by the State Investment Council are statutorily intended to be “long-term”, with investment horizons of at minimum, at least one-year. Alternatively, any investments that may need to be withdrawn in shorter timeframes should be placed with the State Treasurer’s Office, which focuses on short-term (less than 1 year) or slightly longer “medium-term” investment horizons of a few years.
- Standard endowment funds like the Early Childhood Education & Care Fund, the Rural Libraries Endowment Fund, the Opioid Settlement Restricted Fund and others – all have specific (though often differing) spending/distribution policies which usually dictate when and how much liquidity a fund will need to satisfy its programs. The PFMLF does not have a standardized spending policy, but instead appears to require funds be available on short notice for draw down as needed at the call of WSD with the approval of the Department of Finance & Administration. That presents an asset allocation challenge for longer-focused

⁶ <https://statetaxindex.org/state/new-mexico/>

SIC investment options.

- Relatedly, standard distribution policies help determine the level of risk each fund should take to realistically achieve long-term growth targets and inform what types of assets it should be invested in to meet those goals.
- Most statutory funds indicate a basic level of risk/return sought based on each fund’s distribution structure, or at least provide statutory guardrails like “this fund will be managed in accordance with the Uniform Prudent Investor Act”, or “this fund is to be invested in a manner similar to the Land Grant Permanent Fund.”

While there are always risks when investing capital, there are certainly degrees of risk that can be adjusted based on each fund’s long-term goals, and it is important that the levels of risk taken are in alignment with not only the expected rewards, but also with the timing-needs associated with those investments’ beneficiaries. Private market investments made by SIC are attractive to long-term (or permanent) funds as they seek to increase your risk/return metric in exchange for the accompanying liquidity restrictions. This “illiquidity premium” paid by private markets is appropriate for some funds, but not all, as some funds – like the PFMLF – may have high liquidity needs due to more frequent than annual withdrawals in undetermined amounts.

The inconsistency of the withdrawal structure has the potential to create specific problems in a longer-term asset allocation due to a misalignment with illiquid investment strategies. Private-market investments (private equity, real estate, credit funds) have typical lock-up periods of between a few years to a decade or more. If the PFMLF was invested in such assets with a illiquidity premium, getting cash out of those allocations can be an expensive proposition, forcing sale of assets at a discount/loss on secondary markets and should be avoided. Even for liquid assets like stocks and bonds, it should be recognized that there are not-insignificant additional costs involved with frequent forced buying and selling that might be needed to meet short-notice distribution requirements.

The primary difference between the State Treasurer’s Office (STO) and SIC is that STO’s focus and expertise is on short-term fixed income investments while SIC can invest from a greater menu of investment strategies, including private credit, public equities, private equity, real estate, real assets and more.

Given its short-term focus and expertise, arguably, the STO may be better suited to manage the PFMLF, versus SIC’s longer-term horizon portfolios. In addition, SIC’s more-liquid investment options – primarily stocks and bonds – have the potential to elevate risk of greater losses in the short-term, and if they occur at a time when the markets are falling and the PFMLF needs to be drawn down significantly, losses that would have likely recovered in the long-term, are locked in and will be realized due to short-term needs.

Other Significant Issues

- In Executive Order 2019-036, the governor created a 12-week paid parental leave program for state employees after employees complete one full year in the position. The Legislature passed a similar policy for legislative staff in 2022.

- In 2019, the state enacted Section 10-16H-1 NMSA 1978, which expanded state employee and public-school employee use of accrued sick leave for extended family members.
- In 2021, in Section 50-17-1 NMSA 1978 the state enacted the Healthy Workplaces Act requiring all public and private employers to allow employees to accrue earned sick leave of 64 hours per year.
- As of August 2023, 12 states and the District of Columbia offer paid family and medical leave. All state programs are funded through employee-paid payroll taxes, and some are also partially funded by employer-paid payroll taxes.
- Federal social security disability benefits apply to those with a terminal diagnosis or if the disability diagnosis is determined to last at least 12 months.
- The bill does not include guardrails around WSD’s authority to adjust the benefit in the event of surpluses in the fund as opposed to adjusting the rate.

The New Mexico Attorney General’s Office notes:

The timeline for filing an administrative action with the department alleging violation of the provisions of the bill is an extremely short timeline such that the grievance procedure will likely be impracticable. The bill limits the timeframe for which an aggrieved party may file a complaint to within thirty business days the complainant becoming aware of the alleged violation. Comparable administrative grievance procedures for violations of state employment law currently exist in statute. The New Mexico Human Rights Act requires a complainant to file a grievance with the Human Rights Commission within three hundred days of the alleged wrongful act. If the bill is implemented with this comparatively brief timeframe for initiating grievances, it is likely that many valid complaints will go unheard.

The Economic Development Department notes:

Human Resources (HR) is the department primarily responsible for important tasks like recruiting talent, signing on new hires, and managing payroll and benefits administration. A high-performing HR team is key to running a successful business, or government department. However, there may be instances when it makes sense to outsource certain tasks, like FMLA management, to a third party, like WSD. When doing so, it’s important to consider potential drawbacks to outsourcing HR functions, such as:

- HR manages many important tasks that have to do with a company’s employees. Outsourcing those tasks may result in loss of internal controls.
- Employees may feel disconnected from the company or department and prefer to interact with internal HR staff.
- A company or government department may have less capacity for flexibility with their employees if they are required to adhere to policies and procedures mandated by an external entity.

The positive result of implementing a mandatory paid family and medical leave program, and presumably the intent, is to make the benefits available to a larger population and to ease the financial burden that often results with having to take unpaid time off for family or medical leave. The recommendation would be to ensure that all lines of communication between employee and employer remain open and that the employee’s experience is regularly evaluated to ensure that they are supported. It is equally important to maintain a business-friendly environment that promotes expansion and job creation.

SB3 does not fully address the following items:

- The federal Family and Medical Leave Act (FMLA) requires private employers with 50 or more employees to provide FMLA benefits as outlined in the federal program. The state FMLA program requires employers of one or more employees to contribute to the program for those employees who opt in. Most start-up companies and small businesses younger than 3-5 years have very little resources, and often are not yet realizing a profit. The requirement to contribute to the fund in the early stages of the company's development may create a financial burden on the employers to the extent that it could negatively impact their hiring plans, and subsequently result in delayed or reduced job creation.
- It does not appear that there is any requirement that the employee request approval or notify the employer that they are applying for this program. WSD is required to notify the employer of the approved application and the employee is required to provide a copy of that approved application to the employer, but the employer has no knowledge of the
- employee's application until it has been completed and approved by WSD. This could put the employer in a burdensome situation if they have little or no notice that the employee will be out on extended leave and the employer is forced to find a temporary replacement quickly.
- It appears that participation in the state FMLA program on the part of the employee is voluntary but is mandatory for the employer. There are no provisions that would allow the employee who opted out of the paid family and medical leave program to exhaust accrued leave without penalty if they find themselves in a situation that requires extended unpaid family or medical leave.
- The bill does not address the potential fiscal impact of the paid family and medical leave program to state agencies, which currently adhere to the federal FMLA requirements, which include unpaid leave.
- The bill does not address whether an employee may use accrued leave in conjunction with the Paid Family and Medical Leave Act.
- The bill does not address whether WSD or an employer may require an employee to exhaust accrued leave before implementing the Paid Family and Medical Leave Act compensation.

ADMINISTRATIVE IMPLICATIONS

Workforce Solutions Department

The bill states specific timeline requirements that will directly impact the requirements on operational staffing and system automation. Appropriate funding is required to ensure effective implementation to meet these performance standards. The volume of claims will also impact performance levels and operational support requirements. Finally, the bill specifies WSD shall process and resolve all claims according to protocols and timelines outlined in the bill, which will impact staffing implications.

Building and administering the PFML program is an immense administrative undertaking. WSD estimates a need for 216 staff positions—roughly the same staffing as the entire unemployment insurance (UI) program—including staff who are in other divisions but support the program.

- Part of the basis of WSD's staffing analysis is the estimated number of annual claims. Estimates of the number of annual claims vary quite widely. UNM's Bureau of Business

and Economic Research estimated a little over 35 thousand claims annually. However, applying Washington State’s claim numbers proportionally to New Mexico’s population yields a number of estimated annual claims of 53 thousand. Direct comparisons are challenging because each state has its own definitions of covered conditions, and each state has unique population characteristics. WSD believes estimating based on UI staffing levels with certain adjustments is the best method of approximation.

- Using the UI staffing base as a comparator, WSD projects an increase for PFML processing staff to reflect the statutory timelines for processing claims and hearings that are not part of UI.
- Compared to certain other states with lower relative staffing levels, WSD allows filing by phone and in person for UI, and would anticipate the same for PFML. New Mexicans require phone and in-person service because of limits on broadband access, computer literacy, and familiarity with government services. Washington, Rhode Island and California do not do in-person claims, while New Jersey started in 2022. The District of Columbia does not allow filing by phone or in person.
- Comparison to other states’ staffing levels is also challenging because states with lower relative staffing levels have different roles and less administrative burden. For example, California appeals from PFML go to a different agency. Job protection is not available (so doesn’t need to be enforced) in California, in the initial New Jersey law, or for an employee’s own health issues in Rhode Island and the District of Columbia. Rhode Island and the District of Columbia do not have waiver programs.

The following drafting issues were identified by WSD and may need to be addressed:

WSD is required to coordinate with the Department of Information Technology concerning this project effort. This will impact the timeline and require consideration in increased cost for IVV. Target and existing technology solutions are cloud-based and technical architectural plans will need to be approved through exception which could impact timelines.

In Section 4(A)(4), it is unclear what is meant by stating that the Act applies to “Indian nations, tribes and pueblos that elect to be covered, or to terminate coverage, in the program for their employees.” DWS is unsure what the underlined phrase intends.

Sections 4(G) et seq. refer to an opt-out as a “waiver.” Our colleagues in other states have indicated that this is not consistent with common industry language and suggest that an “opt-out” would be more clear. It is also not clear from the language of the bill that an employee does not pay into the fund while they work for an opt-out employer.

In Section 5(J), would it make more sense to put this language in the notification of approval of an application rather than when an application is first filed.

Section 4(A) repeatedly uses the phrase “subject to state jurisdiction” to define who is covered by the Act. The phrase is not entirely clear, which may lead to disputes over who is actually subject to PFMLA requirements. Clarification of what that phrase means would be helpful.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

This bill duplicates House Bill 6. This bill conflicts with House Bill 11, which is a different proposal for a state PFML program.

PERFORMANCE IMPLICATIONS

Participating Workplaces

The reporting and administrative requirements outlined in this bill may present more administrative duties and costs for business owners, state agencies, and other eligible places of work, especially smaller businesses and those without a full human resources department or staff. For example, the business owner must work with the WSD to report employees applying for PFML and help certify their leave. Additionally, businesses must hold a position for employees that take PFML and who have worked for that business for at least six months. This requirement could be difficult for a business with a small workforce where a single worker may constitute a large share of the business output. They may be forced to stretch their remaining employees' duties to cover the absent coworker, or the business may hire someone new to cover their duties and be forced to release the new worker on return of the worker on PFML.

The state PFML program may also help local businesses keep employees during and after leave that may otherwise leave the workforce, stabilizing their workforce, reducing onboarding and training costs, and possibly reducing the cost to provide paid leave. Employers may want to provide leave to their employees in the case of emergency or after the birth of a child but cannot afford the cost of an independent program, given a small workforce and slim profit margins. This program may extend that benefit and provide an affordable program for employers.

POSSIBLE QUESTIONS

How does this program affect Medicaid enrollment? Could PFML bump some people out of Medicaid income eligibility because they will not lose as much income when taking leave?

How does this bill affect labor supply and demand? A full review of the labor market and the New Mexico economy is needed to determine the impact of PFML and the associated payroll tax.

How does this apply to New Mexico residents who work for out-of-state employers? How does this apply to nonresidents who work for a New Mexico-based company?

How can the program address “dine and dashers”—self-employed people who may pay into the program for six months, use the leave for a qualifying event, and then stop paying into the fund?

JF/RMG/rl/hg/ss/hg/ne/rl/hg/al/ne



Memorandum

To: MRGCD Chair Russo Baca and Board of Directors

Through: Jason M. Casuga, Chief Engineer/CEO

From: Human Resources

Date: February 12, 2024

Re: Introduction of New Hires and Job/Title Change

Belen Division

ANTHONY	WOODY	MEDIUM EQUIPMENT OPERATOR	01/22/2024 PROMOTION
TYLER	INGRAM	LIGHT EQUIPMENT OPERATOR	02/05/2024 PROMOTION
ERIK	GONZALES	FIELD MAINTENANCE TECHNICIAN	02/05/2024

Albuquerque Division

JESUS	HERRERA	HEAVY EQUIPMENT OPERATOR	02/05/2024 PROMOTION
VALENTINO	LOPEZ JR.	FIELD MAINTENANCE TECHNICIAN	01/22/2024

Cochiti Division

DARREN	TRANCOSA	FIELD MAINTENANCE TECHNICIAN	01/22/2024
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Equipment Repair & Transportation Division

JOHN	ARMIJO	FACILITIES SUPPORT TECHNICIAN	01/22/2024
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General Office

JOSEPH	BRITO	IRRIGATION SYSTEMS OPERATOR	02/05/2024
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\$3,294,384
MIDDLE RIO GRANDE CONSERVANCY DISTRICT
NEW MEXICO FINANCE AUTHORITY
PUBLIC PROJECT REVOLVING FUND LOAN
Loan No. PPRF-6352

Closing Date: March 22, 2024

TRANSCRIPT OF PROCEEDINGS
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1. Open Meeting Act Resolution No. BD-01-08-24-57 adopted January 8, 2024
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TRANSCRIPT DISTRIBUTION LIST

Middle Rio Grande Conservancy District
Wiggins, Williams & Wiggins PC – Lorna Wiggins, Esq.
New Mexico Finance Authority
BOKF, NA
Sutin, Thayer & Browne A Professional Corporation

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) ss.
MIDDLE RIO GRANDE CONSERVANCY DISTRICT)

The Board of Directors (the "Governing Body") of Middle Rio Grande Conservancy District, Bernalillo County, New Mexico met in regular session in full conformity with law and the rules and regulations of the Governing Body in the Board Room, 1931 Second Street SW, Albuquerque, New Mexico 87102, being the meeting place of the Governing Body for the regular meeting held on the 12th day of February, 2024, at the hour of 3:00 p.m. Upon roll call, the following members were found to be present:

Present:

Absent:

Also Present:

Thereupon, there was officially filed with the Secretary/Treasurer a copy of a proposed resolution in final form.

MIDDLE RIO GRANDE CONSERVANCY DISTRICT
RESOLUTION NO. M-02-12-24-206

AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT BY AND BETWEEN THE MIDDLE RIO GRANDE CONSERVANCY DISTRICT, BERNALILLO COUNTY, NEW MEXICO (THE "GOVERNMENTAL UNIT") AND THE NEW MEXICO FINANCE AUTHORITY IN THE PRINCIPAL AMOUNT OF \$3,294,384 FOR THE PURPOSE OF FINANCING THE PURCHASE OF HEAVY, MEDIUM AND LIGHT EQUIPMENT AND THEIR RESPECTIVE APPARATUS, FUNDING A LOAN AGREEMENT RESERVE ACCOUNT AND MAKING A DEPOSIT TO THE FINANCE AUTHORITY DEBT SERVICE ACCOUNT, AND EVIDENCING A SPECIAL LIMITED OBLIGATION OF THE GOVERNMENTAL UNIT TO PAY THE PRINCIPAL AMOUNT OF \$3,294,384, TOGETHER WITH INTEREST THEREON; PROVIDING FOR THE PLEDGE AND PAYMENT OF THE PRINCIPAL AND INTEREST DUE UNDER THE LOAN AGREEMENT SOLELY FROM THE NET REVENUES OF THE SYSTEM OF THE GOVERNMENTAL UNIT; 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 AGREEMENT.

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

WHEREAS, the Governmental Unit is a legally and regularly created, established, organized and existing conservancy district under the general laws of the State and more specifically, the Conservancy Act, Sections 73-14-1 through 73-14-92, NMSA 1978, as amended; and

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

WHEREAS, the Governing Body has determined pursuant to the Act that it may lawfully pledge the Pledged Revenues for the payment of amounts due under the Loan Agreement; and

WHEREAS, other than as described on the Term Sheet, the Pledged Revenues have not heretofore been pledged to secure the payment of any obligation, which is currently outstanding; and

WHEREAS, the Loan Agreement shall be a special, limited obligation of the Governmental Unit, payable solely from the Pledged Revenues, and shall not constitute a general obligation of the Governmental Unit, or a debt or pledge of the full faith and credit of the Governmental Unit or the State; and

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

WHEREAS, the Governing Body hereby determines that the Project to be financed by the Loan is to be used for governmental purposes of the Governmental Unit and will not be used for purposes which would cause the Loan Agreement to be deemed a “private activity bond” as defined by the Internal Revenue Code of 1986, as amended; and

WHEREAS, the Governing Body intends by this Resolution to authorize the execution and delivery of the Loan Agreement in the amount and for the purposes set forth herein; and

WHEREAS, all required authorizations, consents and approvals in connection with (i) the use and pledge of the Pledged Revenues to the Finance Authority (or its assigns) for the payment of the amounts due under the Loan Agreement, (ii) the use of the proceeds of the Loan Agreement to finance the Project, and (iii) the authorization, execution and delivery of the Loan Agreement which are required to have been obtained by the date of this Resolution, have been obtained or are reasonably expected to be obtained.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF MIDDLE RIO GRANDE CONSERVANCY DISTRICT, BERNALILLO COUNTY, NEW MEXICO:

Section 1. Definitions. As used in this Resolution, the following capitalized 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, Sections 73-14-1 through 73-14-92, NMSA 1978, as amended, and enactments of the Governing Body relating to the Loan Agreement, including this Resolution.

“Aggregate Annual Debt Service Requirement” means the total principal and interest payments due and payable pursuant to the Loan Agreement and on all Parity Obligations secured by a pledge of the Pledged Revenues for any one Fiscal Year.

“Authorized Officers” means the Chair, Vice Chair, and Secretary/Treasurer.

“Bonds” means public project revolving fund revenue bonds, if any, issued hereafter by the Finance Authority and specifically related to the Loan Agreement and the Loan Agreement Payments.

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

“Code” means the Internal Revenue Code of 1986, as amended, and the applicable regulations thereunder.

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

“Expenses” means the cost of issuance of the Loan Agreement and the costs of issuance of the Bonds, if any, and the periodic and regular fees and expenses incurred by the Finance Authority in administering the Loan Agreement, including legal fees.

“Finance Authority” means the New Mexico Finance Authority.

“Finance Authority Debt Service Account” means the debt service account in the name of the Governmental Unit and held by the Finance Authority to pay principal and interest on the Loan Agreement as the same become due.

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

“Governing Body” means the Board of Directors of the Governmental Unit, or any future successor governing body of the Governmental Unit.

“Governmental Unit” means Middle Rio Grande Conservancy District, Bernalillo County, New Mexico.

“Gross Revenues” means all income and revenues directly or indirectly derived by the Governmental Unit from the operation and use of the System, or any part of the System, and includes, without limitation, all revenues received by the Governmental Unit, or any municipal corporation or agency succeeding to the rights of the Governmental Unit, from the System and from the sale and use of water and sanitary sewer services or facilities, or any other service, commodity or facility or any combination thereof furnished to the inhabitants in the Service Area, including all revenues from the special taxes and special assessments imposed by the Governmental Unit pursuant to the Conservancy Act that are authorized to be pledged to pay debts, liabilities and obligations of the Governmental Unit such as this Loan Agreement.

Gross Revenues do not include:

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

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

Condemnation proceeds or the proceeds of any insurance policy, except any insurance proceeds derived in respect of loss of use or business interruption, and except as provided in Section 2.1(ee) of this Loan Agreement.

“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.

“Indenture” means the General Indenture of Trust and Pledge dated as of June 1, 1995, as amended and supplemented, by and between the Finance Authority and the Trustee, or the Subordinated General Indenture of Trust and Pledge dated as of March 1, 2005, as supplemented, by and between the Finance Authority and the Trustee, as determined by the Finance Authority pursuant to a Pledge Notification or Supplemental Indenture (as defined in the Indenture).

“Loan” means the funds to be loaned to the Governmental Unit by the Finance Authority pursuant to the Loan Agreement.

“Loan Agreement” means the Loan Agreement dated the Closing Date between the Finance Authority and the Governmental Unit which provides for the financing of the Project and requires payments by or on behalf of the Governmental Unit to the Finance Authority and/or the Trustee.

“Loan Agreement Principal Amount” means the original principal amount of the Loan Agreement as shown on the Term Sheet.

“Loan Agreement Reserve Account” means the loan agreement reserve account established in the name of the Governmental Unit, funded from the proceeds of the Loan Agreement and administered by the Trustee pursuant to the Indenture.

“Loan Agreement Reserve Requirement” means, with respect to the Loan, the amount shown as the Loan Agreement Reserve Account Deposit on the Term Sheet which amount does not exceed the least of: (i) ten percent (10%) of the Loan Agreement Principal Amount; (ii) one hundred twenty-five percent (125%) of the average annual principal and interest requirements under the Loan Agreement; or (iii) the maximum annual principal and interest requirements under the Loan Agreement.

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

“Net Revenues” means the Gross Revenues after deducting Operation and Maintenance Expenses.

“Parity Obligations” means the Loan Agreement and any other obligations, now or hereafter issued or incurred, payable from or secured by a lien or pledge of the Pledged Revenues and issued with a lien on the Pledged Revenues on parity with the Loan Agreement, including those obligations described on the Term Sheet.

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

“Program Account” means the account in the name of the Governmental Unit established pursuant to the Indenture and held by the Trustee for the deposit of the net proceeds of the Loan Agreement for disbursement to the Governmental Unit for payment of the costs of the Project.

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

“Resolution” means this Resolution adopted by the Governing Body on February 12, 2024, approving the Loan Agreement as amended from time to time.

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

“State” means the State of New Mexico.

“System” means the conservancy district system operated by the Government Unit, consisting of all properties, real, personal, mixed or otherwise, now owned or hereafter acquired by the Governmental Unit through purchase, condemnation, construction or otherwise, including all expansions, extensions, enlargements and improvements of or to the system, and used in connection therewith or relating thereto, and any other related activity or enterprise of the Governmental Unit designated by the Governing Body as part of the system, whether situated within or without the limits of the Governmental Unit.

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

“Trustee” means BOKF, NA, Albuquerque, New Mexico, or any successor trustee company, national or state banking association or financial institution at the time appointed Trustee by the Finance Authority.

Section 2. Ratification. All actions heretofore taken (not inconsistent with the provisions of this Resolution) by the Governing Body and officers of the Governmental Unit directed toward the acquisition of the Project and the execution and delivery of the Loan Agreement, be, and the same hereby are, ratified, approved and confirmed.

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

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

A. The Project is needed to meet the needs of the Governmental Unit and its residents and the issuance and delivery of the Loan Agreement is necessary and advisable.

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

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

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

E. The Project and the execution and delivery of the Loan Agreement 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 residents of and the public served by the Governmental Unit.

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

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

H. The net effective interest rate on the Loan does not exceed twelve percent (12.0%) per annum, which is the maximum rate permitted by State law.

Section 5. Loan Agreement - Authorization and Detail.

A. Authorization. This Resolution has been adopted by the affirmative vote of at least a majority of all of the members of the Governing Body. For the purpose of protecting the public health, conserving the property, protecting the general welfare and prosperity of the residents of the Governmental Unit and acquiring the Project, it is hereby declared necessary that the Governmental Unit, pursuant to the Act, execute and deliver the Loan Agreement evidencing a special, limited obligation of the Governmental Unit to pay a principal amount of \$3,294,384, and the execution and delivery of the Loan Agreement are hereby authorized. The Governmental Unit shall use the proceeds of the Loan to (i) finance the acquisition of the Project; (ii) fund the Loan Agreement Reserve Account; and (iii) make a deposit to the Finance Authority Debt Service Account. The Project will be owned by the Governmental Unit.

B. Detail. The Loan Agreement shall be in substantially the form of the Loan Agreement presented at the meeting of the Governing Body at which this Resolution was adopted. The Loan shall be in an original aggregate principal amount of \$3,294,384, shall be payable on May 1 of the years designated in Exhibit "B" to the Loan Agreement and bear interest payable on May 1 and November 1 of each year, beginning on November 1, 2024, at the rates designated in Exhibit "B" to the Loan Agreement.

Section 6. Approval of Loan Agreement. The form of the Loan Agreement as presented at the meeting of the Governing Body at which this Resolution was adopted is hereby approved. Authorized Officers are hereby individually authorized to execute, acknowledge and deliver the Loan Agreement, with such changes, insertions and omissions as may be approved by such individual Authorized Officers, and the Secretary/Treasurer is hereby authorized to affix the seal of the Governmental Unit on the Loan Agreement and attest the same. The execution of the Loan Agreement by an Authorized Officer shall be conclusive evidence of such approval.

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

Unit legally available therefore to payments required by the Loan Agreement, in its sole and absolute discretion.

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

A. Program Account and Finance Authority Debt Service Account and Loan Agreement Reserve Account. The Governmental Unit hereby consents to creation of the Finance Authority Debt Service Account to be held and maintained by the Finance Authority and to the Program Account and the Loan Agreement Reserve Account to be held by the Trustee pursuant to the Indenture, each in connection with the Loan. The Governmental Unit hereby approves: (i) the deposit of a portion of the proceeds of the Loan Agreement in the Program Account and the Finance Authority Debt Service Account; and (ii) the deposit of funds in the amount of the Loan Agreement Reserve Requirement in the Loan Agreement Reserve Account, all as set forth on the Term Sheet.

The proceeds derived from the execution and delivery of the Loan Agreement shall be deposited promptly upon the receipt thereof in the Program Account, the Loan Agreement Reserve Account and the Finance Authority Debt Service Account, all as provided in the Loan Agreement and the Indenture.

Until the Completion Date, the money in the Program 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 Agreement and the Indenture.

The Governmental Unit will acquire the Project with all due diligence.

B. Completion of Acquisition of the Project. Upon the Completion Date, the Governmental Unit shall execute and send to the Finance Authority a certificate stating that acquisition of and payment for the Project have been completed. As soon as practicable, and, in any event, not more than sixty (60) days from the Completion Date, any balance remaining in the Program Account shall be transferred and deposited into the Finance Authority Debt Service Account, as provided in the Loan Agreement and the Indenture.

C. Finance Authority and Trustee Not Responsible. The Finance Authority and the Trustee shall in no manner be responsible for the application or disposal by the Governmental Unit or by its officers of the funds derived from the Loan Agreement or of any other funds herein designated.

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

A. Deposit of Pledged Revenues. Pledged Revenues shall be paid directly by the Governmental Unit to the Finance Authority for deposit in the Finance Authority Debt Service Account and remittance to the Trustee in an amount sufficient to pay principal, interest, premium, if any, and other amounts due under the Loan Agreement, including sufficient Pledged Revenues in the Loan Agreement Reserve Account to maintain the Loan Agreement Reserve Requirement.

B. Termination on Deposits to Maturity. No payment shall be made into the Finance Authority Debt Service Account if the amount in the Finance Authority Debt Service Account and Loan Agreement Reserve Account total a sum at least equal to the entire aggregate

amount to become due as to principal, interest on, and any other amounts due under, the Loan Agreement in which case moneys in such accounts in an amount at least equal to such principal and interest requirements shall be used solely to pay such obligations as the same become due, and any moneys in excess thereof in such accounts shall be transferred to the Governmental Unit and used as provided below.

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

Section 10. Lien on Pledged Revenues. Pursuant to the Loan Agreement, the Pledged Revenues are hereby authorized to be pledged to, and are hereby pledged, and the Governmental Unit grants a security interest therein for, the payment of the principal, interest, and any other amounts due under the Loan Agreement, subject to the uses hereof permitted by and the priorities set forth in this Resolution. The Loan Agreement constitutes an irrevocable and first lien, but not necessarily an exclusive first lien, on the Pledged Revenues as set forth herein and therein and the Governmental Unit shall not create a lien on the Pledged Revenues superior to that of the Loan Agreement.

Section 11. Authorized Officers. Authorized Officers are hereby individually authorized and directed to execute and deliver any and all papers, instruments, opinions, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this Resolution, the Loan Agreement, and all other transactions contemplated hereby and thereby. Authorized Officers are hereby individually authorized to do all acts and things required of them by this Resolution and the Loan Agreement for the full, punctual and complete performance of all the terms, covenants and agreements contained in this Resolution and the Loan Agreement, including but not limited to, the execution and delivery of closing documents in connection with the execution and delivery of the Loan Agreement and the publication of the summary of this Resolution set out in Section 17 of this Resolution (with such changes, additions and deletions as may be necessary).

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

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

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

Section 15. Repealer Clause. All bylaws, orders, resolutions, and ordinances, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any bylaw, order, resolution or ordinance, or part thereof, heretofore repealed.

Section 16. Effective Date. Upon due adoption of this Resolution, it shall be recorded in the book of the Governmental Unit kept for that purpose, authenticated by the signatures of the Chair and Secretary/Treasurer of the Governmental Unit, and the title and general summary of the subject matter contained in this Resolution (set out in Section 17 below) shall be published in a newspaper which maintains an office and is of general circulation in the Governmental Unit, or posted in accordance with law, and said Resolution shall be in full force and effect thereafter, in accordance with law.

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

(Form of Summary of Resolution for Publication)

Middle Rio Grande Conservancy District
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. M-02-12-24-206, duly adopted and approved by the Governing Body of the Middle Rio Grande Conservancy District, Bernalillo County, New Mexico, on February 12, 2024. A complete copy of the Resolution is available for public inspection during the normal and regular business hours of the Secretary/Treasurer, 1931 Second Street, SW, Albuquerque, New Mexico 87102.

The title of the Resolution is:

MIDDLE RIO GRANDE CONSERVANCY DISTRICT
RESOLUTION NO. M-02-12-24-206

AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT BY AND BETWEEN THE MIDDLE RIO GRANDE CONSERVANCY DISTRICT, BERNALILLO COUNTY, NEW MEXICO (THE "GOVERNMENTAL UNIT") AND THE NEW MEXICO FINANCE AUTHORITY IN THE PRINCIPAL AMOUNT OF \$3,294,384 FOR THE PURPOSE OF FINANCING THE PURCHASE OF HEAVY, MEDIUM AND LIGHT EQUIPMENT AND THEIR RESPECTIVE APPARATUS, FUNDING A LOAN AGREEMENT RESERVE ACCOUNT AND MAKING A DEPOSIT TO THE FINANCE AUTHORITY DEBT SERVICE ACCOUNT, AND EVIDENCING A SPECIAL LIMITED OBLIGATION OF THE GOVERNMENTAL UNIT TO PAY THE PRINCIPAL AMOUNT OF \$3,294,384, TOGETHER WITH INTEREST THEREON; PROVIDING FOR THE PLEDGE AND PAYMENT OF THE PRINCIPAL AND INTEREST DUE UNDER THE LOAN AGREEMENT SOLELY FROM THE NET REVENUES OF THE SYSTEM OF THE GOVERNMENTAL UNIT; 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 AGREEMENT.

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

(End of Form of Summary for Publication)

PASSED, APPROVED AND ADOPTED THIS 12th day of February, 2024.

MIDDLE RIO GRANDE CONSERVANCY DISTRICT,
BERNALILLO COUNTY, NEW MEXICO

By _____
Stephanie Russo-Baca, Chair

[SEAL]

ATTEST:

By _____
Pamela Fanelli, Secretary/Treasurer

Director _____ then moved adoption of the foregoing Resolution, duly seconded by Director _____.

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

Those Voting Aye: _____

Those Voting Nay: _____

Those Absent: _____

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

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

MIDDLE RIO GRANDE CONSERVANCY DISTRICT,
BERNALILLO COUNTY, NEW MEXICO

By _____
Stephanie Russo-Baca, Chair

[SEAL]

ATTEST:

By _____
Pamela Fanelli, Secretary/Treasurer

EXHIBIT "A"

Meeting Agenda
of the February 12, 2024
Board of Directors Meeting

(See attached)

STATE OF NEW MEXICO
BERNALILLO COUNTY

I, Pamela Fanelli, the duly qualified and acting Secretary/Treasurer of Middle Rio Grande Conservancy District, Bernalillo County, New Mexico (the "Governmental Unit"), do hereby certify:

1. The foregoing pages are a true, perfect, and complete copy of the record of the proceedings of the Board of Directors of the Middle Rio Grande Conservancy District, Bernalillo County, New Mexico (the "Governing Body"), constituting the governing body of the Governmental Unit had and taken at a duly called regular meeting held in the Board Room, 1931 Second Street SW, Albuquerque, New Mexico 87102, on February 12, 2024, at the hour of 3:00 p.m., insofar as the same relate to the execution and delivery of the proposed Loan 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 said meeting was given in compliance with the permitted methods of giving notice of regular meetings of the Governing Body as required by the Governmental Unit's open meetings standards presently in effect.

IN WITNESS WHEREOF, I have hereunto set my hand this 22nd day of March, 2024

MIDDLE RIO GRANDE CONSERVANCY
DISTRICT, BERNALILLO COUNTY, NEW
MEXICO

By _____
Pamela Fanelli, Secretary/Treasurer

6884247

\$3,294,384

LOAN AGREEMENT

dated

March 22, 2024

by and between the

NEW MEXICO FINANCE AUTHORITY

and

MIDDLE RIO GRANDE CONSERVANCY DISTRICT

Certain interests of the New Mexico Finance Authority under this Loan Agreement may be assigned to BOKF, NA, as trustee under an Indenture, as defined in Article I of this Loan Agreement.

LOAN AGREEMENT

THIS LOAN AGREEMENT dated March 22, 2024, is entered into by and between the NEW MEXICO FINANCE AUTHORITY (“Finance Authority”), and the MIDDLE RIO GRANDE CONSERVANCY DISTRICT (the “Governmental Unit”), a conservancy district duly organized and existing under the laws of the State of New Mexico (the “State”).

WITNESSETH:

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

WHEREAS, one of the purposes of the Finance Authority Act is to implement a program to permit qualified entities, such as the Governmental Unit, to enter into agreements with the Finance Authority to facilitate financing of public projects; and

WHEREAS, the Governmental Unit is a conservancy district duly organized and existing under and pursuant to the laws of the State and is a qualified entity under the Finance Authority Act; and

WHEREAS, the Governing Body of the Governmental Unit has determined that it is in the best interests of the Governmental Unit and its residents that the Governmental Unit enter into this Loan Agreement with the Finance Authority and accept a loan from the Finance Authority to finance the costs of purchasing heavy, medium and light equipment and their respective apparatus, as more fully described on the Term Sheet attached hereto as Exhibit “A”; and

WHEREAS, the Governmental Unit is permitted and authorized to pay the Loan Agreement Payments through the Net Revenues of the System (the “Pledged Revenues”); and

WHEREAS, the Act authorizes the Governmental Unit to use the Pledged Revenues to finance the Project and to enter into this Loan Agreement; and

WHEREAS, the Finance Authority has determined that the Project is important to the overall capital needs of the residents of the State and that the Project will directly enhance the health and safety of the residents of the Governmental Unit; and

WHEREAS, the Finance Authority may assign and transfer this Loan Agreement to the Trustee pursuant to the Indenture; and

WHEREAS, except as described on the Term Sheet, the Pledged Revenues have not been pledged or hypothecated in any manner or for any purpose at the time of the execution and delivery of this Loan Agreement, and the Governmental Unit desires to pledge the Pledged Revenues toward the payment of this Loan Agreement; and

WHEREAS, the obligation of the Governmental Unit hereunder shall constitute a special, limited obligation of the Governmental Unit, limited to the Pledged Revenues, and shall not constitute a general obligation or other indebtedness of the Governmental Unit or a charge against the general credit or ad valorem taxing power of the Governmental Unit or the State; and

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

WHEREAS, the execution and performance of this Loan Agreement have been authorized, approved and directed by all necessary and appropriate action of the Finance Authority.

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

ARTICLE I DEFINITIONS

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

“Act” means the general laws of the State, NMSA 1978, Sections 73-14-1 through 73-14-92, as amended, and enactments of the Governing Body relating to this Loan Agreement, including the Resolution.

“Additional Payment Obligations” mean payments in addition to Loan Agreement Payments required by this Loan Agreement, including, without limitation, payments required to replenish the Loan Agreement Reserve Account and payments required pursuant to the provisions of Article IX and Article X hereof.

“Aggregate Annual Debt Service Requirement” means the total principal, interest and premium payments, if any, due and payable pursuant to this Loan Agreement and on all Parity Obligations secured by a pledge of the Pledged Revenues for any one Fiscal Year.

“Authorized Officers” means, in the case of the Governmental Unit, Chair, Vice Chair, Secretary/Treasurer, and, in the case of the Finance Authority, the Chair, Vice-Chair and Secretary of the Board of Directors and the Chief Executive Officer or any other officer or employee of the Finance Authority designated in writing by an Authorized Officer.

“Blended Interest Rate” means the rate of interest on this Loan Agreement as shown on the Term Sheet.

“Bond Counsel” means nationally recognized bond counsel experienced in matters of municipal law, satisfactory to the Trustee and listed in the list of municipal bond attorneys, as

published semiannually by The Bond Buyer's Municipal Marketplace, or any successor publication, acting as Loan Counsel to the Finance Authority.

"Bonds" means public project revolving fund revenue bonds, if any, issued hereafter by the Finance Authority to fund or reimburse this Loan Agreement.

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

"Code" means the Internal Revenue Code of 1986, as amended, and the applicable regulations thereunder.

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

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

"Finance Authority Debt Service Account" means the debt service account established in the name of the Governmental Unit within the Debt Service Fund, as defined in the Indenture, held and administered by the Finance Authority to pay principal and interest, if any, on this Loan Agreement as the same become due.

"Fiscal Year" means the period beginning on July 1 in each calendar year and ending on the last day of June of the next succeeding calendar year, or any other twelve-month period which any appropriate authority may hereafter establish for the Governmental Unit as its fiscal year.

"Governing Body" means the duly organized Board of Directors of the Governmental Unit and any successor governing body of the Governmental Unit.

"Gross Revenues" means all income and revenues directly or indirectly derived by the Governmental Unit from the operation and use of the System, or any part of the System, and includes, without limitation, all revenues received by the Governmental Unit, or any municipal corporation or agency succeeding to the rights of the Governmental Unit, from the System and from the sale and use of water and sanitary sewer services or facilities, or any other service, commodity or facility or any combination thereof furnished to the inhabitants in the Service Area, including all revenues from the special taxes and special assessments imposed by the Governmental Unit pursuant to the Conservancy Act that are authorized to be pledged to pay debts, liabilities and obligations of the Governmental Unit such as this Loan Agreement.

Gross Revenues do not include:

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

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

(c) Condemnation proceeds or the proceeds of any insurance policy, except any insurance proceeds derived in respect of loss of use or business interruption, and except as provided in Section 2.1(ee) of this Loan Agreement.

“Indenture” means the General Indenture of Trust and Pledge dated as of June 1, 1995, as amended and supplemented, by and between the Finance Authority and the Trustee, or successor trustee, or the Subordinated General Indenture of Trust and Pledge dated as of March 1, 2005, as supplemented, by and between the Finance Authority and the Trustee, or successor trustee, as determined by the Finance Authority pursuant to a Pledge Notification or Supplemental Indenture (as defined in the Indenture).

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

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

“Loan” means the funds in the Loan Agreement Principal Amount to be loaned to the Governmental Unit by the Finance Authority pursuant to this Loan Agreement.

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

“Loan Agreement Balance” means, as of any date of calculation, the Loan Agreement Principal Amount less the aggregate principal amount paid or prepaid pursuant to the provisions of this Loan Agreement.

“Loan Agreement Payment” means, collectively, the Principal Component and the Interest Component to be paid by the Governmental Unit as payment of this Loan Agreement as shown on Exhibit “B” hereto.

“Loan Agreement Payment Date” means each date a payment is due on this Loan Agreement as shown on Exhibit “B” hereto.

“Loan Agreement Principal Amount” means the original principal amount of this Loan Agreement as shown on the Term Sheet.

“Loan Agreement Reserve Account” means the loan agreement reserve account established in the name of the Governmental Unit and administered by the Trustee pursuant to the Indenture.

“Loan Agreement Reserve Requirement” means, with respect to the Loan, the amount shown as the Loan Agreement Reserve Account deposit on the Term Sheet which amount does not exceed the least of: (i) ten percent (10%) of the Loan Agreement Principal Amount; (ii) one hundred twenty-five percent (125%) of the average annual principal and interest requirements under the Loan Agreement; or (iii) the maximum annual principal and interest requirements under the Loan Agreement.

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

“NMSA” means the New Mexico Statutes Annotated, 1978 compilation, as amended and supplemented.

“Net Revenues” means the gross revenues from whatever source derived of the conservancy district system owned and operated by the Governmental Unit, including all revenues from the special taxes and special assessments imposed by the Governmental Unit pursuant to the Conservancy Act that are authorized to be pledged to pay debts, liabilities and obligations of the Governmental Unit such as the Loan Agreement; 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 conservancy district System.

“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 various Governmental Unit departments directly related and reasonably allocable to the administration of the System;

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

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

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

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

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

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

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

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

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

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

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

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

"Program Account" means the account in the name of the Governmental Unit established pursuant to the Indenture and held by the Trustee for the deposit of the net proceeds of this Loan Agreement for disbursement to the Governmental Unit for payment of the costs of the Project.

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

"Resolution" means the Governmental Unit Resolution No. M-02-12-24-206 adopted by the Governing Body on February 12, 2024, approving this Loan Agreement and pledging the

Pledged Revenues to the payment of the Loan Agreement Payments as shown on the Term Sheet.

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

“System” means the conservancy district system operated by the Government Unit, consisting of all properties, real, personal, mixed or otherwise, now owned or hereafter acquired by the Governmental Unit through purchase, condemnation, construction or otherwise, including all expansions, extensions, enlargements and improvements of or to the system, and used in connection therewith or relating thereto, and any other related activity or enterprise of the Governmental Unit designated by the Governing Body as part of the system, whether situated within or without the limits of the Governmental Unit.

“Term Sheet” means Exhibit “A” attached hereto.

“Trustee” means BOKF, NA, Albuquerque, New Mexico, or any successor trust company, national or state banking association or financial institution at the time appointed Trustee by the Finance Authority.

“Unassigned Rights” means the rights of the Finance Authority to receive payment of the administrative expenses, reports and indemnity against claims pursuant to the provisions of this Loan Agreement which are withheld in the granting clauses of the Indenture from the pledge, assignment and transfer of this Loan Agreement to the Trustee.

ARTICLE II REPRESENTATIONS, COVENANTS AND WARRANTIES

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

(a) Binding Nature of Covenants. All covenants, stipulations, obligations and agreements of the Governmental Unit contained in this Loan Agreement shall be deemed to be the covenants, stipulations, obligations and agreements of the Governmental Unit to the full extent authorized or permitted by law, and such covenants, stipulations, obligations and agreements shall be binding upon the Governmental Unit and its successors and upon any board or body to which any powers or duties affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law. Except as otherwise provided in this Loan Agreement, all rights, powers and privileges conferred and duties and liabilities imposed upon the Governmental Unit by the provisions of this Loan Agreement and the Resolution shall be exercised or performed by the Governmental Unit or by such members, officers, or officials of the Governmental Unit as may be required by law to exercise such powers and to perform such duties.

(b) Personal Liability. No covenant, stipulation, obligation or agreement contained in this Loan Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any officer, agent or employee of the Governmental Unit or member of the Governing Body in his or her individual capacity, and neither the members of the Governing

Body nor any officer, agent or employee of the Governmental Unit executing this Loan Agreement shall be liable personally on this Loan Agreement or be subject to any personal liability or accountability by reason of the execution and delivery thereof.

(c) Authorization of Loan Agreement. The Governmental Unit is a conservancy district and is duly organized and existing under the statutes and laws of the State. Pursuant to the Act, as amended and supplemented from time to time, the Governmental Unit is authorized to enter into the transactions contemplated by this Loan Agreement and to carry out its obligations hereunder and thereunder. The Governmental Unit has duly authorized and approved the execution and delivery of this Loan Agreement and the other documents related to the transaction.

(d) Use of Loan Agreement Proceeds. The Governmental Unit shall proceed without delay in applying the proceeds of this Loan Agreement (less the deposits to the Loan Agreement Reserve Account, if any, and the Finance Authority Debt Service Account) to the acquisition of the Project.

(e) Payment of Loan Agreement. The Governmental Unit shall promptly pay Loan Agreement Payments, as specified in Exhibit "B" hereto, according to the true intent and meaning of this Loan Agreement. Loan Agreement Payments are payable solely from the Pledged Revenues or from the proceeds of refunding bonds or other refunding obligations which the Governmental Unit may hereafter issue in its sole discretion and which are payable from the Pledged Revenues; and nothing in this Loan Agreement shall be construed as obligating the Governmental Unit to pay Loan Agreement Payments from any general or other fund of the Governmental Unit other than such special funds. Nothing contained in this Loan Agreement, however, shall be construed as prohibiting the Governmental Unit 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.

(f) Acquisition and Completion of Project. The Project will consist of acquiring heavy, medium and light equipment and their respective apparatus. The Project will be acquired and completed so as to comply with all applicable ordinances, resolutions and regulations, if any, and any and all applicable laws relating to the acquisition and completion of the Project and to the use of the Pledged Revenues.

(g) Necessity of Project. The acquisition of the Project under the terms and conditions provided for in this Loan Agreement is necessary, convenient and in furtherance of the governmental purposes of the Governmental Unit and is in the best interests of the Governmental Unit and its residents.

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

(i) Loan Agreement Term. The weighted average maturity of 4.959 years of the Loan Agreement does not exceed 120% of the reasonably expected life of the Project which is at least six (6) years.

(j) Use of Project. During the Loan Agreement Term, the Project will at all times be used for the purpose of benefiting the Governmental Unit as a whole.

(k) No Private Activity. The Governmental Unit is a “governmental unit” within the meaning of Sections 103 and 141(b)(6) of the Code. In addition, no amounts disbursed from the Program Account and used to finance the Project shall be used in the trade or business of a person who is not a “governmental unit” within the meaning of Sections 103 and 141(b)(6) of the Code.

(l) No Excess Loan Agreement Proceeds. The amount loaned to the Governmental Unit under this Loan Agreement as set forth on the Term Sheet does not exceed the sum of: (i) the cost of the Project; (ii) the Loan Agreement Reserve Requirement and (iii) an amount necessary to pay the costs related to the issuance of the Bonds, if any.

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

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

(o) Outstanding Debt. Except for the Parity Obligations, if any, described on the Term Sheet, there are currently no outstanding bonds, notes or other obligations of the Governmental Unit which are payable from and secured by a parity lien on the Pledged Revenues. No additional indebtedness, bonds or notes of the Governmental Unit payable on a priority ahead of the indebtedness herein authorized out of the Pledged Revenues shall be created or incurred while this Loan Agreement remains outstanding. Prior to entering into additional indebtedness to be secured by a parity lien on the Pledged Revenues, the Governmental Unit shall comply with the terms of Section 5.5 hereof and shall seek the written consent of the Finance Authority, such consent shall not be unreasonably withheld. During the term of this Loan Agreement, prior to entering into any indebtedness secured by a subordinate lien on the Pledged Revenues or a lien on any revenues of the Governmental Unit other than the Pledged Revenues, the Governmental Unit shall notify the Finance Authority in writing of such indebtedness.

(p) No Litigation. To the knowledge of the Governmental Unit, no litigation or proceeding is pending or threatened against the Governmental Unit or any other person affecting the right of the Governmental Unit to execute or deliver this Loan Agreement or to comply with its obligation under this Loan Agreement. Neither the execution and delivery of

this Loan Agreement by the Governmental Unit, nor compliance by the Governmental Unit with the obligations 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.

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

(r) Pledged Revenues Not Budgeted. The portion of the Pledged Revenues necessary to pay the Loan Agreement Payments, as and when due, is not needed or budgeted to pay current or anticipated operational or other expenses of the Governmental Unit.

(s) Expected Coverage Ratio. The Pledged Revenues (giving credit for any increase in Pledged Revenues which has received final approval of the Governing Body and become effective) from the Fiscal Year immediately preceding the Closing Date were equal to or exceeded and, on an ongoing basis during each year of the Loan Agreement Term, are reasonably expected to equal or exceed, one hundred thirty percent (130%) of the maximum Aggregate Annual Debt Service Requirement.

(t) No Extension of Interest Payments. The Governmental Unit will not extend or be a party to the extension of the time for paying any interest on this Loan Agreement.

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

(v) Continuing Disclosure. The Governmental Unit covenants that it shall provide continuing disclosure to the Finance Authority, as the Finance Authority may require, that shall include, but not be limited to: annual audits, operational data required to update information in any disclosure documents used to assign or securitize the Loan Agreement Payments by issuance of Bonds by the Finance Authority pursuant to the Indenture, and notification of any event deemed material by the Finance Authority.

(w) Tax Covenants. The Governmental Unit covenants that it shall restrict the use of the proceeds of this Loan Agreement in such manner and to such extent, if any, as may be necessary so that this Loan Agreement will not constitute an arbitrage bond under Section 148 of the Code and that it shall pay any applicable rebate to the Internal Revenue Service. Authorized Officers are hereby authorized and directed to execute an Arbitrage and Tax Certificate as may be required by the Finance Authority and such additional certificates as shall be necessary to establish that this Loan Agreement is not an "arbitrage bond" within the meaning of Section 148 of the Code and the Treasury Regulations promulgated or proposed with respect thereto, including Treasury Regulation Sections 1.148-1 through 1.148-11, 1.149 and 1.150 as the same currently exist, or may from time to time hereafter be amended, supplemented or revised. The Governmental Unit covenants to comply with the provisions of any such Arbitrage and Tax Certificate and the provisions thereof will be incorporated herein by reference to the same extent as if set forth herein. The Governmental Unit covenants that no use will be made of the proceeds

of this Loan Agreement, or any funds or accounts of the Governmental Unit which may be deemed to be Gross Proceeds (as defined in Treasury Regulation Section 1.148-1(b)) of this Loan Agreement, which use, if it had been reasonably expected on the Closing Date, would have caused this Loan Agreement to be classified as an “arbitrage bond” within the meaning of Section 148 of the Code. Pursuant to this covenant, the Governmental Unit obligates itself to comply throughout the Loan Agreement Term with the requirements of Sections 103 and 141 through 150 of the Code and the regulations proposed or promulgated with respect thereto. The Governmental Unit further represents and covenants that no bonds or other evidence of indebtedness of the Governmental Unit payable from substantially the same source as this Loan Agreement have been or will be issued, sold or delivered within fifteen (15) days prior to or subsequent to the Closing Date. The Governmental Unit hereby further represents and covenants to comply with Section 7.6 hereof, which designates this Loan Agreement as a “qualified tax-exempt obligation” for purposes of Section 265(b)(3) of the Code.

(x) Use Charges. The Governmental Unit has established and will continue to charge reasonable rates for services rendered by the Governmental Unit for use of the System taking into account the cost and value of the System, Operation and Maintenance Expenses, proper allowances for depreciation, and the amounts necessary to make debt services payments from Net Revenues of the System. There shall be charged against users, rates and amounts which shall be increased from time to time, if necessary, and which shall produce Gross Revenues sufficient to pay the annual Operation and Maintenance Expenses and one hundred thirty percent (130%) of the Aggregate Annual Debt Service Requirement payable during the then current Fiscal Year.

(y) Efficient Operation. The Governmental Unit will operate the System so long as this Loan 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 within the Service Area.

(z) Records. So long as the Loan Agreement remains outstanding, proper books of record and account will be kept by the Governmental Unit, separate from all other records and accounts, showing complete and correct entries of all transactions relating to the System.

(aa) Right to Inspect. The Finance Authority and the Trustee shall have the right to inspect at all reasonable times all records, accounts and data relating to the System and to inspect the System and all properties comprising the System.

(bb) Audits. The Governmental Unit further agrees that, except where the State Auditor of the State performs the audit or where the due date for the audit has been postponed as may otherwise be required by the State Auditor or any other State office or agency with appropriate authority, the Governmental Unit will, within one hundred eighty (180) days following the close of each Fiscal Year, cause an audit of the books and accounts of the System to be made by an Independent Accountant. Each audit of the System shall include those matters determined to be proper by the Independent Accountant. Each audit will be available for

inspection by the Finance Authority. The Governmental Unit will provide the Finance Authority with a copy of each audit promptly upon the request of the Finance Authority. All expenses incurred in the making of the audits and reports required by this Section shall be regarded and paid as an Operation and Maintenance Expense.

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

(dd) Insurance. The Governmental Unit will procure and maintain or cause to be procured and maintained commercial insurance or provide Qualified Self Insurance with respect to the facilities constituting the System and public liability insurance in the form of commercial insurance or Qualified Self Insurance in such amounts and against such risks as are, in the judgment of the Governing Body, prudent and reasonable taking into account, but not being controlled by, the amounts and types of insurance or self insured programs provided by conservancy districts. "Qualified Self Insurance" means insurance maintained through a program of self-insurance or insurance maintained with a fund, company or association in which the Governmental Unit may have a material interest and of which the Governmental Unit may have control, either singly or with others. Each plan of Qualified Self Insurance shall be established in accordance with law, shall provide that reserves be established or insurance acquired in amounts adequate to provide coverage which the Governmental Unit determines to be reasonable to protect against risks assumed under the Qualified Self Insurance plan, including any potential retained liability in the event of the termination of such plan of Qualified Self Insurance. In the event of property loss or damage to the System, insurance proceeds shall be used first for the purpose of restoring or replacing the property lost or damaged and thereafter, any remainder may be used to redeem Parity Obligations or be treated as Gross Revenues.

(ee) Alienating System. The Governmental Unit will not sell, lease, mortgage, pledge, or otherwise encumber, or in any manner dispose of, or otherwise alienate, the System, or any part thereof, including any and all extensions and additions that may be made thereto, until this Loan Agreement shall have been paid in full, including the Principal Component and the Interest Component, except that the Governmental Unit may sell any portion of said property which shall have been replaced by other property of at least equal value, or which shall cease to be necessary for the efficient operation of the System, but in no manner nor to such extent as might prejudice the security for the payment of this Loan Agreement, provided, however, that in the event of any sale as aforesaid, the proceeds of such sale shall be distributed as Net Revenues of the System as provided herein.

(ff) Competent Management. The Governmental Unit shall employ or contract for experienced and competent personnel to manage the System.

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

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

(ii) Completion Bonds. In order to insure the completion of the Project, the Governmental Unit will require that the contractor to whom is given any contract for construction appertaining to the Project supply a completion bond or bonds satisfactory to the Governmental Unit, and that any sum or sums derived from said completion bond or bonds shall be used within six (6) months after such receipt for the completion of said construction, and if not so used within such period, shall be treated as Gross Revenues.

Section 2.2 Representations, Covenants and Warranties of the Finance Authority. The Finance Authority represents, covenants and warrants for the benefit of the Governmental Unit as follows:

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

(b) Assignment of Rights. The Finance Authority may not pledge or assign the Pledged Revenues, the Loan Agreement Payments or any of its other rights under this Loan Agreement except to the Trustee pursuant to the Indenture.

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

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

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

(f) Tax-Exempt Reimbursement of Amount Loaned. The Finance Authority intends to reimburse the public project revolving fund (as defined in the Finance Authority Act) for the amount of the Loan from the proceeds of tax-exempt bonds which the Finance Authority expects to issue within eighteen (18) months of the Closing Date.

ARTICLE III LOAN AGREEMENT TERM

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

ARTICLE IV LOAN; APPLICATION OF MONEYS

On the Closing Date, the Finance Authority shall transfer the Loan Agreement Principal Amount as follows:

(a) To the Trustee, the amount shown on the Term Sheet as the Program Account deposit shall be deposited into the Governmental Unit's Program Account to be maintained by the Trustee pursuant to the Indenture and disbursed pursuant to Section 6.2 hereof at the direction of the Governmental Unit for the Project; and

(b) To the Trustee, the amount shown on the Term Sheet as the Loan Agreement Reserve Account deposit shall be deposited into the Governmental Unit's account maintained in the Loan Agreement Reserve Fund by the Trustee pursuant to the Indenture; and

(c) To the Finance Authority, the amount shown on the Term Sheet as the Finance Authority Debt Service Account deposit shall be deposited in the Finance Authority Debt Service Account to be maintained by the Finance Authority or its assignee and utilized as provided in Section 5.2 hereof; and

ARTICLE V
LOAN TO THE GOVERNMENTAL UNIT;
PAYMENTS BY THE GOVERNMENTAL UNIT

Section 5.1 Loan to the Governmental Unit; Payment Obligations Limited to Pledged Revenues; Pledge of Pledged Revenues. The Finance Authority hereby lends to the Governmental Unit and the Governmental Unit hereby borrows from the Finance Authority an amount equal to the Loan Agreement Principal Amount. The Governmental Unit promises to pay, but solely from the sources pledged herein, the Loan Agreement Payments as herein provided. The Governmental Unit does hereby convey, assign and pledge unto the Finance Authority and unto its successors in trust forever all right, title and interest of the Governmental Unit in and to: (i) the Pledged Revenues to the extent required to pay the Loan Agreement Payments on parity with the Parity Obligations; (ii) the Finance Authority Debt Service Account, such account being held by the Finance Authority; (iii) the Program Account and the Loan Agreement Reserve Account, such accounts being held by the Trustee; and (iv) all other rights hereinafter granted, for the securing of the Governmental Unit's obligations under this Loan Agreement, including payment of the Loan Agreement Payments and Additional Payment Obligations; provided, however, that if the Governmental Unit, its successors or assigns, shall well and truly pay, or cause to be paid, all Loan Agreement Payments at the time and in the manner contemplated by this Loan Agreement, or shall provide as permitted by Article VIII of this Loan Agreement for the payment thereof and shall pay all other amounts due or to become due under this Loan Agreement in accordance with its terms and provisions, then, upon such final payment or provision for payment by the Governmental Unit, this Loan Agreement and the rights created thereby shall terminate; otherwise, this Loan Agreement shall remain in full force and effect. The Loan Agreement Payments shall, in the aggregate, be sufficient to pay the Principal Component and the Interest Component when due, the payment schedule of which is attached hereto as Exhibit "B."

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

Section 5.2 Payment Obligations of Governmental Unit. The Governmental Unit shall transfer to the Finance Authority from the Pledged Revenues the amounts provided in subsections (a)(i) and (ii) of this Section 5.2 for deposit into the Finance Authority Debt Service Account and the amounts provided in subsection (c) for deposit into the Loan Agreement Reserve Account. The Finance Authority Debt Service Account shall be established and held by

the Finance Authority and the Loan Agreement Reserve Account shall be established and held by the Trustee, each on behalf of the Governmental Unit. All Pledged Revenues received by the Finance Authority pursuant to this Section 5.2 shall be accounted for and maintained on an ongoing basis by the Finance Authority in the Finance Authority Debt Service Account and all Loan Agreement Payments shall be remitted to the Trustee. The amounts on deposit in the Finance Authority Debt Service Account and Loan Agreement Reserve Account shall be expended and used by the Finance Authority or the Trustee, as the case may be, only in the manner and order of priority specified below.

(a) As a first charge and lien, but not an exclusive first charge and lien, on the Pledged Revenues (on a parity with the lien on the Pledged Revenues created by any outstanding Parity Obligations), the Governmental Unit shall remit to the Finance Authority, and the Finance Authority shall transfer and deposit into the Finance Authority Debt Service Account the following from the Pledged Revenues received from the Governmental Unit, which the Finance Authority shall transfer to the Trustee in accordance with the Indenture:

(i) Interest Components. (A) Monthly, beginning on the first day of the second month following the Closing Date, an amount in equal monthly installments which is necessary to pay the first maturing Interest Component coming due on this Loan Agreement (which is November 1, 2024), and (B) on the first day of each month thereafter, one-sixth (1/6th) of the amount necessary to pay the next maturing Interest Component on this Loan Agreement as described in Exhibit "B";

(ii) Principal Payments. (A) Monthly, beginning on the first day of the second month following the Closing Date, an amount in equal monthly installments which is necessary to pay the first maturing Principal Component (which is May 1, 2025), and (B) on the first day of each month thereafter, one-twelfth (1/12th) of the amount which is necessary to pay the next maturing Principal Component on this Loan Agreement during the Loan Agreement Term, as described in Exhibit "B".

(b) Each Loan Agreement Payment shall be transferred by the Finance Authority from the Finance Authority Debt Service Account to the Trustee.

(c) As a second charge and lien on the Pledged Revenues received from the Governmental Unit after the deposits in (a) and (b) have been made, the Trustee shall transfer and deposit to the Loan Agreement Reserve Account any amounts necessary to fully replenish the Loan Agreement Reserve Account to the Loan Agreement Reserve Requirement. Moneys in the Loan Agreement Reserve Account shall be held and administered by the Trustee and shall be used only to prevent deficiencies in the payment of the Principal Component and Interest Component of the Loan Agreement Payments resulting from a failure to deposit into the Finance Authority Debt Service Account sufficient funds to pay debt service requirements on the Loan; provided, that the final two Interest Components and the final Principal Component on the Loan shall be payable, from the Loan Agreement Reserve Account. If funds are withdrawn from the Loan Agreement Reserve Account to pay debt service on the Loan, at the direction of the Finance Authority or the Trustee, the Governmental Unit shall pay to the Trustee additional Pledged Revenues which shall be deposited into the Loan Agreement Reserve Account in amounts in equal monthly installments sufficient to restore the amount on deposit therein to the

Loan Agreement Reserve Requirement within one (1) year following such withdrawal; provided, that no additional Pledged Revenues shall be deposited to replenish the Loan Agreement Reserve Account following the transfer of the amount in the Loan Agreement Reserve Account to the Finance Authority Debt Service Account for payment of the final two Interest Components and the final Principal Component.

Notwithstanding any other provisions hereof, the Finance Authority shall have the right to waive the requirement of the Loan Agreement Reserve Account and the Loan Agreement Reserve Requirement, and any moneys in the Loan Agreement Reserve Account may, at the written direction of the Finance Authority, be applied to the Finance Authority Debt Service Account, released to the Governmental Unit for the Project or used for any other purposes provided by law. If amounts in the Loan Agreement Reserve Account are released by the Finance Authority, the references in this Loan Agreement to the Loan Agreement Reserve Account and the Loan Agreement Reserve Requirement shall be of no further force and effect.

(d) Subject to the foregoing deposits, the Finance Authority or the Trustee shall annually use the balance of the Pledged Revenues received, if any, at the request of the Governmental Unit: (i) to credit against upcoming Loan Agreement Payments; or (ii) to distribute to the Governmental Unit for any purpose permitted by law.

Section 5.3 Manner of Payment. All payments of the Governmental Unit hereunder shall be paid in lawful money of the United States of America to the Finance Authority at the address designated in Section 11.1 herein, for remittance to the Trustee. The obligation of the Governmental Unit to make payments hereunder, from and to the extent of the available Pledged Revenues, shall be absolute and unconditional in all events, except as expressly provided hereunder, and payment hereunder shall not be abated through accident or unforeseen circumstances. Notwithstanding any dispute between the Governmental Unit, the Finance Authority, the Trustee, any vendor or any other person, the Governmental Unit shall make all deposits hereunder, from and to the extent of the available Pledged Revenues, when due and shall not withhold any deposit hereunder pending final resolution of such dispute, nor shall the Governmental Unit assert any right of set-off or counterclaim against its obligation to make such deposits required hereunder.

Section 5.4 Disposition of Payments by the Trustee. The Trustee shall deposit all moneys received from the Finance Authority under this Loan Agreement in accordance with the Indenture.

Section 5.5 Additional Parity Obligations. No provision of this Loan Agreement shall be construed in such a manner as to prevent the issuance by the Governmental Unit of additional Parity Obligations payable from the Pledged Revenues, nor to prevent the issuance of bonds or other obligations refunding all or a part of this Loan Agreement; provided, however, that before any such additional Parity Obligations are actually issued (excluding refunding bonds or refunding obligations which refund Parity Obligations but including parity refunding bonds and obligations which refund subordinate obligations as provided in Section 5.6 hereof), the Governmental Unit shall obtain the written consent of the Finance Authority and it must be determined that:

(a) The Governmental Unit is then current in all of the accumulations required to be made into the Finance Authority Debt Service Account and the Loan Agreement Reserve Account as provided herein.

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

(c) The Pledged Revenues received by or credited to the Governmental Unit for the Fiscal Year or for any twelve (12) consecutive months out of the twenty-four (24) months preceding the date of the issuance of such additional Parity Obligations (the "Historic Test Period") shall have been sufficient to pay an amount representing one hundred thirty percent (130%) of the combined maximum Aggregate Annual Debt Service Requirement coming due in any subsequent Fiscal Year on the then outstanding Parity Obligations and the Parity Obligations proposed to be issued (excluding the accumulation of any reserves therefor).

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

(e) With prior written notice to the Finance Authority, no provision of this Loan Agreement shall be construed in such a manner as to prevent the issuance by the Governmental Unit of additional bonds or other obligations payable from the Pledged Revenues constituting a lien upon such Pledged Revenues subordinate and junior to the lien of this Loan Agreement nor to prevent the issuance of bonds or other obligations refunding all or part of this Loan Agreement as permitted by Section 5.6 hereof.

(f) The Governmental Unit shall not issue bonds or other obligations payable from the Pledged Revenues having a lien thereon prior and superior to this Loan Agreement.

Section 5.6 Refunding Obligations. The provisions of Section 5.5 hereof are subject to the following exceptions:

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

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

(i) The outstanding obligations so refunded are Parity Obligations and the refunding bonds or other refunding obligations do not increase any aggregate annual principal and interest obligations evidenced by such refunded obligations; or

(ii) The refunding bonds or other refunding obligations are issued in compliance with Section 5.5 hereof.

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

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

(ii) The refunding bonds or other refunding obligations are issued in compliance with Section 5.5 hereof; or

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

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

Section 5.7 Investment of Governmental Unit Funds. Money on deposit in the Finance Authority Debt Service Account established by the Finance Authority may be invested by the Finance Authority in Permitted Investments at the discretion of the Finance Authority. Money on deposit in the Program Account and Loan Agreement Reserve Account held by the Trustee and created hereunder may be invested by the Trustee in Permitted Investments at the written direction of the Finance Authority or at the discretion of the Trustee. Any earnings on any of said accounts shall be held and administered in each respective account and utilized in the same manner as the other moneys on deposit therein.

Section 5.8 Governmental Unit May Budget for Payments. The Governmental Unit may, in its sole discretion, but without obligation and subject to the Constitution of the State, governing laws, and its budgetary requirements, make available properly budgeted and legally available funds to defray any insufficiency of Pledged Revenues to pay Loan Agreement

Payments; provided, however, the Governmental Unit has not covenanted and cannot covenant to make such funds available and has not pledged any of such funds for such purpose.

ARTICLE VI THE PROJECT

Section 6.1 Agreement To Acquire the Project. The Governmental Unit hereby agrees that to effectuate the purposes of this Loan Agreement and to effectuate the acquisition and completion of the Project, it shall make, execute, acknowledge and transmit any contracts, orders, receipts, writings and instructions with any other persons, firms or corporations and, in general, do all things which may be requisite or proper to acquire the Project. The Governmental Unit agrees to acquire and complete the Project through the application of moneys to be disbursed from the Program Account pursuant to Section 6.2 of this Loan Agreement.

Section 6.2 Disbursements From the Program Account. So long as no Event of Default shall occur, the Trustee shall disburse moneys from the Program Account in accordance with Section 6.2 of the Indenture upon receipt by the Trustee of a requisition substantially in the form of Exhibit "C" attached hereto signed by an Authorized Officer of the Governmental Unit.

No disbursement shall be made from the Program Account without the approval of Bond Counsel: (i) to reimburse the Governmental Unit's own funds for expenditures made prior to the Closing Date; (ii) to refund or advance refund any tax-exempt obligations issued by or on behalf of the Governmental Unit; (iii) to be used, directly or indirectly, to finance a project used or to be used in the trade or business of a person who is not a "governmental unit," within the meaning of Section 141(b)(6) of the Code; or (iv) to expend funds after the date that is three (3) years after the execution and delivery of this Loan Agreement.

Section 6.3 Completion of the Project. Upon completion of the Project, an Authorized Officer of the Governmental Unit shall deliver a certificate to the Finance Authority and the Trustee substantially in the form of Exhibit "D" attached hereto stating that, to the best of his or her knowledge, the Project has been completed and accepted by the Governmental Unit, and all costs have been paid. Notwithstanding the foregoing, such certificate shall state that it is given without prejudice to any rights against third parties which exist at the date of such certificate or which may subsequently come into being.

Section 6.4 Application of Loan Agreement Proceeds Subsequent to Completion of the Project. Upon completion of the Project as signified by delivery of the completion certificate contemplated in Section 6.3 hereof, or in the event that the Finance Authority and the Trustee shall not have received a certificate of completion as required by Section 6.3 hereof by the date three (3) years from the Closing Date (or such later date as is approved in writing by Bond Counsel), the Trustee shall transfer the amounts remaining in the Program Account (except amounts necessary for payment of amounts not then due and payable) to the Finance Authority Debt Service Account and such amounts shall be used for the payment of Loan Agreement Payments.

**ARTICLE VII
COMPLIANCE WITH LAWS
AND RULES; OTHER COVENANTS**

Section 7.1 Further Assurances and Corrective Instruments. The Finance Authority and the Governmental Unit agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Project or of the Pledged Revenues, or for otherwise carrying out the intention hereof.

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

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

Section 7.4 First Lien; Equality of Liens. The Loan Agreement Payments constitute an irrevocable first lien (but not necessarily an exclusive first lien) upon the Pledged Revenues. The Governmental Unit covenants that the Loan Agreement Payments and any Parity Obligations herein authorized to be issued and from time to time outstanding shall be equitably and ratably secured by a first lien on the Pledged Revenues and shall not be entitled to any priority one over the other in the application of the Pledged Revenues regardless of the time or times of the issuance of such obligations, it being the intention of the Governmental Unit that there shall be no priority between the Loan Agreement Payments and any such Parity Obligations regardless of the fact that they may be actually issued and delivered at different times.

Section 7.5 Expeditious Completion. The Governmental Unit shall complete the Project with all practical dispatch.

Section 7.6 Bank Designation of Loan Agreement. For purposes of and in accordance with Section 265 of the Code, the Governmental Unit hereby designates this Loan Agreement as an issue qualifying for the exception for certain qualified tax-exempt obligations to the rule denying banks and other financial institutions 100% of the deduction for interest expenses which is allocable to tax-exempt interest. The Governmental Unit reasonably anticipates that the total amount of tax exempt obligations (other than obligations described in Section 265(b)(3)(C)(ii) of the Code) which will be issued by the Governmental Unit and by any aggregated issuer during the current calendar year will not exceed \$10,000,000. For purposes of this Section 7.6, "aggregated issuer" means any entity which: (i) issues obligations on behalf of the Governmental Unit; (ii) derives its issuing authority from the Governmental Unit; or (iii) is controlled directly

or indirectly by the Governmental Unit within the meaning of Treasury Regulation Section 1.150-1(e). The Governmental Unit hereby represents that (a) it has not created and does not intend to create and does not expect to benefit from any entity formed or availed of to avoid the purposes of Section 265(b)(3)(C) or (D) of the Code and (b) the total amount of obligations so designated by the Governmental Unit, and all aggregated issuers for the current calendar year does not exceed \$10,000,000.

Section 7.7 Arbitrage Rebate Exemption. The Governmental Unit hereby certifies and warrants, for the purpose of qualifying for the exception contained in Section 148(f)(4)(D) of the Code, to the requirement to rebate arbitrage earnings from investments of the proceeds of the Loan Agreement (the “Rebate Exemption”), that (i) this Loan Agreement is issued by the Governmental Unit which has general taxing powers, (ii) neither this Loan Agreement nor any portion thereof is a private activity bond as defined in Section 141 of the Code (“Private Activity Bond”), (iii) all of the net proceeds of this Loan Agreement are to be used for local government activities of the Governmental Unit (or of a governmental unit, the jurisdiction of which is entirely within the jurisdiction of the Governmental Unit) and (iv) neither the Governmental Unit nor any aggregated issuer has issued or is reasonably expected to issue any Tax-Exempt Bonds other than (A) Private Activity Bonds (as those terms are used in Section 148(f)(4)(D) of the Code) and (B) issued to refund (other than to advance refund (as used in the Code)) any bond to the extent the amount of the refunding bond does not exceed the outstanding amount of the refunded bond, during the current calendar year, which would in the aggregate amount exceed \$5,000,000. For purposes of this paragraph, “aggregated issuer” means any entity which (a) issues obligations on behalf of the Governmental Unit, (b) derives its issuing authority from the Governmental Unit, or (c) is controlled directly or indirectly by the Governmental Unit within the meaning of Treasury Regulation Section 1.150-1(e). The Governmental Unit hereby represents that it has not created, does not intend to create and does not expect to benefit from any entity formed or availed of to avoid the purposes of Section 148(f)(4)(D) of the Code.

Accordingly, with respect to the Loan Agreement, the Governmental Unit will qualify for the rebate exemption granted under Section 148(f)(4)(D) of the Code and the Governmental Unit shall be treated as meeting the requirements of paragraphs (2) and (3) of Section 148(f) of the Code relating to the required rebate of arbitrage earnings to the United States.

The Governmental Unit hereby further represents and covenants that if it is determined that rebatable arbitrage, as that term is defined under Section 148 of the Code and related regulations, is required to be paid to the United States, that it will pay such rebatable arbitrage.

ARTICLE VIII PREPAYMENT OF LOAN AGREEMENT PAYMENTS

Section 8.1 Prepayment. There is no option to prepay this Loan Agreement in whole or in part.

Section 8.2 Defeasance. Should the Governmental Unit pay or make provision for payment of the Loan such that all amounts due pursuant to this Loan Agreement shall be deemed to have been paid and defeased, then the Loan Agreement Payments hereunder shall also be deemed to have been paid, the Governmental Unit’s payment obligations hereunder shall be terminated, this Loan Agreement and all obligations contained herein shall be discharged and the

pledge hereof released. Such payment shall be deemed made when the Governmental Unit has deposited with an escrow agent, in trust, (i) moneys sufficient to make such payment, and/or (ii) noncallable Governmental Obligations maturing as to principal and interest in such amount and at such times as will ensure the availability of sufficient moneys to make such payment and when all necessary and proper expenses of the Finance Authority have been paid or provided for. In the event the Governmental Unit makes provisions for defeasance of this Loan Agreement, the Governmental Unit shall cause to be delivered (1) a report of an independent nationally recognized certified public accountant verifying the sufficiency of the escrow established to pay this Loan Agreement in full when due or upon an irrevocably designated prepayment date, and (2) an opinion of Bond Counsel to the effect that this Loan Agreement is no longer outstanding, each of which shall be addressed and delivered to the Finance Authority. Governmental Obligations within the meaning of this Section 8.2, unless otherwise approved by the Finance Authority, shall include only (1) cash, (2) U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series – “SLGs”), and (3) obligations the principal of and interest on which are unconditionally guaranteed by the United States of America.

ARTICLE IX INDEMNIFICATION

From and to the extent of the Pledged Revenues, to the extent permitted by law, the Governmental Unit shall and hereby agrees to indemnify and save the Finance Authority and the Trustee harmless against and from all claims, by or on behalf of any person, firm, corporation or other legal entity arising from the acquisition or operation of the Project during the Loan Agreement Term, from: (i) any act of negligence or other misconduct of the Governmental Unit or breach of any covenant or warranty by the Governmental Unit hereunder; and (ii) the incurrence of any cost or expense in connection with the acquisition or operation of the Project in excess of the Loan Agreement proceeds and interest on the investment thereof. The Governmental Unit shall indemnify and save the Finance Authority and the Trustee harmless, from and to the extent of 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 Trustee, shall defend the Finance Authority or the Trustee, 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 Loan Agreement:

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

(b) Failure by the Governmental Unit to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Loan Agreement, other than as referred to in paragraph (a), for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied is given to the Governmental Unit by the Finance Authority or the Trustee unless the Finance Authority and the Trustee shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice

can be wholly cured within a period of time not materially detrimental to the rights of the Finance Authority or the Trustee but cannot be cured within the applicable thirty (30) day period, the Finance Authority and the Trustee will not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the Governmental Unit within the applicable period and diligently pursued until the failure is corrected; and provided, further, that if by reason of force majeure the Governmental Unit is unable to carry out the agreements on its part herein contained, the Governmental Unit shall not be deemed in default under this paragraph (b) during the continuance of such inability (but force majeure shall not excuse any other Event of Default);

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

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

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

(f) The Governmental Unit admits insolvency or bankruptcy or its inability to pay its debts as they become due or is generally not paying its debts as such debts become due, or becomes insolvent or bankrupt or makes an assignment for the benefit of creditors, or a custodian (including, without limitation, a receiver, liquidator or trustee) of the Governmental Unit for any of its property is appointed by court order or takes possession thereof and such order remains in effect or such possession continues for more than thirty (30) days, but the Finance Authority and the Trustee 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 Remedies on Default. Whenever any Event of Default has occurred and is continuing and subject to Section 10.3 hereof, the Finance Authority or the Trustee may take any or all of the following actions as may appear necessary or desirable to collect the payments then due and to become due or to enforce performance of any agreement of the Governmental Unit in this Loan Agreement:

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

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

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

(d) Cause the Governmental Unit to account as if it were the trustee of an express trust for all of the Pledged Revenues; or

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

(f) Apply any amounts in the Program Account toward satisfaction of any of the obligations of the Governmental Unit under this Loan Agreement.

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

Section 10.4 No Remedy Exclusive. Subject to Section 10.3 hereof, no remedy herein conferred upon or reserved to the Finance Authority or the Trustee is intended to be exclusive, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder as now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Finance Authority or the Trustee to exercise any remedy reserved in this Article X, it shall not be necessary to give any notice, other than such notice as may be required in this Article X.

Section 10.5 Waivers of Events of Default. The Finance Authority or the Trustee may in its discretion waive by written waiver any Event of Default hereunder and the consequences of such an Event of Default provided, however, that there shall not be waived: (i) any Event of Default in the payment of the principal of this Loan Agreement at the date when due as specified herein; or (ii) any default in the payment when due of the interest on this Loan Agreement, unless prior to such waiver or rescission, all arrears of interest, with interest at the rate borne by this Loan Agreement on all arrears of payments of principal and all expenses of the Finance Authority or the Trustee, in connection with such Event of Default shall have been paid or provided for, and in case of any such waiver or rescission, or in case any proceeding taken by the Finance Authority or the Trustee on account of any such Event of Default shall have been discontinued or abandoned or determined adversely, then and in every such case, the Finance Authority and the Trustee 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 Governmental Unit shall default under any of the provisions hereof and the Finance Authority or the Trustee 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 Governmental Unit herein contained, the Governmental Unit agrees that it shall on demand therefor pay to the Finance Authority or the Trustee, as applicable, the fees of such attorneys and such other expenses so incurred, to the extent that such attorneys' fees and expenses may be determined to be reasonable by a court of competent jurisdiction; provided, however, that the obligation of the Governmental Unit under this Section shall be limited to expenditures from and to the extent of the available Pledged Revenues.

ARTICLE XI MISCELLANEOUS

Section 11.1 Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered as follows: if to the Governmental Unit, 1931 Second Street SW, Albuquerque, New Mexico 87102, Attention: Secretary/Treasurer; if to the Finance Authority, New Mexico Finance Authority, 207 Shelby Street, Santa Fe, New Mexico 87501, Attention: Chief Executive Officer; and if to the Trustee, BOKF, NA, 100 Sun Avenue NE, Suite 500, Albuquerque, New Mexico 87109, Attention: Trust Division. The Governmental Unit, the Finance Authority, and the Trustee may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 11.2 Binding Effect. This Loan Agreement shall inure to the benefit of and shall be binding upon the Finance Authority, the Governmental Unit and their respective successors and assigns, if any.

Section 11.3 Amendments. The Governmental Unit agrees that this Loan Agreement will not be amended without the prior written consent of the Finance Authority, and, if the Loan has been pledged under the Indenture (as defined herein), without the prior written consent of the Trustee (as defined herein), the Finance Authority and the Governmental Unit, pursuant to the Indenture.

Section 11.4 No Liability of Individual Officers, Directors or Trustees. No recourse under or upon any obligation, covenant or agreement contained in this Loan Agreement shall be had against any member, employee, director or officer, as such, past, present or future, of the Finance Authority, either directly or through the Finance Authority, or against any officer, employee, director, trustee or member of the Governing Body, past, present or future, as an individual so long as such individual was acting in good faith. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such officer, employee, director, trustee or member of the Governing Body or of the Finance Authority is hereby expressly waived and released by the Governmental Unit and by the Finance Authority as a condition of and in consideration for the execution of this Loan Agreement.

Section 11.5 Severability. In the event that any provision of this Loan Agreement, other than the requirement of the Governmental Unit to pay hereunder, shall be held invalid or

unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 11.6 Execution in Counterparts. This Loan Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 11.7 Assignment by the Finance Authority. Pursuant to the Indenture, this Loan Agreement may be assigned and transferred by the Finance Authority to the Trustee, which assignment and transfer is hereby acknowledged and approved by the Governmental Unit.

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

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

Section 11.10 Captions. The captions or headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Loan Agreement.

[Signature pages follow]

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Finance Authority, on behalf of itself, and as approved by the Board of Directors of the Finance Authority on December 14, 2024, has executed this Loan Agreement, in its corporate name by its duly authorized officer; and the Governmental Unit has caused this Loan Agreement to be executed in its corporate name and the seal of the Governmental Unit affixed and attested by its duly authorized officers. All of the above are effective as of the date first above written.

NEW MEXICO FINANCE AUTHORITY

By _____
Marquita D. Russel, Chief Executive Officer

PREPARED FOR EXECUTION BY OFFICERS OF
THE NEW MEXICO FINANCE AUTHORITY:
Sutin, Thayer & Browne A Professional Corporation
As Loan Counsel

By _____
Suzanne Wood Bruckner

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

By _____
Daniel C. Opperman, Chief Legal Officer

MIDDLE RIO GRANDE CONSERVANCY
DISTRICT, BERNALILLO COUNTY, NEW MEXICO

By _____
Stephanie Russo-Baca, Chair

[SEAL]

ATTEST:

By _____
Pamela Fanelli, Secretary/Treasurer

6885198_2

EXHIBIT "A"

TERM SHEET

New Mexico Finance Authority Loan No. PPRF-6352

Governmental Unit: Middle Rio Grande Conservancy District

Project Description: Purchase heavy, medium and light equipment and their respective apparatus

Loan Agreement
Principal Amount: \$3,294,384

Pledged Revenues: The Net Revenues of the System

Coverage Ratio: 130%

Currently Outstanding
Parity Obligations: NMFA Loan No. PPRF-4727; NMFA Loan No. PPRF-5636;
NMED Loan No. CWSRF 058

Additional Parity Bonds
Test: 130%

Authorizing Legislation: Resolution No. M-02-12-24-206 adopted on February 12, 2024

Closing Date: March 22, 2024

Blended Interest Rate: 2.408737%

Program Account Deposit: \$2,964,945

Loan Agreement Reserve
Account Deposit: \$329,438.40

Finance Authority Debt
Service Account Deposit: \$0.60

First Interest Payment Date: November 1, 2024

First Principal Payment Date: May 1, 2025

Final Payment Date: May 1, 2031

PROGRAM ACCOUNT DEPOSITS MUST BE USED WITHIN THREE YEARS UNLESS A
LATER DATE IS APPROVED IN WRITING TO THE TRUSTEE AND THE FINANCE
AUTHORITY BY BOND COUNSEL TO THE FINANCE AUTHORITY

EXHIBIT "B"

DEBT SERVICE SCHEDULE FOR LOAN REPAYMENT

[SEE ATTACHED]

EXHIBIT "C"

FORM OF REQUISITION

RE: \$3,294,384 Loan Agreement by and between the Middle Rio Grande Conservancy District and the New Mexico Finance Authority (the "Loan Agreement").

TO: BOKF, NA
c/o New Mexico Finance Authority
PPRF@nmfa.net

You are hereby authorized to disburse from the Program Account – Middle Rio Grande Conservancy District (2024 Equipment Loan), with regard to the above-referenced Loan Agreement the following:

LOAN NO. PPRF-6352

CLOSING DATE: March 22, 2024

REQUISITION NUMBER: _____

NAME AND ADDRESS OF PAYEE: _____

AMOUNT OF PAYMENT: _____

PURPOSE OF PAYMENT: _____

Each obligation, item of cost or expense mentioned herein is for costs of the Project, is due and payable, has not been the subject of any previous requisition and is a proper charge against the Program Account – Middle Rio Grande Conservancy District (2024 Equipment Loan).

All representations contained in the Loan Agreement and the related closing documents remain true and correct and the Middle Rio Grande Conservancy District, is not in breach of any of the covenants contained therein.

If this is the final requisition, payment of costs of the Project is complete or, if not complete, the Middle Rio Grande Conservancy District shall, and understands its obligation to, complete the acquisition of the Project from other legally available funds.

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

DATED: _____

By _____

Authorized Officer

Title _____

(Print Name and Title)

C-1

EXHIBIT "D"

CERTIFICATE OF COMPLETION

RE: \$3,294,384 Loan Agreement by and between the Middle Rio Grande Conservancy District and the New Mexico Finance Authority (the "Loan Agreement").

TO: New Mexico Finance Authority
PPRF@nmfa.net

Susen Ellis
Vice President, Corporate Trust
BOKF, NA
100 Sun Avenue NE, Suite 500
Albuquerque, New Mexico 87109

LOAN NO.: PPRF-6352

CLOSING DATE: March 22, 2024

In accordance with Section 6.3 of the Loan Agreement, the undersigned states, to the best of his or her knowledge, that the acquisition of the Project has been completed and accepted by the Governmental Unit, and all costs have been paid as of the date of this Certificate. Notwithstanding the foregoing, this certification is given without prejudice to any rights against third parties which exist at the date of this Certificate or which may subsequently come into being.

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

DATED: _____

By _____
Authorized Officer of Governmental Unit

Title _____
Print Name and Title

\$3,294,384
MIDDLE RIO GRANDE CONSERVANCY DISTRICT
NEW MEXICO FINANCE AUTHORITY LOAN

STATE OF NEW MEXICO)
BERNALILLO COUNTY) ss. GENERAL AND NO LITIGATION
MIDDLE RIO GRANDE CONSERVANCY) CERTIFICATE
DISTRICT)

IT IS HEREBY CERTIFIED by the undersigned, the duly elected and chosen, Chair and Secretary/Treasurer and Attorney for Middle Rio Grande Conservancy District (the “Governmental Unit”) in Bernalillo County, and the State of New Mexico (the “State”) (provided, that the Attorney for the Governmental Unit is certifying only as to Paragraphs 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, 13, 14, 16, 17, 18, 20, 21, 22, 24 and 25 hereof):

Capitalized terms used in this Certificate have the same meaning as defined in Governmental Unit Resolution No. M-02-12-24-206 adopted on February 12, 2024 (the “Resolution”) unless otherwise defined in this Certificate or the context requires otherwise.

1. The Governmental Unit is a political subdivision of the State and is duly organized and validly existing under and pursuant to the laws of the State, its full name being “Middle Rio Grande Conservancy District.”

2. The Governmental Unit organized in the year 1925.

3. From at least October 9, 2023 (except as otherwise noted), to and including the date of this Certificate, the following were and now are the duly chosen, qualified and acting officers of the Governmental Unit:

Chairman: Stephanie Russo-Baca

Vice Chairman: Karen Dunning
Councilors/

Directors: Brian Jiron
John Kelly
Glen Duggins
Michael T. Sandoval

Secretary/Treasurer: Pamela Fanelli

Attorney: Lorna M. Wiggins, Esq.

4. There is no reason within our knowledge, after due inquiry with respect thereto, why the Governmental Unit may not enter into the Loan Agreement with the New Mexico Finance Authority (the “Finance Authority”), as authorized by the Resolution.

5. The Governmental Unit has duly authorized the execution, delivery and performance of its obligations under the Loan Agreement. The Loan Agreement have been duly authorized, executed and delivered by the Governmental Unit.

6. 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 Governmental Unit to carry out and enforce the provisions of the Loan Agreement. No referendum petition has been filed with respect to the Resolution under the provisions of the laws, bylaws or regulations of the Governmental Unit or the State.

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

8. The Governmental Unit 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 Agreement to have been authorized, approved, performed or consummated by the Governmental Unit at or prior to the date of this Certificate. The Governmental Unit has full legal right, power and authority to carry out and consummate the transactions contemplated by the Resolution, the Loan Agreement.

9. A. 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 Agreement or to any of the actions required to be taken by the Resolution, the Loan Agreement on or prior to the date of this Certificate have been obtained and are in full force and effect; and

B. All approvals, consents and orders of any governmental authority having jurisdiction in the matter which would constitute a condition precedent to the financing of the Project have been obtained and are in full force and effect.

10. None of the following does or will conflict with, or constitute a breach by the Governmental Unit of, or default by the Governmental Unit under any law, court decree or order, governmental regulation, rule or order, resolution, agreement, indenture, mortgage or other instrument to which the Governmental Unit is subject or by which it is bound:

A. The Governmental Unit's adoption of the Resolution; or

B. Any action contemplated by or pursuant to the Resolution, the Loan Agreement.

11. 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 Governmental Unit or the Pledged Revenues since the date of the Resolution.

12. To the best of our knowledge and belief, after due inquiry with respect thereto, none of the events of default referred to in Article X of the Loan Agreement has occurred.

13. Subsequent to the adoption of the Resolution, the Governmental Unit has not pledged or otherwise encumbered the Pledged Revenues. On the date of this Certificate there are no other outstanding obligations with a lien or encumbrance against the Pledged Revenues senior to or on a parity with the lien of the Loan Agreement except as set forth in the Term Sheet attached as Exhibit "A" to the Loan Agreement.

14. The Loan Agreement prohibits the Governmental Unit from issuing any bonds or other obligations with a lien on Pledged Revenues senior to the lien thereon of the Loan Agreement on the Pledged Revenues. The Loan Agreement permits the Governmental Unit to issue additional bonds or other obligations with a lien on the Pledged Revenues on a parity with or subordinate to the lien of the Loan Agreement on the Pledged Revenues upon satisfaction of the conditions set forth in the Loan Agreement.

15. There is no threatened action, suit, proceeding, inquiry or investigation against the Governmental Unit, at law or in equity, by or before any court, public board or body, nor to the Governmental Unit's knowledge is there any basis therefor, affecting the existence of the Governmental Unit or the titles of its officials to their respective offices, or seeking to prohibit, restrain or enjoin the pledge of revenues or assets of the Governmental Unit pledged or to be pledged to pay the principal, premium, if any, and interest on the Loan Agreement, or in any way materially adversely affecting or questioning: (a) the territorial jurisdiction of the Governmental Unit; (b) the use of the proceeds of the Loan Agreement for the Project and to pay certain costs of the Finance Authority associated with the administration of its public projects revolving fund loan program; (c) the validity or enforceability of the Loan Agreement, or any proceedings of the Governmental Unit taken with respect to the Loan Agreement, or the Resolution; (d) the execution and delivery of the Loan Agreement; or (e) the power of the Governmental Unit to carry out the transactions contemplated by the Loan Agreement or the Resolution.

16. The Governmental Unit 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 Governmental Unit contained in the Loan Agreement and in the Resolution are true and correct as of the date hereof.

17. The Governmental Unit 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 except that no representation is made with respect to industrial revenue bonds or conduit bonds payable solely from installment sale or lease payments, loan repayments or other amounts received by the Governmental Unit from private entities.

18. To the best of our knowledge and belief, neither the Chair, Secretary/Treasurer, any member of the Governing Body, nor any other officer, employee or other agent of the Governmental Unit 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.

19. Regular meetings of the Governing Body have been held in the Board Room, 1931 Second Street SW, Albuquerque, New Mexico 87102, the principal meeting place of the Governing Body.

20. The Governing Body has no rules of procedure which would invalidate or make ineffective the Resolution or other action taken by the Governing Body in connection with the Loan Agreement. Open Meetings Act Resolution No. BD-01-08-24-57 as adopted and approved by the Governing Body on January 8, 2024, establishes notice standards as required by Sections 10-15-1 through 10-15-4, NMSA 1978. Open Meetings Act Resolution No. BD-01-08-24-57 has not been amended or repealed. All action of the Governing Body with respect to the Loan Agreement and the Resolution was taken at meetings held in compliance with Open Meetings Act Resolution No. BD-01-08-24-57.

21. The *Albuquerque Journal*, *Valencia County News-Bulletin* and *El Defensor Chieftain* are legal newspapers which maintain an office and are of general circulation in the Governmental Unit's jurisdictional and service area.

22. The Pledged Revenues from the Fiscal Year immediately preceding the Closing Date were equal to or exceeded, and, on an ongoing basis during each year of the Loan Agreement Term, are reasonably expected to equal or exceed the coverage requirement of one hundred thirty (130%) of the maximum Aggregate Annual Debt Service Requirement.

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

24. The Chair and Secretary/Treasurer, on the date of the signing of the Loan Agreement and on the date of this Certificate, are the duly chosen, qualified and acting officers of the Governmental Unit authorized to execute such agreements.

25. The Governmental Unit understands that Sutin, Thayer & Browne A Professional Corporation represents the Finance Authority in this Loan and the Governmental Unit has had the opportunity to consult other counsel in connection with the Loan.

26. This Certificate is for the benefit of the Finance Authority.

27. This Certificate may be executed in counterparts.

[Signature page follows]

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WITNESS our hands and the seal of the Governmental Unit this 22nd day of March, 2024.

MIDDLE RIO GRANDE CONSERVANCY DISTRICT

[SEAL]

By _____
Stephanie Russo-Baca, Chair

By _____
Pamela Fanelli, Secretary/Treasurer

APPROVED:

Paragraphs 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, 13, 14, 16, 17, 18, 20, 21, 22, 24 and 25 are approved and confirmed.

WIGGINS, WILLIAMS & WIGGINS
A Professional Corporation

By _____
Lorna M. Wiggins, Esq.
Attorneys for the Middle Rio Grande
Conservancy District
1803 Rio Grande Blvd. NW
Albuquerque, New Mexico 87104

\$3,294,384
**MIDDLE RIO GRANDE CONSERVANCY DISTRICT
NEW MEXICO FINANCE AUTHORITY LOAN**

STATE OF NEW MEXICO)
) ss. ARBITRAGE AND TAX
BERNALILLO COUNTY) CERTIFICATE

On behalf of the Middle Rio Grande Conservancy District (the "Governmental Unit"), and in connection with the Loan Agreement dated March 22, 2024 (the "Loan Agreement"), relating to the financing the cost of purchasing heavy, medium and light equipment and their respective apparatus for use by the Governmental Unit (the "Project") as described in the Loan Agreement, and evidencing the Governmental Unit's obligation in the aggregate principal amount of \$3,294,384, the Governmental Unit hereby certifies as follows:

Capitalized terms used in this Certificate have the same meanings as defined in Resolution No. M-02-12-24-206 adopted on February 12, 2024, unless otherwise defined in this Certificate or the context requires otherwise.

1. The Project. The Governmental Unit is entering into the Loan Agreement simultaneously with delivery of this Certificate. The Loan Agreement evidences the loan (the "Loan") made by the New Mexico Finance Authority (the "Finance Authority") to provide funds to pay the costs of acquiring the Project described in Exhibit "A" attached to the Loan Agreement and to pay certain costs incurred in connection with the execution and delivery of the Loan Agreement.

2. Security for the Loan Agreement. Debt service on the Loan Agreement will be secured by the pledged revenues described in Exhibit "A" attached to the Loan Agreement (the "Pledged Revenues") sufficient to pay debt service due in connection with the Loan, which Pledged Revenues have been pledged to the Finance Authority pursuant to the Loan Agreement.

3. Finance Authority Public Project Revolving Fund Program. The Governmental Unit acknowledges that the Finance Authority may assign and transfer the Loan Agreement to the BOKF, NA, as successor trustee (the "Trustee") pursuant to the Indenture, as defined in the Loan Agreement, and all Supplemental Indentures thereto, between the Finance Authority and the Trustee (collectively, the "Indenture"). Pursuant to the Indenture, the Loan Agreement may be pledged as an Additional Pledged Loan to the Trustee as additional security for the payment of amounts due on the Finance Authority's Public Project Revolving Fund Revenue Bonds outstanding at the time of such pledge.

4. Sources and Uses of Loan Funds. The Governmental Unit has received Loan proceeds from the public project revolving fund, as defined in the New Mexico Finance Authority Act, Sections 6-21-1, *et seq.*, NMSA 1978, as amended and supplemented, in the amount of \$3,294,384 from the Finance Authority (the "Proceeds"). The Proceeds do not exceed the amount reasonably necessary for the purposes for which the Loan Agreement was entered into.

5. Expenditure Expectations. The Governmental Unit expects to incur a substantial binding obligation within six (6) months of the date hereof with regard to the Project, which obligation involves the expenditure of no less than five percent (5%) of the Proceeds. The Governmental Unit reasonably expects that the \$2,964,945 of Proceeds deposited into the Governmental Unit's Program Account in the Program Fund together with other legally available funds and anticipated earnings from the investment of such Proceeds until they are spent, are expected to be expended within three (3) years of the date hereof.

The estimated total costs of the Project will not be less than \$2,964,945 plus investment earnings thereon during the acquisition period.

Proceeds in the amount of \$0.60 will be deposited into the Finance Authority Debt Service Account to be maintained by the Finance Authority or its assignee and utilized as provided in Section 5.2 of the Loan Agreement.

6. Investment of Proceeds. Except for the investment of the Proceeds (i) in the Program Account established under the Indenture with respect to the Loan Agreement pending the payment of the costs of the Project, (ii) in the Loan Agreement Reserve Account established under the Indenture with respect to the Loan Agreement to be applied to prevent deficiencies in the payment of principal and interest on the Loan Agreement, and (iii) in the Finance Authority Debt Service Account established and administered by the Finance Authority pending the payment of debt service on the Loan Agreement, there will be no investment of the Proceeds.

7. Bona Fide Debt Service Fund. Debt service payments on the Loan Agreement will be paid from the Pledged Revenues of the Governmental Unit deposited to the Finance Authority Debt Service Account created with respect to the Loan Agreement. Because the Pledged Revenues of the Governmental Unit for any year will exceed debt service on the Loan Agreement, it is assumed that current debt service paid by the Governmental Unit for deposit in the Finance Authority Debt Service Account will be derived entirely from the current Pledged Revenues. The Finance Authority Debt Service Account will be depleted at least once a year except for an amount not to exceed the greater of the earnings on the Finance Authority Debt Service Account for the immediately preceding bond year or one-twelfth (1/12th) of debt service on the Loan for the immediately preceding bond year. The Governmental Unit has not created or established, nor does it expect to create or establish, any debt service fund, redemption fund, replacement fund, sinking fund or other similar fund which is reasonably expected to be used to pay principal or interest on the Loan Agreement or pledged therefor, except for the Finance Authority Debt Service Account and the Loan Agreement Reserve Account.

8. Reserve Account. Proceeds in the amount of \$329,438.40 will be deposited in the Governmental Unit's Loan Agreement Reserve Account in the Agreement Reserve Fund held by the Trustee under the Indenture, which amount does not exceed the least of (i) one hundred twenty-five percent (125%) of the average annual principal and interest requirements under the Loan Agreement; (ii) the maximum annual principal and interest requirements under the Loan Agreement, or (iii) ten percent (10%) of the Loan Agreement Principal Amount. Amounts held in the Governmental Unit's Loan Agreement Reserve Account may be applied to prevent deficiencies in the payment of principal and interest on the Loan Agreement resulting from a failure by the Governmental Unit to deposit into the Finance Authority Debt Service Account sufficient funds to

pay debt service on the Loan Agreement. After examination of the purposes for which the Loan Agreement Reserve Account has been established, which are based on discussions with the Finance Authority and the Governmental Unit's financial advisor that the Loan Agreement Reserve Account is required as a condition to enter into the Loan Agreement with the Finance Authority, the Governmental Unit is of the opinion that the amount deposited to the Loan Agreement Reserve Account is reasonably required.

9. No Disposition of Project. The undersigned reasonably expect that no part of the Project acquired with the Proceeds will be sold or otherwise disposed of, in whole or in part, during the term of the Loan Agreement.

10. General Tax Covenant. The Governmental Unit has covenanted in the Loan Agreement that no use will be made of the Proceeds, or any funds or accounts of the Governmental Unit which may be deemed to be Gross Proceeds (as defined in Treasury Regulation Section 1.148(b)) of the Loan Agreement, which use, if it had been reasonably expected on the date hereof, would have caused the Loan Agreement to be classified as an "arbitrage bond" within the meaning of Section 148 of the Code. The Governmental Unit has further obligated itself in the Loan Agreement to comply throughout the term of the Loan Agreement with the requirements of Sections 103 and 141 through 150 of the Code and regulations proposed or promulgated with respect thereto.

11. Private Business Use Limitations. None of the Proceeds will be used by a private business or any entity other than a governmental unit or secured by payments from or property of a private business or any entity other than a governmental unit except pursuant to a management contract which conforms with Revenue Procedure 2017-13 of the United States Treasury. For purposes of the preceding sentence a governmental unit does not include the United States Government or any agency or instrumentality thereof.

12. No Common Plan of Financing. There are no other obligations which are being issued or sold at substantially the same time as the Loan Agreement pursuant to a common plan of financing with the Loan Agreement and that will be paid out of the Pledged Revenues or will have substantially the same claim to be paid out of the Pledged Revenues as the Loan Agreement.

13. No Federal Guarantees. The Loan is not federally guaranteed within the meaning of Section 149(b) of the Code.

14. Information Filing. Loan Counsel for the Finance Authority, on behalf of the Governmental Unit, will timely file the Form 8038-G with respect to the Loan Agreement attached hereto as Exhibit "A" with the Internal Revenue Service. The Finance Authority has verified certain information necessary to complete the Form 8038-G as shown on the Finance Authority Certificate attached hereto as Exhibit "B".

15. Hedge Bonds. The Loan is not a hedge bond as defined in Section 149 of the Code.

16. No Reimbursement. None of the Proceeds will be used to reimburse the Governmental Unit for costs paid for the Project more than sixty (60) days prior to the date hereof.

17. No Refunding. Proceeds of the Loan are not being used to refund any other obligation of the Governmental Unit.

18. Economic Life of Project. The weighted average maturity of 4.959 years of the Loan Agreement does not exceed 120% of the reasonably expected economic life of the Project, which is at least six (6) years.

19. Qualified Tax-Exempt Obligations. The Loan Agreement is a “qualified tax-exempt obligation” for purposes of Section 265(b)(3) of the Code. The Governmental Unit represents that the reasonably anticipated amount of qualified tax-exempt obligations which will be issued by the Governmental Unit during the current calendar year does not exceed \$10,000,000 and the Governmental Unit will not designate more than \$10,000,000 of “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code. For purposes of this Section, “aggregated issuer” means any entity which: (i) issues obligations on behalf of the Governmental Unit; (ii) derives its issuing authority from the Governmental Unit; or (iii) is controlled directly or indirectly by the Governmental Unit within the meaning of Treasury Regulation Section 1.150-1(e).

20. Rebate Exception. The Governmental Unit is a governmental unit with general taxing powers, no part of the Loan Agreement is a private activity bond, ninety-five percent (95%) or more of the proceeds are to be used for local governmental activities of the Governmental Unit and, the aggregate face amount of all tax-exempt obligations issued by the Governmental Unit during the current calendar year is not reasonably expected to exceed \$5,000,000. There are no subordinate entities of the Governmental Unit which are authorized to issue tax-exempt obligations. If the Governmental Unit fails to satisfy all of the provisions of this paragraph 20 for any reason, as provided in the Loan Agreement and consistent with the covenants of the Governmental Unit contained therein, any rebate owed to the United States Treasury will be paid in the amounts and at the times provided in Section 148 of the Code.

21. Record Retention. The Governmental Unit will manage and retain records related to the Loan as follows:

A. Records will be retained for the life of the Loan, including any refunding loans related thereto, plus three (3) years. Records may be in the form of documents or electronic copies of documents, appropriately indexed to the Loan and compliance functions;

B. Basic records relating to the Loan transaction, including transcript documents executed in connection with the issuance of the Loan (i.e., the authorizing documents, Form 8038-G, the tax certificate, and any elections made with respect to the Loan, if applicable), any amendments, and copies of rebate calculations and records of payments, including Forms 8038-T;

C. Records pertaining to the use of Loan-financed facilities by public and private sources including copies of management agreements and research agreements;

D. Records pertaining to expenditures of Loan proceeds including requisitions, appraisal and property purchase contracts, account statements, invoices, payment vouchers, and the final allocation of proceeds to expenditures;

E. Records pertaining to all sources of payment or security for the Loan; and

F. Records pertaining to investments including guaranteed investment contract documents under the Treasury Regulations, records of purchase and sale of other investments, and records of investment activity sufficient to permit calculation of arbitrage rebate or demonstration that no rebate is due.

[Signature page follows]

This certificate is being executed and delivered to establish the reasonable expectations of the Governmental Unit for purposes of Sections 103 and 141 through 148 of the Code, and the undersigned officers of the Governmental Unit are the officers of the Governmental Unit charged with the responsibility of entering into the Loan Agreement. The foregoing is based upon the reasonable expectations of the undersigned on the date hereof, and to the best of our knowledge, information and belief, the above expectations are reasonable.

Dated: March 22, 2024.

MIDDLE RIO GRANDE CONSERVANCY
DISTRICT

[SEAL]

By _____
Stephanie Russo-Baca, Chair

By _____
Pamela Fanelli, Secretary/Treasurer

6885097

EXHIBIT "B"

NEW MEXICO FINANCE AUTHORITY TAX REPRESENTATIONS CERTIFICATE

The undersigned hereby certifies as follows with respect to the \$3,294,384 Loan Agreement dated March 22, 2024 (the "Loan") from the New Mexico Finance Authority (the "Finance Authority") to Middle Rio Grande Conservancy District (the "Governmental Unit");

1. The Finance Authority is making the Loan for its own account (and not on behalf of another) in the principal amount of \$3,294,384, without accrued interest. The Finance Authority is not acting as an Underwriter with respect to the Loan. The Finance Authority has no present intention to sell, reoffer, or otherwise dispose of the Loan (or any portion of the Loan or any interest in the Loan). The Finance Authority has not contracted with any person pursuant to a written agreement to have such person participate in the initial sale of the Loan and the Finance Authority has not agreed with the Governmental Unit pursuant to a written agreement to sell the Loan to persons other than the Finance Authority, therefore the "issue price" of the Loan is \$3,294,384.

2. The Arbitrage Yield on the Loan, calculated in accordance with the applicable U.S. Treasury Regulations from interest to be paid on the Loan, is 2.409%.

3. Funding the Loan Agreement Reserve Account with proceeds of the Loan in the amount of \$329,438.40 was required by the Finance Authority as a condition of making the Loan, and is, in the best judgment of the undersigned, reasonably required to provide the Loan at a reasonable interest rate for the Governmental Unit and is, in the best judgment of the undersigned, established at a level of funding comparable to that found for obligations of similar credit quality as the Loan which were issued or originated within the past year.

4. The Weighted Average Maturity of the Loan, calculated in accordance with the applicable U.S. Treasury Regulations, is 4.959 years.

5. The undersigned understands that the statements made herein will be relied upon by the Governmental Unit in its effort to complete the Information Return for Tax-Exempt Governmental Obligations (Form 8038-G), required to be filed for the Loan pursuant to the Internal Revenue Code of 1986, as amended, and with regard to establishing facts and circumstances relied on by the Governmental Unit and bond counsel in connection with the execution and delivery of the Loan and the exclusion of interest on the Loan from gross income for federal income tax purposes. Such reliance is hereby authorized and approved.

Dated this March 22, 2024.

NEW MEXICO FINANCE AUTHORITY

By _____
Marquita D. Russel, Chief Executive Officer

6885097

Information Return for Tax-Exempt Governmental Bonds

▶ Under Internal Revenue Code section 149(e)
▶ See separate instructions.

OMB No. 1545-0047

Department of the Treasury
Internal Revenue Service

Caution: If the issue price is under \$100,000, use Form 8038-GC.
▶ Go to www.irs.gov/F8038G for instructions and the latest information.

Part I Reporting Authority		Check box if Amended Return <input type="checkbox"/>	
1 Issuer's name Middle Rio Grande Conservancy District		2 Issuer's employer identification number (EIN) 85-6000200	
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)		3b Telephone number of other person shown on 3a	
4 Number and street (or P.O. box if mail is not delivered to street address) 1931 Second Street SW	Room/suite	5 Report number (For IRS Use Only) 3	
6 City, town, or post office, state, and ZIP code Albuquerque, New Mexico 87102		7 Date of issue 03/22/2024	
8 Name of issue New Mexico Finance Authority 2024 Equipment Loan		9 CUSIP number	
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information Pamela Fanelli, Secretary/Treasurer		10b Telephone number of officer or other employee shown on 10a 505-247-0234	

Part II Type of Issue (Enter the issue price.) See the instructions and attach schedule.	
11 Education	11
12 Health and hospital	12
13 Transportation	13
14 Public safety	14
15 Environment (including sewage bonds)	15 3,294,384
16 Housing	16
17 Utilities	17
18 Other. Describe ▶	18
19a If bonds are TANs or RANs, check only box 19a	<input type="checkbox"/>
b If bonds are BANs, check only box 19b	<input type="checkbox"/>
20 If bonds are in the form of a lease or installment sale, check box	<input type="checkbox"/>

Part III Description of Bonds. Complete for the entire issue for which this form is being filed.					
	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	05/01/2031	\$ 3,294,384	\$ 3,294,384	4.959 years	2.409 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)				
22 Proceeds used for accrued interest	22			
23 Issue price of entire issue (enter amount from line 21, column (b))	23			3,294,384.00
24 Proceeds used for bond issuance costs (including underwriters' discount)	24			
25 Proceeds used for credit enhancement	25			
26 Proceeds allocated to reasonably required reserve or replacement fund	26		329,438.40	
27 Proceeds used to refund prior tax-exempt bonds. Complete Part V	27			
28 Proceeds used to refund prior taxable bonds. Complete Part V	28			
29 Total (add lines 24 through 28)	29			329,483.40
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30			2,964,945.60

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.	
31 Enter the remaining weighted average maturity of the tax-exempt bonds to be refunded	_____ years
32 Enter the remaining weighted average maturity of the taxable bonds to be refunded	_____ years
33 Enter the last date on which the refunded tax-exempt bonds will be called (MM/DD/YYYY)	_____
34 Enter the date(s) the refunded bonds were issued ▶ (MM/DD/YYYY)	_____

Part VI Miscellaneous

35 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35	
36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC). See instructions	36a	
b Enter the final maturity date of the GIC ▶ (MM/DD/YYYY) _____		
c Enter the name of the GIC provider ▶ _____		
37 Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units	37	
38a If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the following information:		
b Enter the date of the master pool bond ▶ (MM/DD/YYYY) _____		
c Enter the EIN of the issuer of the master pool bond ▶ _____		
d Enter the name of the issuer of the master pool bond ▶ _____		
39 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ▶ <input type="checkbox"/>		
40 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ▶ <input type="checkbox"/>		
41a If the issuer has identified a hedge, check here <input type="checkbox"/> and enter the following information:		
b Name of hedge provider ▶ _____		
c Type of hedge ▶ _____		
d Term of hedge ▶ _____		
42 If the issuer has superintegrated the hedge, check box ▶ <input type="checkbox"/>		
43 If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box ▶ <input type="checkbox"/>		
44 If the issuer has established written procedures to monitor the requirements of section 148, check box ▶ <input type="checkbox"/>		
45a If some portion of the proceeds was used to reimburse expenditures, check here <input type="checkbox"/> and enter the amount of reimbursement ▶ _____		
b Enter the date the official intent was adopted ▶ (MM/DD/YYYY) _____		

Signature and Consent

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.

03/22/2024

Signature of issuer's authorized representative

Date

Stephanie Russo-Baca, Chair
Type or print name and title

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Suzanne Wood Bruckner				P01629036
	Firm's name ▶ Sutin, Thayer & Browne A Professional Corporation	Firm's EIN ▶ 85-0225124		Firm's address ▶ 6100 Uptown Blvd, NE, Suite 400, Albuquerque, NM 87110	
				Phone no. 505-883-2500	

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional)
B. E-MAIL CONTACT AT FILER (optional)
C. SEND ACKNOWLEDGMENT TO: (Name and Address) Sutin Thayer & Browne APC 6100 Uptown Blvd. NE, Suite 400 Albuquerque, NM 87110

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME Middle Rio Grande Conservancy District				
OR	1b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
1c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
1931 Second Street SW	Albuquerque	NM	87102	USA

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME				
OR	2b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
2c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME New Mexico Finance Authority				
OR	3b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
3c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
207 Shelby Street	Santa Fe	NM	87501	USA

4. COLLATERAL: This financing statement covers the following collateral:

The "Net Revenues" as the term is defined in the Loan Agreement dated March 22, 2024, between Debtor and Secured Party.

5. Check only if applicable and check only one box: Collateral is held in a Trust (see UCC1Ad, item 17 and Instructions) being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box:
 Public-Finance Transaction Manufactured-Home Transaction A Debtor is a Transmitting Utility

6b. Check only if applicable and check only one box:
 Agricultural Lien Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): Lessee/Lessor Consignee/Consignor Seller/Buyer Bailee/Bailor Licensee/Licensor

8. OPTIONAL FILER REFERENCE DATA:
PPRF-6352

UCC1.docx

Instructions for UCC Financing Statement (Form UCC1)

Please type or laser-print this form. Be sure it is completely legible. Read and follow all Instructions, especially Instruction 1; use of the correct name for the Debtor is crucial.

Fill in form very carefully; mistakes may have important legal consequences. If you have questions, consult your attorney. The filing office cannot give legal advice.

Send completed form and any attachments to the filing office, with the required fee.

ITEM INSTRUCTIONS

A and B. To assist filing offices that might wish to communicate with filer, filer may provide information in item A and item B. These items are optional.

C. Complete item C if filer desires an acknowledgment sent to them. If filing in a filing office that returns an acknowledgment copy furnished by filer, present simultaneously with this form the Acknowledgment Copy or a carbon or other copy of this form for use as an acknowledgment copy.

1. **Debtor's name.** Carefully review applicable statutory guidance about providing the debtor's name. Enter only one Debtor name in item 1 -- either an organization's name (1a) or an individual's name (1b). If any part of the Individual Debtor's name will not fit in line 1b, check the box in item 1, leave all of item 1 blank, check the box in item 9 of the Financing Statement Addendum (Form UCC1Ad) and enter the Individual Debtor name in item 10 of the Financing Statement Addendum (Form UCC1Ad). Enter Debtor's correct name. Do not abbreviate words that are not already abbreviated in the Debtor's name. If a portion of the Debtor's name consists of only an initial or an abbreviation rather than a full word, enter only the abbreviation or the initial. If the collateral is held in a trust and the Debtor name is the name of the trust, enter trust name in the Organization's Name box in item 1a.

1a. **Organization Debtor Name.** "Organization Name" means the name of an entity that is not a natural person. A sole proprietorship is **not** an organization, even if the individual proprietor does business under a trade name. If Debtor is a registered organization (e.g., corporation, limited partnership, limited liability company), it is advisable to examine Debtor's current filed public organic records to determine Debtor's correct name. Trade name is insufficient. If a corporate ending (e.g., corporation, limited partnership, limited liability company) is part of the Debtor's name, it must be included. Do not use words that are not part of the Debtor's name.

1b. **Individual Debtor Name.** "Individual Name" means the name of a natural person; this includes the name of an individual doing business as a sole proprietorship, whether or not operating under a trade name. The term includes the name of a decedent where collateral is being administered by a personal representative of the decedent. The term does not include the name of an entity, even if it contains, as part of the entity's name, the name of an individual. Prefixes (e.g., Mr., Mrs., Ms.) and titles (e.g., M.D.) are generally not part of an individual name. Indications of lineage (e.g., Jr., Sr., III) generally are not part of the individual's name, but may be entered in the Suffix box. Enter individual Debtor's surname (family name) in Individual's Surname box, first personal name in First Personal Name box, and all additional names in Additional Name(s)/Initial(s) box.

If a Debtor's name consists of only a single word, enter that word in Individual's Surname box and leave other boxes blank.

For both organization and individual Debtors. Do not use Debtor's trade name, DBA, AKA, FKA, division name, etc. in place of or combined with Debtor's correct name; filer may add such other names as additional Debtors if desired (but this is neither required nor recommended).

1c. Enter a mailing address for the Debtor named in item 1a or 1b.

2. **Additional Debtor's name.** If an additional Debtor is included, complete item 2, determined and formatted per Instruction 1. For additional Debtors, attach either Addendum (Form UCC1Ad) or Additional Party (Form UCC1AP) and follow Instruction 1 for determining and formatting additional names.

3. **Secured Party's name.** Enter name and mailing address for Secured Party or Assignee who will be the Secured Party of record. For additional Secured Parties, attach either Addendum (Form UCC1Ad) or Additional Party (Form UCC1AP). If there has been a full assignment of the initial Secured Party's right to be Secured Party of record before filing this form, either (1) enter Assignor Secured Party's name and mailing address in item 3 of this form and file an Amendment (Form UCC3) [see item 5 of that form]; or (2) enter Assignee's name and mailing address in item 3 of this form and, if desired, also attach Addendum (Form UCC1Ad) giving Assignor Secured Party's name and mailing address in item 11.

4. **Collateral.** Use item 4 to indicate the collateral covered by this financing statement. If space in item 4 is insufficient, continue the collateral description in item 12 of the Addendum (Form UCC1Ad) or attach additional page(s) and incorporate by reference in item 12 (e.g., See Exhibit A). Do not include social security numbers or other personally identifiable information.

Note: If this financing statement covers timber to be cut, covers as-extracted collateral, and/or is filed as a fixture filing, attach Addendum (Form UCC1Ad) and complete the required information in items 13, 14, 15, and 16.

5. If collateral is held in a trust or being administered by a decedent's personal representative, check the appropriate box in item 5. If more than one Debtor has an interest in the described collateral and the check box does not apply to the interest of all Debtors, the filer should consider filing a separate Financing Statement (Form UCC1) for each Debtor.

6a. If this financing statement relates to a Public-Finance Transaction, Manufactured-Home Transaction, or a Debtor is a Transmitting Utility, check the appropriate box in item 6a. If a Debtor is a Transmitting Utility and the initial financing statement is filed in connection with a Public-Finance Transaction or Manufactured-Home Transaction, check only that a Debtor is a Transmitting Utility.

6b. If this is an Agricultural Lien (as defined in applicable state's enactment of the Uniform Commercial Code) or if this is not a UCC security interest filing (e.g., a tax lien, judgment lien, etc.), check the appropriate box in item 6b and attach any other items required under other law.

7. **Alternative Designation.** If filer desires (at filer's option) to use the designations lessee and lessor, consignee and consignor, seller and buyer (such as in the case of the sale of a payment intangible, promissory note, account or chattel paper), bailee and bailor, or licensee and licensor instead of Debtor and Secured Party, check the appropriate box in item 7.

8. **Optional Filer Reference Data.** This item is optional and is for filer's use only. For filer's convenience of reference, filer may enter in item 8 any identifying information that filer may find useful. Do not include social security numbers or other personally identifiable information.

\$3,294,384
MIDDLE RIO GRANDE CONSERVANCY DISTRICT
NEW MEXICO FINANCE AUTHORITY LOAN

STATE OF NEW MEXICO)
) ss. DELIVERY, DEPOSIT AND
BERNALILLO COUNTY) CROSS-RECEIPT CERTIFICATE

IT IS HEREBY CERTIFIED by the undersigned, the duly chosen, qualified and acting Chair and Secretary/Treasurer of the Middle Rio Grande Conservancy District (the “Governmental Unit”):

1. On the date of this Certificate, the Governmental Unit executed and delivered, or caused to be executed and delivered, a Loan Agreement between the Governmental Unit and the New Mexico Finance Authority (the “Finance Authority”), in the aggregate principal amount of \$3,294,384, to the Finance Authority (the “Loan Agreement”), as authorized by Governmental Unit Resolution No. M-02-12-24-206 (the “Resolution”) adopted on February 12, 2024, relating to the execution and delivery of the Loan Agreement. The undersigned have received \$3,294,384 as proceeds from the Loan Agreement, being the full purchase price therefore.

2. The proceeds of the Loan Agreement will be placed in the funds and accounts created for the deposit of such moneys under the General Indenture of Trust and Pledge dated as of June 1, 1995, as amended and supplemented, or the Subordinated General Indenture of Trust and Pledge dated as of March 1, 2005, as supplemented, each by and between the Finance Authority and BOKF, NA, as Trustee and its successors and assigns, as determined by the Finance Authority pursuant to a Pledge Notification or Supplemental Indenture, as follows:

Governmental Unit’s Account in the Program Fund:	\$2,964,945.00
Deposit to Loan Agreement Reserve Account:	\$ 329,438.40
Deposit to Finance Authority Debt Service Account:	\$ _____ .60
Total:	\$3,294,384.00

3. The proceeds of the Loan Agreement will be available to the Governmental Unit upon submittal of a Requisition Form to the Finance Authority in the form attached to the Loan Agreement as Exhibit “C” and will be used as set forth in the Resolution and the Loan Agreement.

WITNESS our hands this March 22, 2024.

MIDDLE RIO GRANDE CONSERVANCY
DISTRICT

[SEAL]

By _____
Stephanie Russo-Baca, Chair

By _____
Pamela Fanelli, Secretary/Treasurer

6884331

It is hereby certified by the undersigned, a duly qualified and acting official of the New Mexico Finance Authority, that, the undersigned has, on the date of this Certificate, received from the Middle Rio Grande Conservancy District the Loan Agreement.

NEW MEXICO FINANCE AUTHORITY

By _____
Marquita D. Russel, Chief Executive Officer

6884331

\$3,294,384
MIDDLE RIO GRANDE CONSERVANCY DISTRICT,
BERNALILLO COUNTY, NEW MEXICO
NEW MEXICO FINANCE AUTHORITY LOAN

STATE OF NEW MEXICO)
) ss. PLEDGED REVENUE CERTIFICATE
BERNALILLO COUNTY)

WHEREAS, Middle Rio Grande Conservancy District, Bernalillo County, New Mexico (the "Governmental Unit") pursuant to Resolution No. M-06-11-18-155 adopted on June 11, 2018 (the "2018 Resolution"), executed and delivered a Loan Agreement PPRF-4727 (the "2018 Loan Agreement") between the Governmental Unit and the New Mexico Finance Authority (the "Finance Authority"), in the aggregate principal amount of \$2,735,575.00. The 2018 Loan Agreement is payable from a lien on the Net Revenues of the Governmental Unit (the "Pledged Revenues").

WHEREAS, the Governmental Unit pursuant to Resolution No. M-11-08-21-177 adopted on November 8, 2021 (the "2021 Resolution"), executed and delivered a Loan Agreement PPRF-5636 (the "2021 Loan Agreement") between the Governmental Unit and the Finance Authority, in the aggregate principal amount of \$998,889. The 2021 Loan Agreement is payable from a lien on the Pledged Revenues.

WHEREAS, Governmental Unit pursuant to Resolution M-07-22-19-159.1 adopted July 22, 2019 (the "NMED Resolution"), executed and delivered a Loan Agreement CWSRF 085, dated November 9, 2021 (the "NMED Loan Agreement") between the Governmental Unit and the Finance Authority, in the aggregate principal amount of \$500,000. The NMED Loan Agreement is payable from a lien on the Pledged Revenues.

WHEREAS, the Governmental Unit, pursuant to Resolution No. M-02-12-24-206 adopted on February 12, 2024 (the "2024 Resolution"), intends to execute and deliver on the date hereof its Finance Authority Loan Agreement, PPRF-6352 in the aggregate principal amount of \$3,294,384 for the purpose of purchasing heavy, medium and light equipment and their respective apparatus (the "2024 Loan Agreement") payable from the Pledged Revenues, as set forth in the Loan Agreement;

WHEREAS, Section 5.5, the "Additional Parity Obligations" of the 2018 Loan Agreement provides as follows:

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

refunding bonds and obligations which refund subordinate obligations as provided in Section 5.6 hereof), it must be determined that:

(a) The Governmental Unit is then current in all of the accumulations required to be made into the Finance Authority Debt Service Account and the Loan Agreement Reserve Account as provided herein.

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

(c) The Pledged Revenues received by or credited to the Governmental Unit for the Fiscal Year or for any twelve (12) consecutive months out of the twenty-four (24) months preceding the date of the issuance of such additional Parity Obligations (the "Historic Test Period") shall have been sufficient to pay an amount representing one hundred thirty percent (130%) of the combined maximum Aggregate Annual Debt Service Requirements coming due in any subsequent Fiscal Year on the then outstanding Parity Obligations and the Parity Obligations proposed to be issued (excluding the accumulation of any reserves therefor).

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

(e) No provision of this Loan Agreement shall be construed in such a manner as to prevent the issuance by the Governmental Unit of additional bonds or other obligations payable from the Pledged Revenues constituting a lien upon such Pledged Revenues subordinate and junior to the lien of this Loan Agreement nor to prevent the issuance of bonds or other obligations refunding all or part of this Loan Agreement as permitted by Section 5.6 hereof.

(f) The Governmental Unit shall not issue bonds or other obligations payable from the Pledged Revenues having a lien thereon prior and superior to this Loan Agreement."

WHEREAS, the principal and interest on the outstanding 2018 Loan Agreement, 2021 Loan Agreement, NMED Loan Agreement and the proposed 2024 Loan Agreement coming due to their last principal payment date are shown on Exhibit A attached hereto.

NOW THEREFORE, the undersigned do hereby certify as follows:

1. We are familiar with the provisions of the 2018 Resolution authorizing the execution and delivery of the 2018 Loan Agreement, the 2021 Resolution authorizing the execution and delivery of the 2021 Loan Agreement, the NMED Resolution authorizing the execution and delivery of the NMED Loan Agreement and the 2024 Resolution authorizing the execution and delivery of the 2024 Loan Agreement and with the provisions of the 2018 Loan Agreement, the 2021 Loan Agreement, the NMED Loan Agreement and the 2024 Loan Agreement.

2. We are familiar with the books, accounts and funds of the Governmental Unit pertaining to the Pledged Revenues.

3. Except as stated in the preambles to this Certificate, the Pledged Revenues have not been pledged or hypothecated to the payment of any outstanding parity lien obligations and no other outstanding obligations are payable from the Pledged Revenues.

4. The Governmental Unit is not, and has not been in default as to making any payments on the 2018 Loan Agreement, the 2021 Loan Agreement, the NMED Loan Agreement, nor under any of the covenants or requirements of the 2018 Loan Agreement, the 2021 Loan Agreement and the NMED Loan Agreement.

5. The 2024 Loan Agreement is payable from the Pledged Revenues and will constitute a lien upon the Pledged Revenues on a parity with the lien of the outstanding 2018 Loan Agreement, 2021 Loan Agreement and NMED Loan Agreement.

6. The fiscal year immediately preceding the date of the 2024 Loan Agreement is the period commencing on July 1, 2022 and ending in June 30, 2023.

7. The Pledged Revenues for the fiscal year ended June 30, 2023 are fairly stated at \$2,978,789.

8. The combined maximum Aggregate Annual Debt Service Requirements on the 2024 Loan Agreement, the 2018 Loan Agreement, the 2021 Loan Agreement and the NMED Loan Agreement for the parity bond test set out in the preambles of this Certificate occurs in Fiscal Year 2031 and is \$797,660.94. One hundred thirty percent (130%) of such amount is \$1,036,959.22.

9. The Pledged Revenues of \$2,978,789 (i.e., paragraph 7 above) for the fiscal year immediately preceding the date of the execution and delivery of the 2024 Loan Agreement were sufficient to pay an amount representing one hundred thirty percent (130%) of the combined maximum Aggregate Annual Debt Service Requirements of \$1,036,959.22 on the 2018 Loan Agreement, the 2021 Loan Agreement, the NMED Loan Agreement and the 2024 Loan Agreement.

10. This certificate is for the benefit of each holder from time to time of the 2024 Loan Agreement and for the benefit of bond counsel in rendering opinions to the effect that the 2024 Loan Agreement is secured by a lien pledge on the Pledged Revenues on a parity with the 2018 Loan Agreement, the 2021 Loan Agreement and the NMED Loan Agreement.

(Signature Page Follows)

WITNESS our hands this 22nd day of March, 2024.

MIDDLE RIO GRANDE CONSERVANCY
DISTRICT

[SEAL]

By _____
Stephanie Russo-Baca, Chair

By _____
Pamela Fanelli, Secretary/Treasurer

EXHIBIT A

DEBT SERVICE COVERAGE TABLE

(ATTACH SPREADSHEET)

March 22, 2024

New Mexico Finance Authority
207 Shelby St.
Santa Fe, NM 87501

Middle Rio Grande Conservancy District
1931 Second Street SW
Albuquerque, New Mexico 87102

\$3,294,384 New Mexico Finance Authority Loan to Middle
Rio Grande Conservancy District (PPRF-6352)

Ladies and Gentlemen:

We have acted as Loan Counsel to the New Mexico Finance Authority (the "Finance Authority") in connection with the \$3,294,384 Loan Agreement (the "Loan Agreement") between the Middle Rio Grande Conservancy District (the "Governmental Unit") and the Finance Authority. The Loan Agreement is executed and delivered by the Governmental Unit pursuant to NMSA 1978, Sections 73-14-1 through 73-14-92, as amended, and the Governmental Unit's Resolution No. M-02-12-24-206, adopted on February 12, 2024 (the "Resolution"). The Loan Agreement has been executed and delivered to provide funds for purchasing heavy, medium and light equipment and their respective apparatus and to fund the Loan Agreement Reserve Account, as described in the Loan Agreement.

We have examined the Loan Agreement, Resolution and such other law and certified proceedings and other documents as we deem necessary to deliver this opinion. As to all questions of fact material to the opinions set forth herein, we have relied upon representations of the Governmental Unit contained in the Resolution and certified proceedings and other documents furnished to us, without undertaking to verify the same by independent investigation. In addition, we have relied upon statements of law made by the Governmental Unit's legal counsel in the certified proceedings.

Based on our examination, we are of the opinion that, under existing laws, regulations, rulings and judicial decisions as of the date hereof, subject to the provisions of federal bankruptcy law and other laws affecting creditors' rights and further subject to the exercise of judicial discretion in accordance with general principles of equity and the assumptions, qualifications and limitations contained in this opinion:

1. The Resolution creates a valid and binding special limited obligation of the Governmental Unit enforceable in accordance with its terms and creates the pledge of the Net Revenues of the System (the "Pledged Revenues") which it purports to create.

2. The Loan Agreement is a valid and binding special limited obligation of the Governmental Unit, enforceable in accordance with its terms and provisions and the terms and provisions of the Resolution.

March 22, 2024
Page Two

3. The Loan Agreement is a valid and binding special limited obligation of the Finance Authority, enforceable against the Finance Authority in accordance with its terms and provisions.

4. The Loan Agreement is payable solely from and such payment is secured by a valid and binding lien on the Pledged Revenues as set forth in the Loan Agreement. The Finance Authority has no right to have taxes levied by the Governmental Unit for the payment of principal of or interest on the Loan Agreement and the Loan Agreement does not represent or constitute a debt or a pledge of, or a charge against, the general credit of the Governmental Unit.

5. Assuming continuing compliance by the Finance Authority and the Governmental Unit with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), with the covenants of the Governmental Unit regarding the use, expenditure and investment of Loan Agreement proceeds and assuming the accuracy of certain representations of the Finance Authority and the Governmental Unit, interest on the Loan Agreement is excludable from gross income of the owners of the Loan Agreement for purposes of federal income taxation. Failure of the Governmental Unit to comply with its covenants and with the requirements of the Code may cause interest on the Loan Agreement to become includable in gross income for federal income tax purposes retroactive to the date of the Loan Agreement.

6. Interest on the Loan Agreement is excluded from net income of the owners thereof for State of New Mexico income tax purposes.

7. The Loan Agreement may be pledged as an "Additional Pledged Loan" or as a "Loan" under the General Indenture of Trust and Pledge dated as of June 1, 1995, as amended and supplemented, by and between the Finance Authority and BOKF, NA, as successor trustee (the "Trustee"), or the Subordinated General Indenture of Trust and Pledge dated as of March 1, 2005, as supplemented, by and between the Finance Authority and the Trustee, as determined by the Finance Authority pursuant to a pledge notification or supplemental indenture.

We express no opinion with respect to the provisions of the Loan Agreement and the Resolution with respect to indemnification, provisions requiring that amendments be in writing or payment of attorneys' fees. Other than as described in this opinion, we have not addressed nor are we opining on the tax consequences to any person of the investment in, or the receipt of interest on, the Loan Agreement.

This opinion letter is limited to matters expressly stated in this opinion letter and no opinion is inferred or may be implied beyond the matters expressly stated in this opinion letter.

We express no opinion as to, or the effect or applicability of, any laws other than the laws of the State of New Mexico and the federal laws of the United States of America. The opinions expressed herein are based only on the laws in effect as of the date hereof, and in all respects are subject to and may be limited by future legislation, as well as developing case law. We undertake no obligation to update or modify this opinion for any future events or occurrences, including, but not limited to, determining or confirming continuing compliance by the Finance Authority and the Governmental Unit with the requirements of the Code.

March 22, 2024

Page Two

The foregoing opinions represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of results.

We understand that this opinion is being relied upon by the addressees hereof, and we consent to such reliance, but this opinion may not be delivered to or relied upon by any other person or entity without our written consent.

Very truly yours,

SUTIN, THAYER & BROWNE
A Professional Corporation

6892307

RESOLUTION NO. M-10-09-23-203

**AUTHORIZING AND APPROVING SUBMISSION OF A COMPLETED APPLICATION
FOR FINANCIAL ASSISTANCE AND PROJECT APPROVAL TO THE
NEW MEXICO FINANCE AUTHORITY.**

WHEREAS, the Middle Rio Grande Conservancy District (MRGCD) ("Governmental Unit") is a qualified entity under the New Mexico Finance Authority Act, Sections 6-21-1 through 6-21-31, NMSA 1978 ("Act"), and the Board of Directors of MRGCD ("Governing Body") is authorized to borrow funds and/or issue bonds for financing of public projects for benefit of the Governmental Unit; and

WHEREAS, the New Mexico Finance Authority ("Authority") has instituted a program for financing of projects from the public project revolving fund created under the Act and has developed an application procedure whereby the Governing Body may submit an application ("Application") for financial assistance from the Authority for public projects; and

WHEREAS, the Governing Body intends to undertake acquisition, construction and improvement of Heavy, Medium and Light Equipment ("Project") for the benefit of the Governmental unit and its citizens; and

WHEREAS, the application prescribed by the Authority has been completed and submitted to the Governing Body and this resolution approving submission of the completed Application to the Authority for its consideration and review is required as part of the Application.

NOW THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE _____ :

Section 1. That all action (not consistent with the provision hereof) heretofore taken by the Governing body and the officers and employees thereof directed toward the Application and the Project, be and the same is hereby ratified, approved and confirmed.

Section 2. That the completed Application submitted to the Governing Body, be and the same is hereby approved and confirmed.

Section 3. That the officers and employees of the Governing Body are hereby directed and requested to submit the completed Application to the Authority for its review, and are further authorized to take such other action as may be requested by the Authority in its consideration and review of the Application and to further proceed with arrangements for financing the Project.

Section 4. All acts and resolutions in conflict with this resolution are hereby rescinded, annulled and repealed.

Section 5. This resolution shall take effect immediately upon its adoption.

PASSES APPROVED AND ADOPTED this 9th day of OCTOBER, 2023

GOVERNING BODY

By Stephan A. Russo
Authorized Officer

(Seal)

ATTEST:

Ramela Fenelli
Authorized Officer



NEW MEXICO FINANCE AUTHORITY

NMFA Use Only:	
App. #:	-PP
FA assigned:	
Legislative Authorization	

PUBLIC PROJECT REVOLVING FUND EQUIPMENT APPLICATION

I. GENERAL INFORMATION

A. APPLICANT /ENTITY

Application Date:

Applicant/Entity:	Middle Rio Grande Conservancy District		
Address:	1931 2nd Street SW Albuquerque NM 87102		
County:	Bernalillo	Census Tract:	
Federal Employer Identification Number (EIN) as issued by the IRS:			85-6000200
Legislative District:	Senate:	House:	
Phone: 505-247-0234	Fax:	Email Address:	pfanelli@mrgcd.us
Individual Completing Application:	Pamela Fanelli		
Address:	1931 2nd Street SW Albuquerque NM 87102		
Phone: 505-247-0234	Fax:	Email Address:	pfanelli@mrgcd.us

II. PROJECT SUMMARY

A. **Project Description.** Complete the following information, using additional paper if necessary. Include any additional documents that may be useful in reviewing this project, i.e. architectural designs, feasibility studies, business plan, etc.

1. Description of Equipment:

The Middle Rio Grande Conservancy District is seeking to replace Heavy, Medium, and



2. When do you need NMFA funds available? January of 2024

B. Total Project Cost & Sources of Funds Detail.

Equipment Items	NMFA Funds Requested	Other Public Funds*	Private Funds	Total
Heavy Equipment	\$ 2,235,000	\$	\$	\$ 2,235,000
Medium Equipment	\$ 659,945	\$	\$	\$ 659,945
Light Equipment	\$ 70,000	\$	\$	\$ 70,000
	\$	\$	\$	\$
Total Cost:\$	\$ 2,964,945	\$	\$	\$ 2,964,945

III. FINANCING

A. Specify the revenue to be pledged as security for the NMFA loan (a revenue source must be pledged for this type of project).

- Municipal Local Option GRT – please specify: _____
- County Option GRT – please specify: _____
- Other Tax-Based Revenue: _____
- State-Shared GRT
- Law Enforcement Funds
- Fire Protection Funds
- Other Revenue: Ad Valorem Taxes

B. Preferred financing term: 7 years.

C. Is any debt being repaid from the revenue source(s) referenced in A (1)? Yes No

If yes, provide bond or loan documents and payment schedule for any existing debt service being paid from the same revenues that would be used to repay a NMFA loan.

IV. READINESS TO PROCEED ITEMS

A. The following items must accompany this application in order for this application to be considered complete:

- Equipment cost breakdown (if applicable)
- Three most recently completed fiscal year audit reports

- Current unaudited financials
- Current fiscal year budget
- Equipment Application
- Application Resolution
- Minutes of public hearing meeting approving submission of application
- Any additional information requested by NMFA

V. CERTIFICATION

I certify that:

We have the authority to request and incur the debt described in this application and, upon award, will enter into a contract for the repayment of any NMFA loans and/or bonds.

We will comply with all applicable state and federal regulations and requirements.

To the best of my knowledge all information contained in this application is valid and accurate and the submission of this application has been authorized by the governing body of the undersigned jurisdiction.

Signature:  Title: Chairman
DocuSigned by: 75EA55FG89F342D (highest elected official)

Jurisdiction: Middle Rio Grande Conservancy District
 Print Name: Stephanie Russo-Baca Date: 10-9-23

Signature: Pamela Stanelli Date: 10-9-23

Finance Officer/Director: CFO/Secretary/Treasurer

CAPITAL FUND LOAN LIST

Account Code	Type of Equipment	Amount	Equipment Type	Subtotal
0104601 58080	Mowermax	265,000	Heavy Equipment	
0104301 58070 31303	Water Truck	185,000	Heavy Equipment	
0104501 58070 31303	Dump Truck	135,000	Heavy Equipment	
0104601 58070 31303	Water Truck	185,000	Heavy Equipment	
0104601 58070 31303	Dump Truck	135,000	Heavy Equipment	
0104401 58080 31303	Mowermax	265,000	Heavy Equipment	
0104401 58080 31303	Backhoe	210,000	Heavy Equipment	
0104401 58080 31303	Front-end Loader	230,000	Heavy Equipment	
0104501 58080 31303	Dozer 700 Series	260,000	Heavy Equipment	
0104501 58080 31303	Front-end Loader	235,000	Heavy Equipment	
0104501 58080 31303	Backhoe 300 Series	130,000	Heavy Equipment	2,235,000
0104401 58070	Trailer	40,000	Light Equipment	
0104401 58070	Utility Transport Vehicle	23,000	Light Equipment	
0104401 58070	Trailer	7,000	Light Equipment	70,000
0107701 58070	Motor Pool Vehicles 2@ 35,000	70,000	Medium-Trucks	
0107701 58070	Parts Truck	64,945	Medium-Trucks	
0116101 58070	1/2 Ton Trucks 6@ 32,000	192,000	Medium-Trucks	
0119101 58070	1/2 Ton Trucks- 2 @ 32,000	64,000	Medium-Trucks	
0115101 58070	1/2 Ton Trucks- 1 @ 32,000	32,000	Medium-Trucks	
0113101 58070	1/2 Ton Trucks- 1 @ 32,000	32,000	Medium-Trucks	
0104301 58070 31303	Mechanic Truck	45,000	Medium-Trucks	
0104501 58070 31303	1 Ton Flat Bed Truck	75,000	Medium-Trucks	
0104501 58070 31303	Extended Cab Truck Body	85,000	Medium-Trucks	659,945
	TOTAL	2,964,945		2,964,945

Bond Debt Service
Middle Rio Grande Conservancy District
2024 Equipment Loan (PPRF-6352)

Year	Month	Monthly Principal	Monthly Interest	Monthly Admin	Monthly Debt Service	Outstanding Principal
						\$ 3,294,384.00
	May	\$ 21,165.83	\$ 7,476.08	\$ -	\$ 28,641.91	\$ 3,273,218.17
	Jun	\$ 21,165.83	\$ 7,476.08	\$ -	\$ 28,641.91	\$ 3,252,052.33
	Jul	\$ 21,165.83	\$ 7,476.08	\$ -	\$ 28,641.91	\$ 3,230,886.50
	Aug	\$ 21,165.83	\$ 7,476.08	\$ -	\$ 28,641.91	\$ 3,209,720.67
	Sep	\$ 21,165.83	\$ 7,476.08	\$ -	\$ 28,641.91	\$ 3,188,554.83
	Oct	\$ 21,165.83	\$ 7,476.08	\$ -	\$ 28,641.91	\$ 3,167,389.00
	Nov	\$ 21,165.83	\$ 7,476.08	\$ -	\$ 28,641.91	\$ 3,146,223.17
	Dec	\$ 21,165.83	\$ 7,476.08	\$ -	\$ 28,641.91	\$ 3,125,057.33
2025	Jan	\$ 21,165.83	\$ 7,476.08	\$ -	\$ 28,641.91	\$ 3,103,891.50
	Feb	\$ 21,165.83	\$ 7,476.08	\$ -	\$ 28,641.91	\$ 3,082,725.67
	Mar	\$ 21,165.83	\$ 7,476.08	\$ -	\$ 28,641.91	\$ 3,061,559.83
	Apr	\$ 21,165.83	\$ 7,476.08	\$ -	\$ 28,641.91	\$ 3,040,394.00
	May	\$ 23,162.92	\$ 6,129.41	\$ -	\$ 29,292.32	\$ 3,017,231.08
	Jun	\$ 23,162.92	\$ 6,129.41	\$ -	\$ 29,292.32	\$ 2,994,068.17
	Jul	\$ 23,162.92	\$ 6,129.41	\$ -	\$ 29,292.32	\$ 2,970,905.25
	Aug	\$ 23,162.92	\$ 6,129.41	\$ -	\$ 29,292.32	\$ 2,947,742.33
	Sep	\$ 23,162.92	\$ 6,129.41	\$ -	\$ 29,292.32	\$ 2,924,579.42
	Oct	\$ 23,162.92	\$ 6,129.41	\$ -	\$ 29,292.32	\$ 2,901,416.50
	Nov	\$ 23,162.92	\$ 6,129.41	\$ -	\$ 29,292.32	\$ 2,878,253.58
	Dec	\$ 23,162.92	\$ 6,129.41	\$ -	\$ 29,292.32	\$ 2,855,090.67
2026	Jan	\$ 23,162.92	\$ 6,129.41	\$ -	\$ 29,292.32	\$ 2,831,927.75
	Feb	\$ 23,162.92	\$ 6,129.41	\$ -	\$ 29,292.32	\$ 2,808,764.83
	Mar	\$ 23,162.92	\$ 6,129.41	\$ -	\$ 29,292.32	\$ 2,785,601.92
	Apr	\$ 23,162.92	\$ 6,129.41	\$ -	\$ 29,292.32	\$ 2,762,439.00

Bond Debt Service
Middle Rio Grande Conservancy District
2024 Equipment Loan (PPRF-6352)

Year	Month	Monthly Principal	Monthly Interest	Monthly Admin	Monthly Debt Service	Outstanding Principal
	May	\$ 24,006.67	\$ 5,517.91	\$ -	\$ 29,524.57	\$ 2,738,432.33
	Jun	\$ 24,006.67	\$ 5,517.91	\$ -	\$ 29,524.57	\$ 2,714,425.67
	Jul	\$ 24,006.67	\$ 5,517.91	\$ -	\$ 29,524.57	\$ 2,690,419.00
	Aug	\$ 24,006.67	\$ 5,517.91	\$ -	\$ 29,524.57	\$ 2,666,412.33
	Sep	\$ 24,006.67	\$ 5,517.91	\$ -	\$ 29,524.57	\$ 2,642,405.67
	Oct	\$ 24,006.67	\$ 5,517.91	\$ -	\$ 29,524.57	\$ 2,618,399.00
	Nov	\$ 24,006.67	\$ 5,517.91	\$ -	\$ 29,524.57	\$ 2,594,392.33
	Dec	\$ 24,006.67	\$ 5,517.91	\$ -	\$ 29,524.57	\$ 2,570,385.67
2027	Jan	\$ 24,006.67	\$ 5,517.91	\$ -	\$ 29,524.57	\$ 2,546,379.00
	Feb	\$ 24,006.67	\$ 5,517.91	\$ -	\$ 29,524.57	\$ 2,522,372.33
	Mar	\$ 24,006.67	\$ 5,517.91	\$ -	\$ 29,524.57	\$ 2,498,365.67
	Apr	\$ 24,006.67	\$ 5,517.91	\$ -	\$ 29,524.57	\$ 2,474,359.00
	May	\$ 24,873.75	\$ 4,912.94	\$ -	\$ 29,786.69	\$ 2,449,485.25
	Jun	\$ 24,873.75	\$ 4,912.94	\$ -	\$ 29,786.69	\$ 2,424,611.50
	Jul	\$ 24,873.75	\$ 4,912.94	\$ -	\$ 29,786.69	\$ 2,399,737.75
	Aug	\$ 24,873.75	\$ 4,912.94	\$ -	\$ 29,786.69	\$ 2,374,864.00
	Sep	\$ 24,873.75	\$ 4,912.94	\$ -	\$ 29,786.69	\$ 2,349,990.25
	Oct	\$ 24,873.75	\$ 4,912.94	\$ -	\$ 29,786.69	\$ 2,325,116.50
	Nov	\$ 24,873.75	\$ 4,912.94	\$ -	\$ 29,786.69	\$ 2,300,242.75
	Dec	\$ 24,873.75	\$ 4,912.94	\$ -	\$ 29,786.69	\$ 2,275,369.00
2028	Jan	\$ 24,873.75	\$ 4,912.94	\$ -	\$ 29,786.69	\$ 2,250,495.25
	Feb	\$ 24,873.75	\$ 4,912.94	\$ -	\$ 29,786.69	\$ 2,225,621.50
	Mar	\$ 24,873.75	\$ 4,912.94	\$ -	\$ 29,786.69	\$ 2,200,747.75
	Apr	\$ 24,873.75	\$ 4,912.94	\$ -	\$ 29,786.69	\$ 2,175,874.00
	May	\$ 58,038.67	\$ 4,315.97	\$ -	\$ 62,354.64	\$ 2,117,835.33
	Jun	\$ 58,038.67	\$ 4,315.97	\$ -	\$ 62,354.64	\$ 2,059,796.67
	Jul	\$ 58,038.67	\$ 4,315.97	\$ -	\$ 62,354.64	\$ 2,001,758.00
	Aug	\$ 58,038.67	\$ 4,315.97	\$ -	\$ 62,354.64	\$ 1,943,719.33
	Sep	\$ 58,038.67	\$ 4,315.97	\$ -	\$ 62,354.64	\$ 1,885,680.67
	Oct	\$ 58,038.67	\$ 4,315.97	\$ -	\$ 62,354.64	\$ 1,827,642.00
	Nov	\$ 58,038.67	\$ 4,315.97	\$ -	\$ 62,354.64	\$ 1,769,603.33
	Dec	\$ 58,038.67	\$ 4,315.97	\$ -	\$ 62,354.64	\$ 1,711,564.67
2029	Jan	\$ 58,038.67	\$ 4,315.97	\$ -	\$ 62,354.64	\$ 1,653,526.00
	Feb	\$ 58,038.67	\$ 4,315.97	\$ -	\$ 62,354.64	\$ 1,595,487.33
	Mar	\$ 58,038.67	\$ 4,315.97	\$ -	\$ 62,354.64	\$ 1,537,448.67
	Apr	\$ 58,038.67	\$ 4,315.97	\$ -	\$ 62,354.64	\$ 1,479,410.00
	May	\$ 60,400.83	\$ 2,940.45	\$ -	\$ 63,341.29	\$ 1,419,009.17
	Jun	\$ 60,400.83	\$ 2,940.45	\$ -	\$ 63,341.29	\$ 1,358,608.33
	Jul	\$ 60,400.83	\$ 2,940.45	\$ -	\$ 63,341.29	\$ 1,298,207.50
	Aug	\$ 60,400.83	\$ 2,940.45	\$ -	\$ 63,341.29	\$ 1,237,806.67
	Sep	\$ 60,400.83	\$ 2,940.45	\$ -	\$ 63,341.29	\$ 1,177,405.83
	Oct	\$ 60,400.83	\$ 2,940.45	\$ -	\$ 63,341.29	\$ 1,117,005.00
	Nov	\$ 60,400.83	\$ 2,940.45	\$ -	\$ 63,341.29	\$ 1,056,604.17
	Dec	\$ 60,400.83	\$ 2,940.45	\$ -	\$ 63,341.29	\$ 996,203.33
2030	Jan	\$ 60,400.83	\$ 2,940.45	\$ -	\$ 63,341.29	\$ 935,802.50
	Feb	\$ 60,400.83	\$ 2,940.45	\$ -	\$ 63,341.29	\$ 875,401.67
	Mar	\$ 60,400.83	\$ 2,940.45	\$ -	\$ 63,341.29	\$ 815,000.83
	Apr	\$ 60,400.83	\$ 2,940.45	\$ -	\$ 63,341.29	\$ 754,600.00

Bond Debt Service
Middle Rio Grande Conservancy District
2024 Equipment Loan (PPRF-6352)

Year	Month	Monthly Principal	Monthly Interest	Monthly Admin	Monthly Debt Service	Outstanding Principal
	May	\$ 62,883.33	\$ 1,502.91	\$ (0.00)	\$ 64,386.25	\$ 691,716.67
	Jun	\$ 62,883.33	\$ 1,502.91	\$ (0.00)	\$ 64,386.25	\$ 628,833.33
	Jul	\$ 62,883.33	\$ 1,502.91	\$ (0.00)	\$ 64,386.25	\$ 565,950.00
	Aug	\$ 62,883.33	\$ 1,502.91	\$ (0.00)	\$ 64,386.25	\$ 503,066.67
	Sep	\$ 62,883.33	\$ 1,502.91	\$ (0.00)	\$ 64,386.25	\$ 440,183.33
	Oct	\$ 62,883.33	\$ 1,502.91	\$ (0.00)	\$ 64,386.25	\$ 377,300.00
	Nov	\$ 62,883.33	\$ 1,502.91	\$ (0.00)	\$ 64,386.25	\$ 314,416.67
	Dec	\$ 62,883.33	\$ 1,502.91	\$ (0.00)	\$ 64,386.25	\$ 251,533.33
2031	Jan	\$ 62,883.33	\$ 1,502.91	\$ (0.00)	\$ 64,386.25	\$ 188,650.00
	Feb	\$ 62,883.33	\$ 1,502.91	\$ (0.00)	\$ 64,386.25	\$ 125,766.67
	Mar	\$ 62,883.33	\$ 1,502.91	\$ (0.00)	\$ 64,386.25	\$ 62,883.33
	Apr	\$ 62,883.33	\$ 1,502.91	\$ (0.00)	\$ 64,386.25	\$ 0.00
		\$ 3,294,384.00	\$ 393,547.93	\$ (0.00)	\$ 3,687,931.93	

Year	2018 Loan PPRF-4727	2021 Loan PPRF-5636	2021 Loan CWSRF 085	2024 Loan PPRF-6352	Total Debt Service	Pledged Revenues	Coverage
2024	\$ 219,333.56	\$ 161,258.32	\$ 24,976.00	\$ -	\$ 405,567.88	\$2,978,789.00	7.34473598
2025	\$ 220,869.00	\$ 161,071.08	\$ 25,026.00	\$343,702.93	\$ 750,669.01	\$2,978,789.00	3.96817900
2026	\$ 222,449.46	\$ 160,820.58	\$ 25,026.00	\$ 351,507.88	\$ 759,803.92	\$2,978,789.00	3.92047069
2027	\$ 224,017.88	\$ 160,522.82	\$ 25,026.00	\$ 354,294.88	\$ 763,861.58	\$2,978,789.00	3.89964501
2028	\$ 225,701.18	\$ 160,160.14	\$ 25,026.00	\$ 357,440.26	\$ 768,327.58	\$2,978,789.00	3.87697784
2029	\$ -	\$ -	\$ 25,026.00	\$ 748,255.62	\$ 773,281.62	\$2,978,789.00	3.85213992
2030	\$ -	\$ -	\$ 25,026.00	\$ 760,095.42	\$ 785,121.42	\$2,978,789.00	3.79404882
2031	\$ -	\$ -	\$ 25,026.00	\$ 772,634.94	\$ 797,660.94	\$2,978,789.00	3.73440500
2032	\$ -	\$ -	\$ 25,026.00	\$ -	\$ 25,026.00	\$2,978,789.00	119.02777112
2033	\$ -	\$ -	\$ 25,026.00	\$ -	\$ 25,026.00	\$2,978,789.00	119.02777112
2034	\$ -	\$ -	\$ 25,026.00	\$ -	\$ 25,026.00	\$2,978,789.00	119.02777112
2035	\$ -	\$ -	\$ 25,026.00	\$ -	\$ 25,026.00	\$2,978,789.00	119.02777112
2036	\$ -	\$ -	\$ 25,026.00	\$ -	\$ 25,026.00	\$2,978,789.00	119.02777112
2037	\$ -	\$ -	\$ 25,026.00	\$ -	\$ 25,026.00	\$2,978,789.00	119.02777112
2038	\$ -	\$ -	\$ 25,026.00	\$ -	\$ 25,026.00	\$2,978,789.00	119.02777112
2039	\$ -	\$ -	\$ 25,026.00	\$ -	\$ 25,026.00	\$2,978,789.00	119.02777112
2040	\$ -	\$ -	\$ 25,026.00	\$ -	\$ 25,026.00	\$2,978,789.00	119.02777112
2041	\$ -	\$ -	\$ 25,026.00	\$ -	\$ 25,026.00	\$ -	0.00000000
2042	\$ -	\$ -	\$ 25,026.00	\$ -	\$ 25,026.00	\$ -	0.00000000
2043	\$ -	\$ -	\$ 25,026.00	\$ -	\$ 25,026.00	\$ -	0.00000000

MIDDLE RIO GRANDE
CONSERVANCY DISTRICT
PER DIEM AND TRAVEL POLICY FOR
EMPLOYEES, OFFICERS AND ELECTED
BOARD



UPDATED AS OF JANUARY 23, 2024

Pamela Fanelli

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26 Authority

27 These regulations are issued in accordance with NM State Statutes 10-8-1 to 10-8-8
28 NMSA 1978 and state rule 2.42.2 NMAC, Regulations Governing the Per Diem and
29 Mileage Act.

30 Policy Statement

31 The purpose of the Per Diem and Travel Policy is to establish procedures for processing
32 official business for Out-of-State and In-State travel for employees and public officers of
33 the Middle Rio Grande Conservancy District (MRGCD).

34 Travel must serve the best interest of the MRGCD, have a legitimate business purpose,
35 and be related to the employee's job duties.

36 All travel must be by the most direct route, using the most economical mode of
37 transportation available considering travel time, costs, and work requirements.

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53 Definitions

- 54 1. "Actual Lodging" means actual expenses for hotel expense; receipts are required.
- 55 2. "Actual Meals" means actual meals expenses in lieu of per diem rate; receipts are
56 required
- 57 3. "Authorization of Excess Lodging" means prior authorization from CEO/Chief Engineer
58 or his designee for actual lodging expense in excess of \$215.00 per night.
- 59 4. "CEO/Chief Engineer" means the Chief Executive Officer of the Middle Rio Grande
60 Conservancy District.
- 61 5. "CFO/Secretary-Treasurer" means the Chief Financial Officer of the Middle Rio Grande
62 Conservancy District.
- 63 6. "Designee" means a representative who the CEO/Chief Engineer appoints and
64 authorized that individual to sign on his/her behalf.
- 65 7. "Employee" means a person who is an employee of the MRGCD.
- 66 8. "District or MRGCD" means Middle Rio Grande Conservancy District.
- 67 9. "Meetings" there are different types of meetings i.e. - Board, Commission, Committee,
68 Online, Workshops, Conference, Community/Neighborhood, Entity, Legislative, etc.
- 69 10. Per Diem Rate – A standard rate for daily expenses to cover lodging and meals; receipts
70 NOT required. It is intended to cover expenses incurred during official business travel.
- 71 11. "Normal Workday" means an employee specified work schedule (example 8:00-4:30 or
72 7:00-5:30).
- 73 12. Occasionally and Irregularly – means not on a regular basis and infrequently as
74 determined by the District.
- 75 13. Reimbursable Mileage – The use of an employee's personal vehicle for transportation
76 while traveling on official MRGCD business.
- 77 14. "Return Travel Voucher: means a voucher for reconciliation of all travel expenses for
78 closing out the trip and processing per diem reimbursement or final reconciled per diem.
- 79 15. "Standard Mileage Rate" MRGCD CFO/Secretary-Treasurer will calculate and provide
80 the mileage rate annually in January.
- 81 16. "Public officer" means any member of the MRGCD Board of Directors who is an elected
82 or a contract officer of the District.
- 83 17. "Travel Authorization Form" means a formal request for the purpose of requesting per
84 diem and travel advance.
- 85 18. "Twenty-Four (24) Hour Period" means a per day allocation.

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89 **MRGCD & Traveler Responsibility**

90 The District in most cases shall pre-pay for conference registrations, airline tickets and
91 hotel accommodations in advance of the travel, and those expenses will not be included
92 on the individuals per diem, unless that public officer or employee has paid for those
93 expenses directly, then a request for reimbursement with a completed return travel
94 voucher and copies of detailed receipts shall be reviewed for reimbursement, and
95 approved by CFO/Secretary-Treasurer.

96 It shall be the policy of MRGCD to reimburse employees and public officers for travel
97 expenses incurred in the conduct of official MRGCD business in accordance with NM
98 State Statutes 10-8-1 to 10-8-8 NMSA 1978 and state rule 2.42.2 NMAC, Regulations
99 Governing the Per Diem and Mileage Act. Employees and public officers have the
100 responsibility to exercise good judgment regarding expenses to ensure that they are
101 reasonable and necessary for travel.

102 Authorization for travel shall be only for official MRGCD business, including training,
103 conferences, workshops, and other functions from which MRGCD has a specific benefit
104 through attendance by the employee or public officer. Only that travel which serves a
105 useful purpose and is necessary and advantageous to MRGCD is authorized and shall
106 be reimbursable. No overtime will be granted for authorized attendance or travel to
107 meetings or conferences that are out-of-town functions or extend beyond the normal
108 workday while attending workshops and/or conferences.

109 The CFO/Secretary-Treasurer is responsible for the overall administration of all travel
110 and per diem. The CEO/Chief Engineer and/or CFO/Secretary-Treasurer will authorize
111 all in-state and out-of-state travel for employees and public officers. Expenditures for
112 travel shall be charged against their approved departmental budget.

113 **Authorization Requirements**

114 Staff travel must be authorized by his/her Department Supervisor, and a travel
115 authorization form (use the Travel Authorization Form) must be submitted no less than
116 45 days of travel, etc., so that airfare and hotel can be obtained at the lowest available
117 cost. There will exceptions when the Board or CEO/Chief Engineer directs staff to
118 attend meetings, training, etc. outside of the 45-day notice requirement. The Travel
119 Coordinator will book airline and hotel reservations using a company credit card. In rare
120 instances, travelers may be reimbursed for airfare and hotel expenses when using their
121 own credit card. A requisition for travel will need to be entered into Tyler Munis.

122
123
124
125

General Rules and Regulations

126

127 Travel Time

128 Travel time is limited to the actual dates of a function plus reasonable travel time for in-
129 state travel or actual flight times for out-of-state travel. If an employee desires travel
130 time beyond the amount allowed, such time is accounted for as vacation leave or leave
131 without pay.

132 Transportation and Payment

133 Payment for the use of any particular mode of transportation is approved by the
134 CEO/Chief Engineer or CFO/Secretary-Treasurer based upon the least total cost to
135 MRGCD. If an employee or public officer chooses to use a private means of
136 transportation, the employee or public officer shall not be reimbursed more than coach
137 air fare. Further, the reimbursement for travel in private vehicles shall not exceed the
138 amount that would be paid based upon air travel to and from the same destination or
139 mileage rates, whichever is less.

140 1. MRGCD Vehicle

141 For travel for official MRGCD business in the city or within the state a MRGCD
142 vehicle should be used whenever possible.

143 If it is necessary to purchase gasoline, oil, or any other vehicle required item for a
144 MRGCD vehicle, the traveler should prior to his/her travel make arrangements for
145 a District gas card to be issued; in the event a gas card was not requested you
146 may request reimbursement for such purchases with an itemized receipts and,
147 the CEO/Chief Engineer or CFO/Secretary-Treasurer shall approve the use of
148 MRGCD vehicles for out-of-state travel prior to the trip.

149 2. Private Vehicle

150 In order to receive reimbursement for mileage when a private vehicle is used on
151 a trip, a Mileage Voucher must be completed by the employee or public officer.
152 An employee or public officer shall receive the mileage rate as set by the
153 CFO/Secretary-Treasurer in January every year.

154 Mileage shall be reimbursed pursuant to a mileage chart from an official road
155 map of the state, a recognized Internet map site, or mileage specified on the
156 Mileage Voucher. Expenses may be reimbursed for actual mileage if the
157 beginning and ending odometer readings are certified as correct by the traveler
158 and:

159 a. the destination is not included on an official road map or Internet map
160 site; or

161

162

- 163 b. after arriving at the destination, the employee is required to use the
164 vehicle in the performance of official duties.
165 c. Round-trip mileage will be allowable for travel to and from the airport,
166 when traveling out-of-state when traveling by air.
167

168 Mileage reimbursement for the use of a privately-owned vehicle for out-of-city or
169 state travel shall not exceed the coach class commercial air fare. If an employee
170 chooses to use a private vehicle and the calculated mileage reimbursement is
171 less than coach air fare, the employee shall receive only the calculated mileage
172 amount. Approval for the use of private vehicles for in-state or out-of-state travel
173 must be issued prior to the trip.

174

175 3. Airline Reservations

176 Airline tickets will be purchased by the MRGCD upon approval of the travel; or
177 the employee or public officer may purchase their own airline ticket and request
178 reimbursement with a submission of a travel voucher and detailed receipt.
179 Please note airfare for spouse travel is the sole responsibility of the public officer
180 or employee. MRGCD will reimburse only unavoidable airline fees, such as
181 baggage fees. Discretionary and avoidable fees will not be reimbursed.

182

183 4. Miscellaneous Expenses – (In-State and Out-of-State)

184 An employee or public officer may be reimbursed for approved miscellaneous
185 expenses such as taxi, **gratuities 18% maximum**), other transportation fares, or
186 parking fees, with submittal of original detailed receipts.

187 If no receipts are provided employees may be reimbursed for the following
188 expenses in the amount of \$6.00 per day not to exceed \$30.00 per trip:

- 189 a. Taxi or other transportation fares
190 b. Gratuities
191 c. Parking fees
192 d. If more than \$6.00 per day or \$30.00 per trip is claimed, the entire
193 amount of the reimbursement claim must be accompanied by receipts
194

195 Under circumstances where the loss of receipts would deny reimbursement, an
196 affidavit from the employee or public officer attesting to the expenses may be
197 substituted for actual receipts and approved by the CEO/Chief Engineer or
198 CFO/Secretary-Treasurer (Use form Affidavit for Lost Receipts).

199

200

201 5. Rental Cars or Other Shuttle Vehicles

202 An employee or public officer may be reimbursed for rental cars for business
203 purposes in extraordinary circumstances when less expensive public
204 transportation is not available or appropriate. Approval for reimbursement of car
205 rental fees must be approved in advance of the car rental.

206 Rental car up-grades or second drivers (non-employees) will be borne by the
207 employee or public officer.

208 Request for rental car reimbursement “must” be accompanied with an itemized
209 receipt.

210 Rental Car Insurance

211 In the event MRGCD requires and/or authorizes a rental car for a public officer,
212 administrator or employee, a Loss Damage Waiver (LDW) “Must” be included
213 with the rental car.

214 Per Diem Rates & Actual Lodging and Meals

215 Per diem rates shall be paid to public officers and employees only in accordance with
216 the provisions of this section. Per diem rates shall be paid without regard to whether
217 expenses are actually incurred.

218 1. Overnight Travel: Regardless of the number of hours traveled, travel for public
219 officers and employees where overnight lodging is required shall be reimbursed
220 (Receipts not required in a-c) as follows:

- 221 a. In state areas \$155.00
 - 222 b. In state special areas \$202.00
 - 223 c. Out of state areas \$155.00 **including lodging & meals**
 - 224 d. Actual lodging and meal expenses under 2.42.2.9 NMAC
- 225

226 On the last day of travel when overnight lodging is no longer required, per diem is
227 pro-rated according to #2 below (travel which does not require overnight lodging).

228 Special Area Designation is defined as Santa Fe.

229 2. Partial Day Per Diem Rate or Actual Meal Expense For Last Day of Travel When
230 Overnight Lodging is no Longer Required:

- 231 a. for less than 2 hours of travel none
 - 232 b. for 2 hours, but less than 6 hours \$20.00
 - 233 c. for 6 hours, but less than 12 hours \$42.00
 - 234 d. for 12 hours or more \$59.00
- 235

236 3. Partial Day Per Diem Rate or Actual Meal Expense: Public Officers or
237 employees who occasionally and irregularly travel shall be reimbursed for travel
238 which **does not require overnight lodging**, but extends beyond a normal
239 workday as follows:

- 240 a. for 8 hours, but less than 12 hours \$42.00
- 241 b. for 12 hours or more \$59.00

242
243 Travel to Santa Fe for a conference where the meal is included in the fee is not
244 considered travel and therefore, no per diem will be paid.

245
246 4. Payment or Reimbursement of Actual Expenses in Lieu of Per Diem Rates:

247 Upon written request the CEO/Chief Engineer may grant written approval for a
248 public officer or employee to be reimbursed actual expenses in lieu of the per
249 diem rates where overnight travel is required.

- 250 a. **Actual Payment or Reimbursement for Lodging.** A public officer or an
251 employee may elect to be reimbursed actual expenses for lodging not
252 exceeding the single occupancy room charge (including tax) in lieu of the per
253 diem rate.

254 Whenever possible, employees and public officers should stay in hotels which
255 offer government rates. Actual lodging expenses in excess of \$215.00 per
256 night must request authorization using the Authorization of actual lodging
257 exceeding \$215.00 per night and must be approved by the CEO/Chief
258 Engineer or Chairperson of the governing board prior to travel and submitted
259 with the Travel Authorization form.

260 If the public officer or employee elects to arrive early or extend their out-of-
261 state travel the MRGCD will only pay for the nights related to their business
262 travel.

- 263 b. **Actual Payment or Reimbursement for Meals.** An employee or public
264 officer may be reimbursed actual expenses in lieu of per diem for meals.
265 Actual expenses for meals are limited by §10-8-4(K)(2) NMSA 1978 and
266 2.42.2 NMAC to a maximum of \$59.00 per 24-hour period for in-state travel
267 and \$59.00 per 24-hour period for out-of-state travel. The twenty-four (24)
268 hour period for meals is a per day allocation. Regardless of amounts spent or
269 receipts submitted. (Note: This amount cannot include any alcoholic
270 beverages.)

- 271 c. **Receipts Required.** The employee or public officer shall submit itemized
272 receipts for ***the actual meals and lodging*** (use Return Travel Form). Under
273 circumstances of the loss of receipts, an affidavit from the employee or public
274 officer attesting to the expenses may be substituted for actual receipts. The

275 affidavit must be signed, and the CFO/Secretary-Treasurer will review and
276 approve. Please note a credit card summary receipt WILL NOT be accepted.

277 **Alcohol purchases are strictly prohibited and should be paid for on a separate**
278 **receipt. Travelers should request a separate receipt when dining in a group.**

279
280 5. Conference Fees:

281 MRGCD will prepay registration and conference fees. However, in the event the
282 public officer or employee has paid the fees the MRGCD shall reimburse actual
283 expenses incurred in the registration for a conference or meeting. A paid receipt
284 must be furnished for reimbursement purposes, and reimbursement shall be
285 approved by CEO/Chief Engineer or CFO/Secretary-Treasurer.

286
287 6. Travel expenses not covered:

288 MRGCD does not pay for incidentals such as movie rentals, or alcoholic beverages.

289
290 7. Any compensation paid to an employee for attending or speaking at a conference
291 must be waived or submitted to the District if the employee is also being paid by the
292 District.

293
294 8. Mileage Rates and Calculation

295 a. Public officers and employees of local public bodies may be reimbursed
296 for mileage accrued in the use of a private vehicle. The Mileage Rate is
297 set at the IRS standard mileage rate set on January 1 of the previous year
298 for each mileage traveled. The Board of Directors will approve the
299 mileage rate in the January Board meeting. Refer to the Board meeting
300 minutes in January or go to the IRS website to view the rates.

301 b. Only one person shall receive mileage for each mile traveled in a
302 privately-owned vehicle.

303 **Board, Commission and Committee Members**

304 Non-salaried public officers may elect to receive either:

- 305 1. \$95.00 per meeting day for attending each board or committee meeting day; or
306 2. Per diem shall be in accordance with the rates in this policy.

307 There are other types of meetings, that may qualify for meeting allowance with board
308 approval

- 309 On-line/Phone
- 310 Entity/Agency
- 311 Legislative
- 312 Committee
- 313 Workshop
- 314 Conference
- 315 Community/Neighborhood
- 316 Others approved by the Chair

317 In the event there are multiple meetings scheduled on same day, the board
318 member shall “Only” receive the \$95.00 for the whole day NOT multiple meeting
319 allowance, or per diem;

320 Mileage will be allowed for attending each meeting if at different locations;

321 Payment shall be via single meeting allowance or per diem NOT both, plus mileage.

322 Per diem shall be in accordance with the rates in this policy.

323 Other Official Meetings: Non-salaried public officers may receive per diem rates for
324 travel on official business that does not constitute a board, advisory board,
325 committee meeting in accordance with this policy.

326 Payment of Travel Expenses

327 After completion of travel, an employee or public officer must submit all receipts, etc. to
328 be reconciled **within 3 business days upon return**. All reimbursements will require the
329 following:

- 330 1. A reconciled travel expense voucher indicating the actual costs of the trip, signed
331 by the traveler and approved by the employee supervisor, and CEO/Chief
332 Engineer or CFO/Secretary-Treasurer; and
- 333 2. Original itemized receipts for lodging, meals, and miscellaneous expenses.
334 (credit card summary receipt will not be accepted)
- 335 3. Please note that hotel, airfare and registration receipts, etc. that were pre-paid by
336 the District should also be submitted when provided.

337 Travel Advances

338 When a travel advance is being requested, check the appropriate box on the travel
339 authorization form. Upon approval of the request, the traveler will receive up to 80%
340 percent of the estimated per diem.

341

Returning from Trip

342 A return travel voucher must be completed, signed and submitted to the accounting
343 department to reconcile travel expenses and finalize the trip and process
344 reimbursements or balance of per diem owed to the employee and/or officer.

345 In the event that the reconciliation of expenses determines that the return travel voucher
346 and submitted receipts do not support the 80% amount advanced the employee/officer
347 will then be issued an invoice for the amount due back to the MRGCD. If the actual
348 expenses are more than the travel advance, the traveler will be reimbursed not to
349 exceed the meal expense per limitation.

350

Illness or Emergency While on Travel

351 If an employee must interrupt or discontinue his/her business travel due to an illness or
352 emergency situation; the CEO/Chief Engineer has discretionary authorization to grant or
353 deny permission, in writing, to pay per diem rates and travel reimbursement to an
354 employee or public officer who becomes ill or is notified of a family emergency while
355 traveling on official business and must either remain away from home or discontinue the
356 official business to return home.

357

Travel Authorization Form

358 A Travel Authorization form must be submitted prior to processing any travel
359 expenditures (such as conference registrations, airline and hotel reservations, or per
360 diem, etc.).

361

Affidavit for Lost Receipts

362 Under circumstances where the loss of receipts would deny reimbursement and create
363 a hardship, a formal affidavit from the officer or employee attesting to the expenses may
364 be substituted for actual receipts. The affidavit must be completed by the employee or
365 officer and signed by the CEO/Chief Engineer or Chairperson of the governing board.

366

367

368

Examples for clarification

369 1. Transportation Expenses:

370 a. Isabella has been approved to go to a conference. She is afraid to fly.
371 She has asked permission to drive from Albuquerque, New Mexico to
372 Miami, Florida. The regulations state that all travel must be by the most

373 direct route, using the most economical mode of transportation available
374 considering travel time, costs, and work requirements.

375 In this case, Isabella would receive reimbursement for the lowest cost
376 route. Assuming the total round trip miles are 4100 and the mileage rate
377 is .57, the total mileage costs would add up to \$2,337. A round trip flight
378 would cost \$800. Isabella would be reimbursed for transportation
379 expenses of \$800.

380 2. Hotel (Per diem vs Actual Expenses)

381 a. In all cases where the actual lodging and meal option are used, the
382 traveler is required to provide receipts for all expenses including meals
383 (detailed receipts) and hotel. Confirm with Hotel if a Credit Card
384 Authorization Form is required to check in with MRGCD Credit Card on
385 file.

386 b. Roger is going to a conference in Dallas Texas. The Hotels are very
387 expensive in Dallas Texas. The cheapest hotel he could find was \$250
388 per night.

389 In this case, Roger would need to get prior approval for the more
390 expensive hotel documenting the rates proving that a cheaper hotel with
391 appropriate accommodation was not available. He would claim actual
392 expenses and not ask for the per diem rates.

393 c. Adeline is going to a conference in Washington DC. She wants to bring
394 her husband and extend her stay.

395 In this case, Adeline would only be reimbursed for the actual dates of the
396 conference plus actual flight times for out of state travel. The rules and
397 regulations state: Travel time is limited to the actual dates of a function
398 plus reasonable travel time for in-state travel or actual flight times for out-
399 of-state travel. If an employee desires travel time beyond the amount
400 allowed, such time is accounted for as vacation leave or leave without
401 pay.

402 In addition, Adeline would only be reimbursed for a single occupancy room
403 rate if she was claiming actual costs and only her actual meal expenses
404 up to a maximum of \$59.00 per day would be reimbursed. Itemized
405 receipts are required, and her husband's meals should not be on her
406 receipts submitted for reimbursement.

407 d. Allen is going to a training event in Denver, Colorado. He wants to stay
408 with his brother. Allen is requesting the per diem rate.

409
410 In this case, Allen would receive the \$115.00 per day (including meals and
411 lodging). The number of days would be limited to travel time and the

412 actual days of training. Allen is not required to provide receipts upon his
413 return.

414 e. Ava is going to a Tyler Connect Conference in Dallas Texas. The
415 conference, hotel and flights have been paid for using the District's credit
416 card. This means we are using the actual lodging and meals option.

417 She is leaving Sunday April 11th and will return on Wednesday April 14th.
418 The conference is Monday and Tuesday.

419 With a written request she will be advanced 80% of per diem rates and
420 mileage cost. Per diem for meals is set at a maximum of \$45.00 per day.
421 Ava did not request an advance for her mileage to and from the airport.

422 The calculations are as follows:

423 \$45.00 Sunday April 11
424 45.00 Monday April 12
425 45.00 Tuesday April 13
426 12.00 Wednesday April 14 (for 2 but less than 6*)
427 \$147.00

428 80%

429 \$117.60 Advance amount

430 Upon return, a reconciliation will be performed by the travel coordinator. If
431 Ava's actual expenses were higher than her per diem advance, she will be
432 reimbursed. If Ava's actual expenses were lower than her per diem
433 advance, she would owe the District the difference. Actual receipts must
434 be provided (detailed meal receipts and hotel invoice).

435 3. Board

436 a. Alex is a Board member and is going to attend an online conference for 3
437 days. In this instance, no travel is required but Alex would get \$95.00 per
438 day for each day of the conference.

439 4. Conference in Santa Fe, NM

440 a. Several MRGCD employees and Board members are attending a two-day
441 conference in Santa Fe, NM.

442 b. All employees and Board Members interested in attending should
443 respond to the email/calendar invite in a timely manner; so that all attendees can
444 be registered for the conference at the same time for the most cost-efficient
445 registration rate. (Majority of conferences give a discounted registration fee per
446 attendee).

447 c. Lodging is not offered or reimbursable to employees for travel to Santa
448 Fe, NM except in rare circumstances.

449 d. Mileage is not offered or reimbursable to employees for travel to Santa
450 Fe, NM since employees can utilize a MRGCD vehicle and are encouraged to
451 carpool in the MRGCD vehicle.

452 e. Per Diem is not given since meals are included in the conference
453 agenda.

454 f. If there is no lodging and no actual meal expenses reimbursable, then
455 the conference is not considered travel, and a travel authorization form is not
456 required.

457

458

459



BUREAU OF RECLAMATION

Feb 8, 2024 data

Reservoir Storage Status

Heron



El Vado



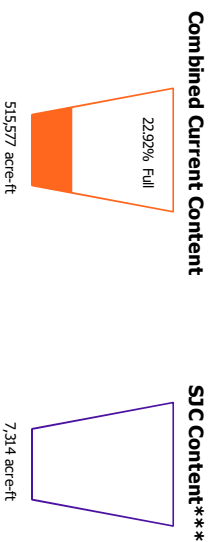
Abiquiu



Cochiti



Elephant Butte and Cabello



* 172,656 AF 06/01 - 09/30 unless waiver requested. Otherwise, reported number.

** Varies by time of year. Reported number is for 04/01 - 09/30.

*** Max San Juan-Chama storage in Elephant Butte is 50,000 AF.

Total reservoir content may include incidental storage of water in transit.

MRGCD BOARD MEETING (02-12-2024)

1. Heron Summary

Content: 95,343 ac-ft (2/9/24)
Azotea tunnel: 0 cfs
Total SJC inflow year-to-2/8/24: 0 ac-ft
Currently releasing: 42 cfs
Current MRGCD storage: 6,518 ac-ft

2. El Vado Summary

Total storage (all contractors and natural): 1,881 ac-ft (2/9/24)
Native in El Vado: 0 ac-ft
MRGCD's SJ-C storage in El Vado: 0 ac-ft
P & P: 0 ac-ft
Other SJ-C contractors: 1,881 ac-ft
Current release is 100 cfs RG inflow is 30-50 cfs

3. Storage in Abiquiu

Content: 81,929 ac-ft (2/9/24)
MRGCD's SJ-C storage: 0 ac-ft
P&P: 4,073 ac-ft

Total supplemental water released in 2024: 0 ac-ft

Snowpack Data as of 2/9/2024 (% of median)

Rio Chama Basin.....	99%
Upper Rio Grande Basin.....	91%
Sangre de Cristo Basin.....	133%
Jemez Basin.....	132%
San Juan River Basin.....	95%

- Maintenance work on the Abiquiu Dam outlet works is limiting the release but should end by February 28, 2024

11/28/2023

WATER STORAGE AGREEMENT

This water storage agreement (the “Agreement”) is entered into between the Middle Rio Grande Conservancy District, a political subdivision of the State of New Mexico (the “MRGCD”), and the Albuquerque Bernalillo County Water Utility Authority, a political subdivision of the State of New Mexico (the “Water Authority”) (the MRGCD and the Water Authority are each a “Party” and together they are the “Parties”), and is effective as of the date of the last signature below (the “Effective Date”).

Recitals

- A. WHEREAS, Congress authorized the Secretary of the Army to enter into agreements with entities for storage of 200,000 acre-feet of San Juan-Chama water in Abiquiu Reservoir in Public Law 97-140 (“P.L. 97-140”); and
- B. WHEREAS, P.L. 97-140 authorized the Secretary of Interior to release San Juan-Chama water to contracting entities for storage by its contractors; and
- C. WHEREAS, P.L. 97-140 required that the storage of San Juan-Chama water in Abiquiu Reservoir would not interfere with the authorized purposes of the project and shall include a requirement that each user of storage space shall pay any increase in operation and maintenance costs attributable to the storage of that user’s water; and
- D. WHEREAS, Pursuant to P.L. 100-522, Congress authorized the Secretary of the Army to store 200,000 acre-feet of Rio Grande system water in lieu of San Juan-Chama water if the contracting entities no longer required storage of their San Juan-Chama water; and
- E. WHEREAS, P.L. 116-260 amended P.L. 97-140 and P.L. 100-522 to eliminate the 200,000 acre-feet volume cap from combined sources in favor of allowing for the concurrent storage of San Juan-Chama and native Rio Grande system water in Abiquiu Reservoir so long as the contents of the reservoir did not rise to a point above the elevation of 6230.00 NGVD29; and
- F. WHEREAS, P.L. 116-260 requires the Secretary of the Army to retain or enter into new agreements with entities other than the Water Authority for storage of San Juan-Chama or native Rio Grande system water up to the proportional allocations of 29,100 acre-feet of storage space within Abiquiu Reservoir; and
- G. WHEREAS, P.L. 116-260 further requires that the storage of native Rio Grande system water will be authorized only if the necessary water ownership and storage rights have been acquired by the entity requesting such storage; and
- H. WHEREAS, P.L. 116-260 further required each user of storage space, regardless of source of water, shall pay for any increase in costs attributable to storage of that user’s water; and

11/28/2023

I. WHEREAS, pursuant to NMSA 1978 § 72-1-10, the Water Authority is the legal successor to the City of Albuquerque in its agreement with the U.S. Army Corps of Engineers (Corps) for 170,900 acre-feet of storage space in Abiquiu Reservoir under Contract No. DACW47-86-C-0009 dated March 20, 1986, as may be amended; and

J. WHEREAS, the Water Authority has acquired easements, fee simple property or other real property interests at and along the perimeter of Abiquiu Reservoir up to the elevation 6230.00 NGVD29 (the Water Authority's "Property") as necessary to store San Juan-Chama or Native Rio Grande System water pursuant to the requirements of P.L 116-260; and

K. WHEREAS, the purpose of this Agreement is to authorize the MRGCD to store its proportional share of the 29,100 acre-feet set aside for non-Water Authority Abiquiu Reservoir Contractors on the Water Authority's Property.

NOW, THEREFORE, upon the mutual consideration described by this Agreement, including the covenants and promises contained herein, the adequacy of which is acknowledged by the Parties, the Water Authority and the MRGCD agree as follows:

Agreement

1. **Recitals.** The Recitals are incorporated herein by reference.

2. **Water Storage Allowance.** The Water Authority agrees to allow storage on its Property of up to a total of 2,000 acre-feet of MRGCD's San Juan-Chama water or of native Rio Grande water, which amount is equal to the MRGCD's proportional share of the 29,100 acre-feet of set aside for non-Water Authority Abiquiu Reservoir contractors subject to the following requirements and limitations:

a. The MRGCD's San Juan-Chama or native Rio Grande water stored in accordance with paragraph '2' above can be carried over, but in no case shall its total quantity at any given point in time exceed 2,000 acre-feet; and

b. Notwithstanding the foregoing, the Water Authority maintains its right to store its San Juan-Chama or native Rio Grande system water on its Property in conjunction with or in addition to the amount of the MRGCD's water actually stored; and

c. The Water Authority's grant under this agreement permits MRGCD to store San Juan-Chama water or native Rio Grande system water within or upon its Property¹ does not convey any right of possession, control, exclusion, or any other interest in real property to the MRGCD, nor does it affect or modify the existing Water Authority contract rights under Contract No. DACW47-86-C-009 dated March 20, 1986 or any subsequent Abiquiu allotment contracts between the Water Authority and the Corps.

¹ The Water Authority has acquired fee simple or other real property interests at and along the perimeter of Abiquiu Reservoir up to the elevation of 6230.00NCVD29. This is the Water Authority's property.

11/28/2023

3. **Consideration.** In exchange for the water storage described in paragraph 2, above, the MRGCD agrees:

a. To provide payment of \$1 for each acre-foot of MRGCD's water stored upon or within the Water Authority's Property during the previous calendar year as shown on the annual report, irrespective of evaporation. The MRGCD recognizes that this amount is nominal in consideration of the use and administration of the Water Authority's Property.

b. To submit an accounting of the water stored under this Agreement during the previous calendar year, and the amount to be carried forward, to the Water Authority by February 1st of each year. The payment for the previous year's storage as required by paragraph '2', above, is due by the first day of March of each year.

c. To support the Water Authority's efforts to obtain the necessary state, federal and other permitting to store native Rio Grande system water in Abiquiu Reservoir.

d. To acquire any state, federal or other permits necessary to store native Rio Grande system water on the Water Authority's Property.

e. To provide written notification to the Water Authority at least one week in advance as to when water will be delivered to Abiquiu Reservoir for storage within or upon the Water Authority's Property pursuant to this Agreement. Such written notification is to be submitted in the form of an email to the Water Authority's Water Rights Program Manager.

f. To not store San Juan-Chama or native Rio Grande system water that is suballotted, purchased, leased or otherwise acquired or obtained from, or that belongs to any third party, without the Water Authority's prior written approval, which may be reasonably withheld.

g. That it is responsible for its proportional share of the monthly evaporative losses that occur on MRGCD water stored in Abiquiu. MRGCD will work with the U.S. Bureau of Reclamation to provide the records of the evaporative computation calculated on a monthly basis and ensure that these losses are deducted from the MRGCD account.

h. To contract separately with the Corps for the storage of San Juan-Chama or native Rio Grande system water including the proportional share of the annual increased cost for operation and maintenance as determined by the Corps.

4. **Term.** The term of this Agreement is for the duration of one year from the Effective Date, and automatically renews for one additional year upon each anniversary of the Effective Date unless sooner terminated.

5. **Termination.** This Agreement can be terminated only as follows:

a. By either Party providing 30-day written notice of initiation of good faith discussion of proposed termination;

- i. Such good faith discussion shall include consideration of the documented loss to MRGCD if the Water Authority is seeking termination;
 - ii. Such good faith discussion shall include efforts to minimize losses to both Parties and avoid termination;
- b. At any time by written mutual consent of the Parties;
- c. At the sole discretion of the Water Authority by providing a 90-day written notice of termination to MRGCD; or
- d. At the sole discretion of the MRGCD by providing a 30-day written notice of termination to the Water Authority.
- e. If so terminated, all of the MRGCD San Juan-Chama or native Rio Grande system water remaining on the Water Authority's Property at the time of termination may remain for a period of up to one year, upon the conclusion of which MRGCD shall have released or otherwise caused its remaining water to be removed from the Water Authority's Property.

6. Limitations of Liability. Any claim of tort liability against either MRGCD or the Water Authority is subject to the privileges and immunities of the New Mexico Tort Claims Act, NMSA 1978, §§ 41-4-1 through 41-4-30, as amended. Except as expressly provided by the New Mexico Tort Claims Act, neither the Water Authority nor MRGCD waives its sovereign immunity or any defense or limitation of liability provided by applicable law. No provision of this Agreement shall be construed to modify, abrogate, or waive any provision of the New Mexico Tort Claims Act. None of the provisions contained within this Agreement are intended to create in the public or any member thereof a third-party beneficiary or to authorize anyone not a party to the Agreement to maintain a suit or any claim whatsoever, pursuant to the provisions of this Agreement. Notwithstanding the foregoing, MRGCD agrees to waive its immunity from unconsented suit solely for the limited purpose of enforcement of its obligations under this Agreement by the Water Authority and no other party. This waiver applies to claims seeking specific performance and/or damages, but it shall not be construed to include claims seeking special or consequential damages.

7. Severability. If any part, term or provision of this Agreement is held invalid or unenforceable under applicable law, such provision will be deemed severed from this Agreement, and the remainder of this Agreement will remain in full force and effect unless its essential purpose is frustrated by such severance.

8. Merger Clause. This Agreement constitutes the entire Agreement between the Water Authority and MRGCD. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement.

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9. **Amendment.** This Agreement will not be altered, changed, or amended except by a written instrument executed by both Parties.

10. **Dispute Resolution.** The Parties hereby irrevocably and unconditionally submit to the jurisdiction of the state courts of New Mexico and to the jurisdiction of the United States District Court for the District of New Mexico for the purpose of any suit, action or other proceeding arising out of or based upon this Agreement.


11. **Notices.** Except as provided in subparagraph 3(e), above, the Water Authority designates Mark S. Sanchez, Executive Director, or his designee or successor as the Water Authority’s Representative and person to receive notifications from the MRGCD under this Agreement. The MRGCD designates Jason Casuga, Chief Engineer/CEO, or his designee or successor, as the MRGCD’s Representative and person to receive notifications from the Water Authority under this Agreement.

12. **Counterparts.** This Agreement may be executed by the Parties in multiple counterparts, each of which shall constitute an original, but all of which together shall constitute a single binding agreement between the Parties.

Signatures

IN WITNESS WHEREOF, the MRGCD and the Albuquerque Bernalillo County Water Utility Authority have caused this Agreement to be executed and delivered by its duly authorized representatives as of the date specified below:

ALBUQUERQUE BERNALILLO COUNTY
WATER UTILITY AUTHORITY



Mark S. Sanchez, Executive Director
Albuquerque Bernalillo County Water Utility Authority

12/14/2023

Date

MIDDLE RIO GRANDE CONSERVANCY DISTRICT

Jason Casuga, Chief Engineer/CEO
Middle Rio Grande Conservancy District

Date

11/28/2023

SUBALLOTMENT AGREEMENT

This suballotment agreement (the “Agreement”) is entered into between the Middle Rio Grande Conservancy District, a political subdivision of the State of New Mexico (the “MRGCD”) and the Albuquerque Bernalillo County Water Utility Authority, a political subdivision of the State of New Mexico (the “Water Authority”) (the MRGCD and the Water Authority are each a “Party” and together they are the “Parties”), and is effective as of the date of the last signature, below (the “Effective Date”).

Recitals

A. WHEREAS, Congress authorized the Secretary of the Army to enter into agreements with entities for storage of 200,000 acre-feet of San Juan-Chama water in Abiquiu Reservoir in Public Law 97-140 (P.L. 97-140); and

B. WHEREAS, P.L. 97-140 authorized the Secretary of Interior to release San Juan-Chama water to contracting entities for such storage; and

C. WHEREAS, P.L. 97-140 required that the storage of San Juan-Chama water in Abiquiu Reservoir would not interfere with the authorized purposes of the project and shall include a requirement that each user of storage space shall pay any increase in operation and maintenance costs attributable to the storage of that user’s water; and

D. WHEREAS, Pursuant to P.L. 100-522, Congress further authorized the Secretary of the Army to store 200,000 acre-feet of Rio Grande system water in lieu of San Juan-Chama water if contracting entities no longer require the storage; and

E. WHEREAS, P.L. 116-260 amended P.L. 97-140 and P.L. 100-522 to allow for the concurrent storage of San Juan-Chama and native Rio Grande system water in Abiquiu Reservoir so long as the contents of the reservoir do not rise to a point above the elevation of 6,230.00 NGVD29; and

F. WHEREAS, P.L. 116-260 further requires that the storage of native Rio Grande system water will be authorized only if the necessary water ownership and storage rights have been acquired by the entity requesting such storage; and

G. WHEREAS, P.L. 116-260 further requires that each user of storage space, regardless of source of water, shall pay for any increase in costs attributable to storage of that user’s water; and

H. WHEREAS, pursuant to NMSA 1978, § 72-1-10, the Water Authority is the legal successor to the City of Albuquerque in its agreement with the U.S. Army Corps of Engineers (the “Corps”) (Contract No. DACW47-86-C-0009 dated March 20, 1986, as may be amended)

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for 170,700 acre-feet of the total storage space in Abiquiu Reservoir contemplated by P.L. 100-522 under; and

I. WHEREAS, the Water Authority has acquired fee simple property or other real property interests at and along the perimeter of Abiquiu Reservoir up to the elevation 6230.00 NGVD29 (the Water Authority's "Property") as necessary to store San Juan-Chama or Native Rio Grande System water pursuant to the requirements of P.L 116-260; and

J. WHEREAS, the purpose of this Agreement is to grant the MRGCD a suballotment of the Water Authority's contracted storage space under DACW47-86-C-0009 or any successor allotment agreement between the Water Authority and the Corps; and

K. WHEREAS, the Water Authority may authorize the MRGCD by separate agreement to utilize the Water Authority's Property to also store its proportional share of the remaining 29,100 acre-feet of the total storage space contemplated by P.L 100-522 that was set aside for non-Water Authority Abiquiu Reservoir Contractors

L. WHEREAS, the Parties are also parties to a settlement agreement from June 2002 (the "2002 Settlement") that resulted in an obligation of the MRGCD to repay a loan from the Water Authority of 70,000 acre-feet of San Juan-Chama Project water, of which 35,000 acre-feet is still owed to the Water Authority, and a portion of MRGCD's payments under this Agreement will be credited toward the remaining amount owed under that settlement;

M. NOW, THEREFORE, upon the mutual consideration described by this Agreement, including the covenants and promises contained herein, the adequacy of which is acknowledged by the parties, the Water Authority and the MRGCD agree as follows:

Agreement

1. **Recitals.** The Recitals are incorporated herein by reference.

2. **Suballotment.** Through this Agreement, the Water Authority grants to the MRGCD a suballotment of 40,000 acre-feet from the Water Authority's contracted storage space under DACW47-86-C-0009 or any successor allotment agreement between the Water Authority and the Corps, subject to the following requirements and limitations:

a. The water storage needs of the Water Authority take priority over the suballotment established for the MRGCD by this Agreement and the Water Authority maintains the exclusive right to store its San Juan-Chama or native Rio Grande system water within any unused space within any suballotment granted by this Agreement; and

b. The amount of storage space available for storage of MRGCD water at any given time will be determined by the Water Authority through an exercise of its discretion; and

c. The MRGCD shall not store San Juan-Chama or native Rio Grande system water that is suballotted, purchased or otherwise acquired or obtained from any third party without the written approval from the Water Authority; and

d. The Water Authority, through an exercise of its discretion, may require that the MRGCD vacate some or all of its stored water within this suballotment to allow the Water Authority to meet its water storage needs. Prior to the exercise of the right to request that MRGCD vacate its water in storage, the Water Authority shall provide the MRGCD notice of its intent to exercise this entitlement providing as much advance notice as is practicable; and

e. This suballotment does not convey any right of possession, control, exclusion, or any other interest in real property to the MRGCD, nor does it affect or modify the existing Water Authority contract rights under Contract No. DACW47-86-C-009.

3. **Consideration.** In exchange for the suballotment described in paragraph 2, above, the MRGCD agrees:

a. To provide payment to the Water Authority in the form of wet Rio Grande (Native) water, an amount equal to 15% of MRGCD's water delivered to Abiquiu for storage within this suballotment based on the Maximum Days of Stored Volume during the calendar year (the "MDSV Water Payment").

i. 50% of the MDSV Water Payment will be credited toward repayment of the outstanding water debt owed to the Water Authority by MRGCD under the 2002 Settlement. Notwithstanding the foregoing, MRGCD's payment obligation under this Agreement is separate and distinct from any obligations established by the 2002 Settlement, and nothing in this Agreement shall be construed to relieve the MRGCD of its repayment obligation, or any other obligation under the 2002 Settlement except to the extent that those obligations are reduced by this credit.

b. To submit an accounting of the water stored in the suballotted storage space during the previous calendar year to the Water Authority by February 1st of each year. The payment for the previous year's storage as required by paragraph '2', above, is due and deliverable to the Water Authority at Abiquiu Reservoir by the first day of March of each year.

c. To support the Water Authority's efforts to obtain the necessary state, federal and other permitting to store native Rio Grande system water in Abiquiu Reservoir.

d. To provide to the Water Authority state, federal or other permits necessary to allow the MRGCD to store native Rio Grande system water within the suballotted storage space.

e. To work with and support the Water Authority to obtain a Water Authority permit with the NMOSE for the storage of native water in Abiquiu Reservoir. The Water Authority will be seeking an NMOSE native storage permit for the storage of native water received in accordance with the terms and conditions of this sub-allotment agreement with MRGCD.

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f. To provide written notification to the Water Authority at least one week in advance as to when water will be delivered to Abiquiu Reservoir for storage within the suballotted space pursuant to this Agreement. Such written notification is to be submitted in the form of an email to the Water Authority's Water Rights Program Manager.

g. To not store within this suballotment San Juan-Chama or native Rio Grande system water that is suballotted, purchased, leased or otherwise acquired or obtained from, or that belongs to any third party, without the Water Authority's prior written approval, which may be reasonably withheld.

h. It will provide to the Water Authority proof that it is meeting its obligation to pay its proportional share of the monthly evaporative losses that occur on MRGCD water stored under this suballotment. MRGCD will work with the U.S. Bureau of Reclamation and as the result of that effort provide the records of the evaporative computation calculated on a monthly basis and ensure that these losses are deducted from the MRGCD account.

i. It will work with the Water Authority to ensure that the necessary steps are being taken to immediately release or move MRGCD San Juan-Chama or native Rio Grande system water from Abiquiu Reservoir to Elephant Butte Reservoir if the Water Authority determines that suballotted water storage space is no longer available in Abiquiu Reservoir as provided by subparagraphs 2(b), and 2(d), above.

j. It will pay to the Water Authority its proportional share of the annual cost for storage calculated based on the total amount of water deposited by MRGCD as a percentage of the total charged to the Water Authority. The proportional share of the cost shall be based on the annual fiscal-year billing provided to the Water Authority by the Corps and shall be payable to the Water Authority.

4. **Term.** The term of this Agreement is for the duration of one year from the Effective Date, and automatically renews for a maximum of five additional one-year extension upon each anniversary of the Effective Date unless sooner terminated.

5. **Termination.** This Agreement can be terminated only as follows:

- a. At any time by written mutual consent of the Parties;
- b. At the sole discretion of the Water Authority by providing a 90-day written notice of termination to MRGCD; or
- c. At the sole discretion of the MRGCD by providing a 30-day written notice of termination to the Water Authority.
- d. If so terminated, all of the MRGCD San Juan-Chama or native Rio Grande system water remaining in the suballotted storage space at the time of termination may remain for a period of up to one year except as may be limited by subparagraphs 2(a) through 2(d).

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6. **Limitations of Liability.** Any claim of tort liability against either MRGCD or the Water Authority is subject to the privileges and immunities of the New Mexico Tort Claims Act, NMSA 1978, §§ 41-4-1 through 41-4-30, as amended. Except as expressly provide by the New Mexico Tort Claims Act, neither the Water Authority nor MRGCD waives its sovereign immunity or any defense or limitation of liability provided by applicable law. No provision of this Agreement shall be construed to modify, abrogate, or waive any provision of the New Mexico Tort Claims Act. None of the provisions contained within this Agreement are intended to create in the public or any member thereof a third-party beneficiary or to authorize anyone not a party to the Agreement to maintain a suit or any claim whatsoever, pursuant to the provisions of this Agreement. Notwithstanding the foregoing, MRGCD agrees to waive its immunity from unconsented suit solely for the limited purpose of enforcement of its obligations under this Agreement by the Water Authority and no other party. This waiver applies to claims seeking specific performance and/or damages, but it shall not be construed to include claims seeking special or consequential damages.

7. **Severability.** If any part, term or provision of this Agreement is held invalid or unenforceable under applicable law, such provision will be deemed severed from this Agreement, and the remainder of this Agreement will remain in full force and effect unless its essential purpose is frustrated by such severance.

8. **Merger Clause.** This Agreement constitutes the entire Agreement between the Water Authority and MRGCD with respect to suballotment of its storage space under DACW47-86-C-0009 or any successor allotment agreement between the Water Authority and the Corps. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement.

9. **Amendment.** This Agreement will not be altered, changed, or amended except by a written instrument executed by both Parties.

10. **Dispute Resolution.** The parties hereby irrevocably and unconditionally submit to the jurisdiction of the state courts of New Mexico and to the jurisdiction of the United States District Court for the District of New Mexico for the purpose of any suit, action or other proceeding arising out of or based upon this Agreement.

11. **Notices.** The Water Authority designates Mark S. Sanchez, Executive Director, or his designee as the Water Authority's Representative and person to receive notifications from the MRGCD under this Agreement. MRGCD designates Jason Casuga, Chief Engineer/CEO, or their designee, as the MRGCD's Representative and person to receive notifications from the Water Authority under this Agreement.

12. **Counterparts.** This Agreement may be executed by the Parties in multiple counterparts, each of which shall constitute an original, but all of which together shall constitute a single binding agreement between the Parties.

Signatures

11/28/2023

IN WITNESS WHEREOF, the MRGCD and the Albuquerque Bernalillo County Water Utility Authority have caused this Agreement to be executed and delivered by its duly authorized representatives as of the date specified below.

ALBUQUERQUE BERNALILLO COUNTY
WATER UTILITY AUTHORITY



Mark S. Sanchez, Executive Director
Albuquerque Bernalillo County Water Utility Authority

12/14/2023

Date

MIDDLE RIO GRANDE CONSERVANCY DISTRICT

Jason Casuga, Chief Engineer/CEO
Middle Rio Grande Conservancy District

Date

Acknowledged by:

UNITED STATES OF AMERICA

Jennifer Faler, Area Manager
Albuquerque Area Office
Bureau of Reclamation

Date

Approved by:

U.S. ARMY CORPS OF ENGINEERS

Lt. Col. Jerre Hansbrough
LTC District Commander
U.S. Army Corps of Engineers

Date