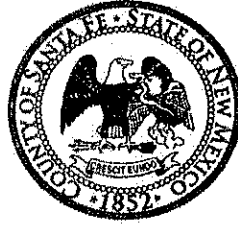


Daniel "Danny" Mayfield  
Commissioner, District 1

Virginia Vigil  
Commissioner, District 2

Robert A. Anaya  
Commissioner, District 3






Kathy Holian  
Commissioner, District 4

Liz Stefanics  
Commissioner, District 5

Katherine Miller  
County Manager

December 13<sup>th</sup>, 2011

TO: Santa Fe Board of County Commissioners

FROM: Karen Torres, County Hydrologist   
Rich Silva, Utilities Department  
Patricio Guerrerortiz, Utilities Director   
Adam Leigland, Public Works Director 

THRU: Katherine Miller, County Manager

RE: Water Trust Board Loan/Grant Agreement for Planning, Designing and Implementing a Vegetative Management and Bank Stabilization Plan in the Rio Quemado Watershed.

This memorandum is to respectfully request authorization to publish title and general summary of an ordinance for acceptance of Water Trust Board Loan/Grant Agreement for Planning, Designing and Implementing a Vegetative Management and Bank Stabilization Plan in the Rio Quemado Watershed.

### **Project Overview**

The Rio Quemado, a tributary of the Rio Santa Cruz, is the source of water to acequias from Chimayo to La Mesilla. The purpose of this project is to devise and implement a vegetative management and bank stabilization plan on a small portion of the upper Santa Cruz River below the reservoir. This will entail an evaluation of existing biological and vegetative conditions, general hydraulics analysis, bank stabilization for the design of improvements to increase acequia efficiency to address flooding and erosion issues. This project will benefit county owned open space property near the Santuario, which as water rights from the Martinez Arriba and La Cueva acequias.

Through input from stakeholders it was suggested the best use of this funding is for the design of several projects with the goal of seeking additional funding for construction. The proposed prioritization of projects is as follows:

1. Vegetative management plan and infrastructure improvements to address debris issues, which have caused flooding of the historic plaza in Chimayo, on the Martinez Arriba/ Distrito Acequia.
2. Severe erosion and sediment issues on the La Puebla ditch, just downstream of the Martinez Arriba, were identified which may be minimized by bank stabilization and flood management of a nearby arroyo.

3. Improvements to the stream diversion of the La Cueva Ditch which is the source of irrigation for a portion of the county open space.

It is understood by the stakeholders that there may not be sufficient funds for the design of improvements to address all these issues.

### **History of Project**

In October of 2010 the Board of County Commissioners, by Resolution No. 2010-188 approved the submission of applications to the Water Trust Board for funding consideration in the 2011 funding cycle. Though two projects were considered, only one project, the Rio Quemado Watershed Restoration Project, was given conditional approval on June 1, 2011 for a 90/10 grant.

### **Loan / Grant Overview**

The approved funding structure requires a 10% loan component in the amount of \$4,600 with a 20 year term at a rate of 0% with a 0.25% administrative fee component of 0.25% and a grant in the amount of \$41,400. It is the intent of county staff to repay this loan as a lump sum with capital outlay GRT designed for the county open space that will benefit from this project.

### **Requested Action**

Authorize the publication of title and general summary for Ordinance No. \_\_\_\_ An Ordinance Authorizing The Execution And Delivery Of A Water Project Fund Loan/Grant Agreement By And Between The New Mexico Water Trust Board And The New Mexico Finance Authority (The "Lenders/Grantors") And The Santa Fe County (The "Borrower/Grantee"), In The Amount Of Forty-Six Thousand Dollars (\$46,000), Evidencing An Obligation Of The Borrower/Grantee To Utilize The Loan/Grant Amount Solely For The Purpose Of Financing The Costs Of Planning, Designing And Implementing A Vegetative Management And Bank Stabilization Plan On The Rio Quemado, A Tributary Of The Rio Santa Cruz, In Santa Fe County, And Solely In The Manner Described In The Loan/Grant Agreement; Providing For Payment Of The Loan Amount Solely From Pledged Revenues; Certifying That The Loan/Grant Amount, Together With Other Funds Available To The Borrower/Grantee, Is Sufficient To Complete The Project; Approving The Form Of And Other Details Concerning The Loan/Grant Agreement; Ratifying Actions Heretofore Taken; Repealing All Action Inconsistent With This Ordinance; And Authorizing The Taking Of Other Actions In Connection With The Execution And Delivery Of The Loan/Grant Agreement.



# New Mexico Water Trust Board Application for Financial Assistance

*NPCS*  
*Sude 201*  
*5+L*  
*Sharon*  
*ajunta*

Application #150 Rio Quemado Watershed Resortation

Application Type: WTB  
Application Cycle: Water Trust Board - 2011  
Application Name: Rio Quemado Watershed Resortation  
Application ID: 150  
Borrower/Entity: Santa Fe County  
User: Torres, Karen  
KTORRES@CO.SANTA-FE.NM.US  
(505) 992-9871  
PO Box 276  
Santa Fe, NM 87504-276  
Created On: 10/7/2010 1:06:24 PM  
Status: Accepted  
Status Date: 10/18/2010 4:55:17 PM

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### General Information

Type of entity: County  
Estimated project start date: 2/1/2011  
Estimated project completion date: 6/30/2112  
1st County where project is located: Santa Fe

### Contacts

Name: Karen Torres  
Contact Type: Primary

Name: Paul Casaus  
Contact Type: Secondary

Name: Patricio Guerrerortiz  
Contact Type: Engineer

Name: Steve Ross  
Contact Type: Legal

## Project Information

Project Type: Watershed Restoration and Management  
 Amount Requested: \$50,000

~~Project Description~~

◆ The Rio Quemado is a tributary of the Rio Santa Cruz, below the reservoir outflow, and flows to the Rio Grande. The total area from the headwaters of the Rio Quemado to the Rio Grande is approximately 65 square miles. Santa Fe County has acquired open space at the confluence which abuts BLM Land. The stream has dense non-native vegetative cover, highly erosive soils and unstable banks. The purpose of this project is to devise and implement a vegetative management and bank stabilization plan on this small portion of the watershed with the goal of further work as outlined in the Rio Quemado Watershed Restoration Action Plan. This will entail an evaluation of existing conditions, bank stabilization design that will not interfere with the operation of the Acequias up-stream and down-stream and environmental monitoring and measurement to quantify the effectiveness of the project.

~~Describe any scientific, hydrologic or biological studies that demonstrate the water project will accomplish its planned objectives.~~

◆ Many studies have been performed to quantify the hydrologic effects of river restoration and vegetative management with varying results. Increased water yields are a desired outcome but improved water quality and vegetative health are the most consistently attainable outcome as the non-native trees are replaced with native ones and banks are stabilized.

~~List all of the public benefits from conducting this project (water quality, flood control, wildlife habitat, water quantity, water supply, public safety, etc.).~~

◆ This project has wide range of public benefits. With reduced erosion water quality will improve in the Santa Cruz River and may improve the efficiency of water diversion structures. The economic benefits include increased job opportunities in the project area for planning, engineering services, construction, tree removal and plantings and monitoring of the project. Reduced sediment loads will also extend the life of existing sediment control structures on the river.

Describe any urgent needs that affect the health, safety and welfare of this project (i.e., public health, federal matching funds, ect.).

◆ Though no urgent need currently exists development of effective restoration strategies is necessary prior to future restorations efforts. This project will implement the priorities of the 2003 Watershed Restoration Action Strategy.

~~Outline efforts towards wildlife and environmental compatibility.~~

◆ Understanding the non-native species removal can impact wildlife, water supply and other unintended consequences a biological and hydrological evaluation of the existing conditions is required for environmental compatibility. This will continue to be monitored though the course of this project.

Describe how the project contributes to improved water quality and water conservation improvements.

◆ Erosion control and bank stabilization will improve water quality by reduction in sediment load in the stream. Once equilibrium is established in the stream bed efficiencies in diversion structures may improve and allow for enhanced irrigation practices.

List all identified or expected positive and negative impacts resulting from the project development. If negative impacts may exist, please describe other alternatives examined or efforts to mitigate impact.

◆ Longevity of improvements is an issue with any restoration project. An engineer will be contracted to ensure any improvements that are made will be able endure the flows in this area.

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### Project Type Specific Questions

#### How will improvements in water yield be measured?

◆ Environmental or ecological monitoring is becoming an important aspect of natural resources management and environmental restoration. The primary objective of environmental monitoring for this project provide data on parameters or elements (e.g. plant production, soil erosion, species composition, ect.) that is potentially affected by the removal of non-native trees and replanting with grasses and native species can be evaluated objectively. A site evaluation for water quality, soil erosion, species composition and base-flow is proposed to document the pre-restoration conditions. Based on this evaluation a management and monitoring purpose and objective statement will be written. Next monitoring sites, selection of parameters or elements to measure, method and frequency of measurement and equipment selection will be determined. This project will serve as a test case for future restoration efforts so short term monitoring is recommended at this point. If larger areas are treated in the future more long term monitoring is recommended.

#### How many acres are to be treated and by what method(s)?

◆ Approximately 2,300 linear feet of stream will be treated to remove the non-native Siberian Elm and Russian Olive along the Rio Quemado and Santa Cruz River and the banks of the acequias or traditional irrigation ditches that irrigate the agricultural land near the confluence of these two rivers mechanically and manually . The native vegetation will improve the water quality and fish habitat by stabilizing the stream banks and shading the stream. The restoration activities will improve the conditions for native cottonwood recruitment, ensuring long-term renewal of the native cottonwood bosque that is an integral part of the historic landscape that is the backdrop of the Santuario de Chimayo. Non-native trees will be removed along approximately one mile of the irrigation ditch that borders the historic pastures or potreros behind the Santuario and native willows and cottonwood trees will be planted where appropriate to stabilize the ditch banks. Removal of the non-native trees along the rivers and the associated irrigation ditches will reduce the seed source and help control the spread of the non-natives into adjacent agricultural lands.

#### Briefly describe, if applicable, the wildlife species assemblage present, general plant communities involved, substantial landscape alterations, and possible barriers to wildlife/plan movement.

- ◆ A biological survey is a component of this project with findings incorporated into the final design plan. Describe the plan for re-vegetation with native plants after treatment and the timeframe for doing so.
- ◆ Project will mechanically remove non-native species and plant cottonwood poles and seedlings, willow and other native trees and shrubs to restore the native canopy of the bosque.

#### Describe the long-term management plan to prevent/manage re-infestation for 20 years of the useful life of the project.

◆ The applicant will develop a long-term monitoring program for the project area. The Santa Fe County Open Space and Trails Division and community partners will carryout the monitoring program and long-term management and maintenance of the restoration project. The project partners will work with local landowners to develop arrangements to facilitate the ongoing maintenance of the restoration treatments. To monitor the effectiveness of bank stabilization longitudinal cross sections with monument installation is proposed after the project is completed and again in 2 to 5 years to quantify channel morphology.

Outline the relationship between the proposed project and the overall watershed under consideration (i.e., size of treatment area in relation to the watershed, importance of treatment area relative to the watershed).

- ◆ The project partners envision this project as a catalyst for building community support for and initiating a watershed wide effort to address the proliferation of non-native trees and restoration of the riparian corridors of the Rio Quemado and Santa Cruz River.
-

### Community Support

List all of the partners involved in this project with the outlined responsibilities for each partner; describe how the surrounding communities are involved and identify the number of water users affected by the project.

◆ Public meetings will be held to outline the scope of the project and to seek input. A draft bank stabilization design and vegetative management plan will be submitted to the Rio Quemado Watershed Group which consists of NMED, USDA Forest Service, BLM, Rio Arriba County, NRCS and the Santa Cruz Irrigation District. Coordination with local schools may be an opportunity for educational outreach and monitoring opportunities. Santa Fe County will seek in-kind or cash contributions from these entities but the only in-kind contribution established is from the Pojoaque Soil and Water Conservation District for technical support and meeting attendance. Please see attached letter.

Does this project require a Joint Powers Agreement (JPA), Memorandum of Understanding (MOU) or Agency Agreement?

◆ No

Identify the regional collaboration, nature and history of stakeholder group involvement and provide documentation of collaboration, including how stakeholders are participating both financially and programmatically.

◆ The Rio Quemado Watershed Group which consists of NMED, USDA Forest Service, BLM, Rio Arriba County, NRCS and the Santa Cruz Irrigation District drafted a WRAS in 2003. This project is an opportunity for this group to provide input of monitoring goals and project effectiveness. The work performed in this project can be used as a pilot project for future restoration in other areas of the watershed.

Please describe the water system's governance structure and the ability for this structure to provide adequate direction and oversight. (Compliant with Opening Meetings Act; Inspection of Public Records Act; Regular Board elections held and members trained.)

◆ zzz

Provide a summary on the public involvement plan.

◆ 8. Main stakeholders are Santa Cruz Irrigation District and BLM in the project vicinity. Regular updates on the project are proposed to keep them informed as to expected construction. Santa Fe County will seek in-kind contributions if possible but the only in-kind contribution established in from the Pojoaque Soil and Water Conservation District for technical support and meeting attendance.

### Financial Sustainability

Is a five-year financial plan in place that aligns projected revenues and expenses, including costs for regulatory compliance, debt, capital improvements, and needed reserves? Please describe the elements of the plan. If no financial plan is in place, please describe the estimated timeline of implementing a five-year plan.

◆ As this is a multi-jurisdictional project each entity will have unique financial plans. As projects and partners are identified financial details will be finalized.

Please describe the asset management plan including how it was developed, monitored and overseen.

◆ Current Santa Fe County asset management protocol will be used.

Does your system have a water accounting system? Is your system fully metered? Describe the methodology to quantify use & loss, quantify the input & output water loss, outline supply & demand projections.

◆ The County water utility is fully metered and we employ the AWWA water audit methodology to estimate unaccounted for system water. For individual use the gallons per capita per day is calculated on an annual basis.

Describe the long-term stewardship of this project, including a long-term project operations and maintenance plan which addresses stability of funding and overall project sustainability.

◆ Volunteer groups will be charge of general monitoring of watershed conditions and wildlife habitat with the exception of water monitoring data. Santa Fe County proposes to make water level and flow data collected made available to the public by posting on the County web page.

Does the water system have a professional manager?

◆ Yes.

Describe how the estimates for project contingencies were derived. Has a Professional Engineering Report been completed?

◆ Contingencies are based on prior projects completed in Santa Fe County. A professional engineering report will be necessary for design of sediment structures but none exists at this time.

### Project Compliance

Is the water system in compliance with Office of the State Engineer regulations?: True

Is the project part of an Interstate Stream Commission-accepted regional water plan or part of a plan under development? Please explain how this project complies with such a plan. If not, please explain.

◆ Yes, the Jemez y Sangre Regional Water Plan outlines the importance of watershed management. This project serves to implement this plan.

Provide documentation of water rights' availability (i.e., willing seller/leaser and necessary permitting from the state engineer and show compliance with law 2003 N.M. Laws, ch. 135 (effective March 1, 2004) if water will be acquired from an Acequia.

◆ Water Rights are not required for this project.

File Number: n/a

Application Number: n/a

Number of Acre Feet Available: n/a

Water Rights Type Available: n/a

Briefly list and describe any alternative to this project that was considered and the decisions to reject or otherwise implement alternatives

◆ No alternates, except a no action alternate, were considered at this time.

Describe the methodology in measuring the project expected outcome and planned objectives. Outline the benchmarks for measuring project results.

◆ 1. Environmental or ecological monitoring is becoming an important aspect of natural resources management and environmental restoration. The primary objective of environmental monitoring for this project provide data on parameters or elements (e.g. plant production, soil erosion, species composition, ect.) that is potentially affected by the removal of non-native trees and replanting with grasses and native species can be evaluated objectively. A site evaluation for water quality, soil erosion, species composition and base-flow is proposed to document the pre-restoration conditions. Based on this evaluation a management and monitoring purpose and objective statement will be written. Next monitoring sites, selection of parameters or elements to measure, method and frequency of measurement and equipment selection will be determined. This project will serve as a test case for future restoration efforts so short term monitoring is recommended at this point. If larger areas are treated in the future more long term monitoring is recommended.

Does the system supply, deliver, distribute or otherwise provide at least 500 acre feet annually for domestic, commercial, industrial or government customers for other than agricultural purposes, but does not include Indian tribes, pueblos, nations, chapters or any entity of a tribe, pueblo, nation or chapter? False

**Funding Detail**

Are these costs certified by a resource specialist, engineer, or architect? False

Outline evidence of existing debt in the form of debt documents, including loan agreements, Debt Default Summary and if any a Pending Litigation Summary: The current Santa Fe County receivables and payable has been provided as an attachment.

Outline the match component - identify form and source: (half of the required match component may be in kind services in labor and/or equipment at fair market values; the second half of the match component may be in the form of a hard cash match): Santa Fe County proposes a combination of 50% in-kind service with a cash match from the Open Space portion of GRT revenue.

Outline the source of the local cost share: The Pojoaque Soil and Water Conservation District have agreed to a service match estimated at \$1,000

**Source, Terms and Status of State and Federal Funds**

None

**Total Project Costs and Sources of Funds for Projects**

Type	WTB Funds	Local Funds	State Funds	Federal Funds	Total
<b>Feasibility Funds</b>					
Planning and Design	\$5,000	\$7,000			\$12,000
Inspection of Construction	\$1,000				\$1,000
Engineering Services	\$15,000				\$15,000
Environmental Surveys	\$5,000				\$5,000
Archeological Surveys					
Construction	\$20,000				\$20,000
<b>Land Acquisition</b>					
<b>Easements &amp; Right of Way</b>					
<b>Legal Costs</b>					
Fiscal Agent Fees		\$2,000			\$2,000
	\$46,000	\$9,000			\$55,000

Comments



Attachments

File Name: 2007 Audit part 1.pdf  
Document Type: AUDITS  
Uploaded On: 10/15/2010 9:56:56 AM

File Name: 2007 Audit part 2  
Document Type: AUDITS  
Uploaded On: 10/15/2010 9:59:22 AM

File Name: 2007 Audit part 3.pdf  
Document Type: AUDITS  
Uploaded On: 10/15/2010 10:02:31 AM

File Name: 2008 Audit Part 1  
Document Type: AUDITS  
Uploaded On: 10/15/2010 10:03:48 AM

File Name: 2008 Audit Part 2  
Document Type: AUDITS  
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File Name: Rio Quemado.doc  
Document Type: PROJECT PHASE SCHEDULE  
Uploaded On: 10/15/2010 10:21:04 AM

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Document Type: AUDITS  
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File Name: 2009 Audit part 2  
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File Name: Expense Budget Status 10 7 10.pdf  
Document Type: DEBT  
Uploaded On: 10/15/2010 10:26:25 AM

File Name: 2010-188.pdf

Document Type: RESOLUTION

Uploaded On: 10/15/2010 10:26:49 AM

File Name: Permits Necessary for Watershed Project.docx

Document Type: PERMITS/LICENSES

Uploaded On: 10/15/2010 10:27:23 AM

File Name: certification.pdf

Document Type: CERTIFICATION

Uploaded On: 10/15/2010 10:27:40 AM

File Name: Rio\_Quemado\_13020101\_WRAS\_2003.pdf

Document Type: LONG TERM WATER PLAN

Uploaded On: 10/15/2010 10:28:06 AM

File Name: 2010-188.pdf

Document Type: ARTICLES OF INCORPORATION

Uploaded On: 10/15/2010 11:15:01 AM

File Name: SF County2 Canoncito.pdf

Document Type: WATER RIGHTS QUESTIONNAIRE

Uploaded On: 10/15/2010 11:15:30 AM

File Name: Revenue Budget Status 10 7 10.pdf

Document Type: FINANCIAL

Uploaded On: 10/15/2010 11:15:52 AM

File Name: SFC Water Plan 8-9-10.pdf

Document Type: CONSERVATION PLAN

Uploaded On: 10/15/2010 11:18:07 AM

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New Mexico Finance Authority ♦ 207 Shelby Street ♦ Santa Fe, New Mexico 87501 ♦ (877) ASK-NMFA

# Santa Fe County

Resolution No. 2010- 188

## A RESOLUTION APPROVING THE SUBMISSION OF APPLICATIONS TO THE NEW MEXICO WATER TRUST BOARD FOR WATER SYSTEM IMPROVEMENTS TO DISTRIBUTE BUCKMAN DIRECT DIVERSION WATER AND WATERSHED PROJECTS IN SANTA FE COUNTY

**WHEREAS**, The Buckman Direct Diversion Project has been identified in the Jemez y Sangre Regional Water Plan as a key regional water project to close the gap between supply and demand in the Santa Fe Region; and

**WHEREAS**, storage and distribution of Buckman Direct Diversion Water is necessary to implement the Sustainable Development Plan for Santa Fe County; and

**WHEREAS**, Watershed Management and Restoration will protect water supplies in riparian areas for the benefit of humans, aquatic species and wildlife;

**NOW, THEREFOR, IT IS RESOLVED**, that the Board of County Commissioners of Santa Fe County adopts and passes this Resolution approving the submission of applications by staff to the Water Trust Board requesting funding for water system improvements to store and distribute Buckman Direct Diversion Water and Watershed Projects in Santa Fe County.

PASSED, APPROVED AND ADOPTED this 12 day of OCT., 2010



### BOARD OF COUNTY COMMISSIONERS

By: [Signature]  
Harry B. Montoya, Chair

ATTEST:

[Signature]  
Valerie Espinoza, County Clerk

APPROVED AS TO FORM:

[Signature]  
Stephen C. Ross, County Attorney

FILED IN 2010 OCT 12 10:13 AM



COUNTY OF SANTA FE )  
STATE OF NEW MEXICO ) ss

BCC RESOLUTIONS  
PAGES: 2

I Hereby Certify That This Instrument Was Filed for  
Record On The 13TH Day Of October, 2010 at 10:28:11 AM  
And Was Duly Recorded as Instrument # 1613732  
Of The Records Of Santa Fe County

Deputy  Witness My Hand And Seal Of Office  
Valerie Espinoza  
County Clerk, Santa Fe, NM

**Santa Fe Board of County Commissioners**  
County Commission Chambers  
County Administration Building

**REGULAR MEETING**

**October 12, 2010 at 2:00pm**

*Please turn off Cellular Phones during the meeting.*

***Amended Agenda***

- I. Call To Order
- II. Roll Call
- III. Pledge Of Allegiance
- IV. State Pledge
- V. Invocation
- VI. Approval Of Agenda
  - Amendments
  - Tabled Or Withdrawn Items
- VII. Approval Of Consent Calendar
  - A. Consent Calendar Withdrawals
- VIII. Approval Of Minutes
  - A. Approval Of July 8, 2009 Joint Santa Fe City Council/County Commission Meeting Minutes
  - B. Approval Of September 14, 2010 BCC Minutes
- IX. Special Presentations
  - A. Presentation By Research And Polling On The County's Recent Priority Survey.
- X. Matters Of Public Concern –NON-ACTION ITEMS
- XI. Matters From The Commission
  - A. Request Approval Of A Resolution Supporting The Housing America Campaign And Proclaiming October Housing America Month. (Commissioner Vigil)

- B. Recognition Of Santa Fe County Satellite Office Employees For Their Services (Commissioner Montoya)
- C. A Resolution Supporting The Proposal By New Mexico Energy, Minerals And Natural Resources Department To Purchase The Ortiz Mountain Ranch To Create A 12,142 Acre State Park (Commission)
- D. A Resolution Opposing The United States Air Force Establishing A Low Altitude Tactical Navigation Area In Northern New Mexico (Commissioner Montoya)
- E. A Resolution Banning Synthetic Marijuana Products (Commissioner Montoya)
- F. Consideration And Approval Of Joint Powers Agreement Establishing The Regional Coalition Of LANL Communities By And Among The Incorporated County Of Los Alamos, The City Of Santa Fe, Santa Fe County, The City Of Espanola, Rio Arriba County, The Town Of Taos and Taos County (Commissioner Holian)
- G. A Recognition Of Santa Fe County DWI Staff For The Nationally Recognized Santa Fe DWI Caddy Program (Commissioner Holian And Commissioner Montoya)
- H. RTD Update (Commissioner Stefanics)

**XII. Consent Calendar**

**A. Miscellaneous**

1. Request Approval To Enter Into Contract #2010-0331-CSD/MS For \$573,048.84 Excluding Applicable New Mexico Gross Receipts Tax, With Alternative Building Solutions For The Renovation Of The La Tierra Fire Station To Include Living Quarters For Fire Personnel. (Community Services Department)
2. Water Right Exchange Agreement Between Santa Fe County And Richard P. Cook (Legal Department)
3. Request Approval Of The Purchase Of An Easement On .03 Acres From The Lucy Moore Trust For The Nine Mile Trailhead Of The Santa Fe Rail Trail (Community Services Department)
4. First Amendment To The Joint Powers Agreement Between The Board Of County Commissioners Of Santa Fe County, New Mexico And The Cuatro Villas Mutual Domestic Water Users Association Concerning Joint Efforts To Provide Regional Water Transmission Facilities To Serve The Communities Of Arroyo Seco, Cuartcles, Sombrillo, And La Puebla.
5. Approval Of First Amendment To The Joint Powers Agreement Between The Board Of County Commissioners Of Santa Fe County, New Mexico And The Town Of Edgewood To Financially Assist The Town To Expand The Waste Water Collection System To Serve Certain Santa Fe County Owned Facilities (Increasing Contribution Of County By \$100,000).

**B. Budget Adjustments**

1. Request Approval Of A Resolution For An Increase To The General Fund (101) For Cash Carryover For Marketing And Public Relations For Santa Fe County.
2. Request Approval Of A Resolution To Carry Forward Funds From Fiscal Year 2010 For The Madrid Ball Park In The Amount Of \$10,726. (Community Services Department)

**XIII. Staff And Elected Officials' Items**

**A. Public Works Department**

1. Consideration Of A Resolution Authorizing Submission Of Applications To The Water Trust Board For Water System Improvements As Necessary To Distribute Buckman Direct Diversion Water, And Watershed Protection And Restoration. (Utilities)

**B. Matters From The County Manager**

**C. Matters From The County Attorney**

**1. Executive Session**

- A. Discussion Of The Proposed Settlement Agreement And Release In The Case Of Hiesinger ET AL .V. The Board Of County Commissioners ET AL.
- B. Discussion of Pending of Threatened Litigation
- C. Limited Personnel Issues
- D. Discussion of the Purchase, Acquisition or Disposal of Real Property or Water Rights
- E. Collective Bargaining
2. Consideration And Approval Of The Settlement Agreement And Release In The Case Of Hiesinger ET AL .V. The Board Of County Commissioners ET AL.

**XIV. Public Hearings**

**A. Growth Management**

1. Ordinance No. 2010 - \_\_\_\_, An Ordinance Amending Article III, Section 7, Community Service Facilities Of The Santa Fe County Land Development Code, Ordinance 1996-10 For The Purpose Of Clarifying Standards And Submittal Requirements. (2<sup>nd</sup> Public Hearing)
2. CDRC Case # Z/DP 09-3132 PNM Caja Del Rio Substation. Public Service Company Of New Mexico "PNM" (Jeanette Yardman), Applicant, Requests Master Plan Zoning/Preliminary And Final Development Plan Approval For The Construction Of The Caja Del Rio Substation On 2.4 Acres. The Substation Is Needed To Serve The City Of Santa Fe / Santa Fe County Buckman Direct Diversion Water Pumping And Treatment Facilities, And Future Growth In The Area. The Project Will Consist Of The Substation, Installation Of Two Tap Structures Approximately 45' Feet In Height, And An Interconnection With PNM's Existing 115kV Transmission Line. The Property Is Located At 11 W. Caja Del

Oro Grand Rd., Within Section 22, Township 17 North, Range 8 East, (Commission District 2). Wayne Dalton, Case Manager. (TABLED)

3. CDRC Case # MIS/V 10-5260 Kurt Bowker Accessory Structure/Height Variance. Kurt Bowker, Applicant, Requests Approval Of An After The Fact Accessory Structure Totaling 21,132 Square Feet To Be Utilized For Personal Use On 10.01 Acres. This Request Also Includes A Variance Of Article III, Section 2.3.6b (Height Restrictions For Dwellings Or Accessory Structures) Of The Land Development Code To Allow The Accessory Structure To Exceed 24' In Height. The Property Is Located At 74 Martin Lane, Within Section 33, Township 10 North, Range 8 East, (Commission District 3). Wayne Dalton, Case Manager.
4. BCC Case # MIS 10-5480 Santa Fe Spirits Distillery License. Santa Fe Distillery, DBA Santa Fe Spirits, Applicant, Colin Keegan, Owner, Request Approval Of A Manufactures License As A Distiller. The Subject Property Is Located At 7505 Mallard Way, Unit I, Within Section 11, Township 16 North, Range 8 East, (Commission District 2). Jose E. Larranaga, Case Manager
5. BCC Case # MIS 10-5490 Santa Fe Brewing Small Brewers License. Santa Fe Brewing Company, DBA Santa Fe Brewing Company Tap House, Applicant, Brian Lock, Owner, Request Approval Of A Small Brewer Off-Site "B" Liquor License. The Subject Property Is Located At 7 Caliente Road, Unit A-9, At La Tienda At Eldorado, Within Section 16, Township 15 North, Range 10 East, (Commission District 5). Jose E. Larranaga, Case Manager

#### XV. Adjournment

The County of Santa Fe makes every practical effort to assure that its meetings and programs are accessible to people with disabilities. Individuals with disabilities should contact Santa Fe County at 986-6200 in advance to discuss any special needs (e.g., interpreters for the hearing impaired or readers for the sight impaired)





Utilities Department

September 21, 2010

To: Board of County Commissioners

From: Karen Torres, Hydrogeologist

Thru: Patricio Guerrerortiz, Director

RE: Application to the Water Trust Board

On September 10<sup>th</sup>, 2010 the Water Trust Board announced it is soliciting applications for financial assistance for the 2011 Water Project Fund Funding Cycle. The Utilities Department has identified the following infrastructure needs for the storage and distribution of Buckman Direct Diversion water to the citizens of Santa Fe County:

1. High level storage tank and transmission lines to serve the Old Las Vegas Hwy and the Rabbit Road areas, which include Canoncito;
2. A storage tank and transmission lines off Caja del Rio Road to serve the Airport Development District and government buildings;
3. A road crossing at CR 62 and 599 to serve County facilities;

The Water Trust Board also funds Watershed Projects for river restoration, healthy forest initiatives for protection of water supply and ecological health. The following projects have been identified as critical need areas:

1. Santa Fe River monitoring, restoration and vegetative management plan to improve flow
2. La Cienega and La Cieneguilla area vegetative management plan to improve spring flows.
3. Arroyo Hondo evasive species eradication and native restoration
4. San Marco Springs monitoring and management plan.
5. Galisteo Creek monitoring and management plan.
6. Santa Cruz Lake watershed improvements and erosion control

Utility staff requests permission to apply for funds for the above mentioned projects with the Water Trust Board for the 2011 funding cycle.

# Santa Fe County

Resolution No. 2010- \_\_\_\_\_

## A RESOLUTION APPROVING THE SUBMISSION OF APPLICATIONS TO THE NEW MEXICO WATER TRUST BOARD FOR WATER SYSTEM IMPROVEMENTS TO DISTRIBUTE BUCKMAN DIRECT DIVERSION WATER AND WATERSHED PROJECTS IN SANTA FE COUNTY

**WHEREAS**, The Buckman Direct Diversion Project has been identified in the Jemez y Sangre Regional Water Plan as a key regional water project to close the gap between supply and demand in the Santa Fe Region; and

**WHEREAS**, storage and distribution of Buckman Direct Diversion Water is necessary to implement the Sustainable Development Plan for Santa Fe County; and

**WHEREAS**, Watershed Management and Restoration will protect water supplies in riparian areas for the benefit of humans, aquatic species and wildlife;

**NOW, THEREFOR, IT IS RESOLVED**, that the Board of County Commissioners of Santa Fe County adopts and passes this Resolution approving the submission of applications by staff to the Water Trust Board requesting funding for water system improvements to store and distribute Buckman Direct Diversion Water and Watershed Projects in Santa Fe County.

**PASSED, APPROVED AND ADOPTED** this \_\_\_\_\_ day of \_\_\_\_\_, 2010

### BOARD OF COUNTY COMMISSIONERS

By: \_\_\_\_\_

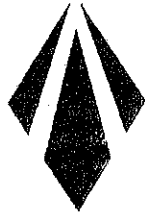
Harry B. Montoya, Chair

ATTEST:

\_\_\_\_\_  
Valerie Espinoza, County Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Stephen C. Ross, County Attorney



NEW MEXICO  
**FINANCE AUTHORITY**

August 22, 2011

Katherine Miller  
County Manager  
Santa Fe County  
PO Box 276  
Santa Fe, NM 87504-276

RE: Santa Fe County, Watershed restoration, WTB-0227

Dear Ms. Miller:

The Board of Directors of the New Mexico Finance Authority ("NMFA") met on August 11, 2011 to approve the final terms, structure and conditions of the Water Project Funding to Santa Fe County for its Watershed Restoration and Management project. This is a result of the Water Trust Board conditional approval on June 1, 2011. The approved funding structure requires a 10% loan component in the amount of \$4,600 with a 20 year term at a net effective interest rate of .25% (0% interest rate with an administrative fee component of  $\frac{1}{4}$  of 1%) and 90% grant in the amount of \$41,400.

The loan issued will be subordinate to the entity's existing debt, be structured without an additional bonds test and provide for hardship waivers of annual principal payments as determined by the Department of Finance and Administration.

The loan and grant are to be used by the County for the plan, design and construction of the Rio Quemado watershed restoration.

To secure the loan/grant funding agreement the following Readiness to Proceed items must be submitted by September 30, 2011.

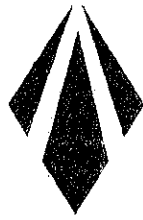
**Submission of Readiness to Proceed items:**

This funding is conditional and the remaining Readiness to Proceed items, as applicable, must be submitted before the loan/grant agreement can be scheduled to close:

1. Copy of detailed cost estimates for project;
2. A monthly draw-down schedule of project expenditures (estimated);
3. All contingencies must be satisfied by September 30, 2011; and
4. Any additional information requested by the NMFA or Water Trust Board

207 Selby Street  
Santa Fe, NM 87501  
505 984-1454

1-877-ASK-NMFA \* Main Fax: 505-992-9635  
Accounting Fax: 505-992-9640 \* www.nmfa.net



NEW MEXICO  
**FINANCE AUTHORITY**

I will be your contact to receive this information and work with you in attaining these funds. By addressing all of the "readiness to proceed" items the funding agreement can then be drafted by NMFA counsel. This process is necessary to make the funds available to you to complete the project. The County will be contacted for closing arrangements once the readiness items have been addressed.

An additional service that NMFA has added to the WTB process is project oversight with the New Mexico Environment Department Construction Programs Bureau (if applicable). I will continue to be your contact as the project develops.

If you have any questions or need further assistance, please contact me at 505-992-9648 or by e-mail at [aquintana@nmfa.net](mailto:aquintana@nmfa.net). I look forward to working with you.

Sincerely,

Angela Quintana  
Program Administrator

Enclosed: New Mexico Finance Authority Board Approval write-up and draft debt schedule

Cc: Karen Torres

= Loan Funding Date  
 = First Interest Calculation Date  
 = First Principal & Interest Calc Date  
 = Maturity Date  
 = # of Days to 1st Principal Calc Date

12/30/11  
 06/01/13  
 06/01/13  
 06/01/22  
 511

= Project  
 = DSR  
 = Misc Exp  
 = NMFA Fee  
 = Cap Int

4,600  
 -  
 -  
 -  
 -

4,600  
 5.94  
 0.2500%  
 0.2500%  
 10

Loan Amount =  
 Average Loan Life =  
 NMFA Admin Fee =  
 Arbitrage Yield =  
 Loan Life =

New Mexico Finance Authority  
 Santa Fe County  
 Z27-WTB  
 Net System Revenue

Fiscal Year Ending June 30	Principal Amount	NMFA Admin Fee	Total New FY Debt Service	Principal Outstanding	Admin Fee	Arb Yield @ 0.2500%	Coverage @ 1.30
2012							
2013	455	16.32	471.32	4,145	0.250%	470	613
2014	456	10.36	466.36	3,689	0.250%	464	606
2015	457	9.22	466.22	3,232	0.250%	462	606
2016	458	8.08	466.08	2,774	0.250%	461	606
2017	459	6.94	465.94	2,315	0.250%	460	606
2018	461	5.80	466.80	1,854	0.250%	459	607
2019	462	4.64	466.64	1,392	0.250%	458	607
2020	463	3.48	466.48	929	0.250%	457	606
2021	464	2.32	466.32	465	0.250%	455	606
2022	465	1.16	466.16	-	0.250%	454	606
<b>Total</b>	<b>4,600</b>	<b>68.32</b>	<b>4,668.32</b>			<b>4,600</b>	



*Santa Fe County*  
**Watershed Restoration & Management  
 Water Trust Board**

Application #: 150

227-WTB

**A. EXECUTIVE SUMMARY**

1. **Applicant:** Santa Fe County **Board Date:** August 11, 2011
- Project:** Planning, Design and Construction
2. **NMFA Analyst:** EJ Peinado **Amount:** \$46,000
3. **Loan Description:**  
 90% Grant: Water Project Fund grant in the amount of \$41,400  
 10% Loan: Water Project Fund loan in the amount of \$4,600 with a 10-year term at a 0% interest rate secured by Net System Revenues  
 10% Match: \$4,600
4. **Management Policies:** Compliance with NMFA & WTB Project  Yes  No
5. **Recommendation:** NMFA staff recommends approval.

**B. PROJECT**

1. **Project Background:**  
 The Rio Quemado is a tributary of the Rio Santa Cruz, below the reservoir outflow, and flows to the Rio Grande. The total area from the headwaters of the Rio Quemado to the Rio Grande is approximately 65 square miles. Santa Fe County has acquired open space at the confluence which abuts BLM Land. The stream has dense non-native vegetative cover, highly erosive soils and unstable banks. The purpose of this project is to devise and implement a vegetative management and bank stabilization plan on this small portion of the watershed with the goal of further work as outlined in the Rio Quemado Watershed Restoration Action Plan. This will entail an evaluation of existing conditions, bank stabilization design that will not interfere with the operation of the Acequias up-stream and down-stream and environmental monitoring and measurement to quantify the effectiveness of the project.

At its June Board meeting, the Water Trust Board approved funds for planning, design and construction.

2. **Timing:** Project will begin in 2/2011.
3. **Total Estimated Project Cost:**

<b>SOURCES:</b>	NMFA WTB Grant - 90%	\$41,400
	NMFA WTB Loan - 10%	\$4,600
	Local Funds	\$9,000
	<b>Total Sources</b>	<b>\$55,000</b>
<b>USES:</b>	Water Project Fund	\$46,000
	Other Public Funds	\$9,000
	<b>Total Uses</b>	<b>\$55,000</b>

4. OSE Water Rights Verification: YES  NO  N/A

5. Consulting Professionals

Engineer / Architect: Patricio Guerrerortiz Legal Counsel: Steve Ross  
 Appraiser: N/A Financial Advisor: N/A

**C. FINANCING**

1. Financial Analysis

Section 2.4 of the Water Trust Board Project Management Policies requires that non-tribal applicants supported by rate-paying constituents undertake a loan for 10%-40% of the Water Project Fund assistance, based on their ability to handle debt.

2. Funding Structure

Grant Amount	\$41,400	90%	Term (years)	10
Loan Amount	\$4,600	10%	Interest Rate	0%

3. Security

Pledge	Net System Revenues		
Annual Revenues Generated	(\$49,858)	Minimum Coverage for all Debt	Negative Revenue
Credit and Revenue Analysis	Santa Fe County 2008, 2009, 2010 Financial Audits		
** All WTB Project Fund Loans will contain waivers for annual principal payments for hardship cases as determined annually by the Department of Finance.			

Lien Status	Subordinate
Total Senior Debt	None
Parity Debt	None

4. WTB Funding History / Santa Fe County

Project Type	Project #	Status	Grant Amt	Loan Amt	Total Amt	Maturity
Storage, Conveyance & Delivery	98-WTB	Approval			\$1,035,000	
Storage, Conveyance & Delivery	147-WTB	Approval			\$4,500,000	
Watershed Restoration	148-WTB	Approval			\$60,000	
Watershed Restoration	149-WTB	Approval			\$70,000	
Watershed Restoration	152-WTB	Approval			\$80,000	
Watershed Restoration	189-WTB	Approval			\$500,000	
Watershed Restoration	227-WTB	This Request	\$ 41,400	\$ 4,600.00	\$46,000	6/2032
					<b>\$6,291,000</b>	

**D. READINESS TO PROCEED - CLOSING**

Prior to closing of this application, the NMFA will require the Santa Fe County to submit or meet the following criteria:

1. Verification that entity is in good standing on its governance structure; including the Open Meetings Act;
2. Copy of detailed final cost estimates for project;
3. A monthly draw-down schedule of project expenditures;
4. Verification of 10% match requirement in the amount of \$4,600;
5. All contingencies must be satisfied by September 30, 2011; and
6. Any additional information requested by the Water Trust Board or the NMFA Board.

**E. READINESS TO PROCEED - DISBURSEMENT**

Prior to disbursing construction dollars, the NMFA will require the Santa Fe County to submit or meet the following criteria:

Account number . . . : 213-7705-481.80-10  
Fund . . . . . : 213 CAPITAL OUTLAY GRT  
Department . . . . . : 77 OPEN SPACE PROJECT  
Division . . . . . : 05 LOS POTREROS OS  
Activity basic . . . . : 48 CAPITAL IMPROVEMENTS  
Sub activity . . . . . : 1 NEW CONSTRUCTION  
Element . . . . . : 80 CAPITAL PURCHASES  
Object . . . . . : 10 ROADWAYS (BRIDGE/CULVERT)

Original budget . . . . . : 7,926  
  
Actual expenditures - current . . . : .00  
Actual expenditures - ytd . . . . : .00  
Unposted expenditures . . . . . : .00  
Encumbered amount . . . . . : .00  
Unposted encumbrances . . . . . : .00  
Pre-encumbrance amount . . . . . : .00  
Total expenditures & encumbrances: .00 0.0%  
Unencumbered balance . . . . . : 7,926.00 100.0

F5=Encumbrances      F7=Project data      F8=Misc inquiry  
F10=Detail trans      F11=Acct activity list      F12=Cancel      F24=More keys



**RECORD OF PROCEEDINGS RELATING TO THE ADOPTION OF  
ORDINANCE NO. \_\_\_\_\_ OF THE BOARD OF COUNTY COMMISSIONERS  
OF SANTA FE COUNTY, JANUARY 31, 2012**

STATE OF NEW MEXICO                )  
  ) ss.  
COUNTY OF SANTA FE                )

The Board of County Commissioners (the "Governing Body") of Santa Fe County (the "Borrower/Grantee") met in a regular session in full conformity with the law and the rules and regulations of the Governing Body at the County Commission Chambers, County Administration Building, 102 Grant Avenue, Santa Fe, New Mexico, being the meeting place of the Governing Body for the meeting held on the 31th day of January, 2012 at the hour of 1:00 p.m. Upon roll call, the following members were found to be present:

Present:

Chair: \_\_\_\_\_

Commissioners: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Absent:

\_\_\_\_\_

Also Present:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

**SANTA FE COUNTY**  
**ORDINANCE NO. \_\_\_\_\_**

AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY OF A WATER PROJECT FUND LOAN/GRANT AGREEMENT BY AND BETWEEN THE NEW MEXICO WATER TRUST BOARD AND THE NEW MEXICO FINANCE AUTHORITY (THE "LENDERS/GRANTORS") AND SANTA FE COUNTY (THE "BORROWER/GRANTEE"), IN THE AMOUNT OF FORTY-SIX THOUSAND DOLLARS (\$46,000), EVIDENCING AN OBLIGATION OF THE BORROWER/GRANTEE TO UTILIZE THE LOAN/GRANT AMOUNT SOLELY FOR THE PURPOSE OF FINANCING THE COSTS OF PLANNING, DESIGNING AND IMPLEMENTING A VEGETATIVE MANAGEMENT AND BANK STABILIZATION PLAN ON THE RIO QUEMADO, A TRIBUTARY OF THE RIO SANTA CRUZ, IN SANTA FE COUNTY, AND SOLELY IN THE MANNER DESCRIBED IN THE LOAN/GRANT AGREEMENT; PROVIDING FOR PAYMENT OF THE LOAN AMOUNT SOLELY FROM PLEDGED REVENUES; CERTIFYING THAT THE LOAN/GRANT AMOUNT, TOGETHER WITH OTHER FUNDS AVAILABLE TO THE BORROWER/GRANTEE, IS SUFFICIENT TO COMPLETE THE PROJECT; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN/GRANT AGREEMENT; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS ORDINANCE; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN/GRANT AGREEMENT.

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

WHEREAS, the Borrower/Grantee is a legally and regularly created, established, organized and existing county under the general laws of the State of New Mexico and more specifically, Section 4-26-1 et seq., NMSA 1978, as supplemented and amended; and

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

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

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

faith and credit of the Borrower/Grantee, the Water Trust Board, the Finance Authority or the State; and

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

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

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

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

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF SANTA FE COUNTY, NEW MEXICO:

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

“Act” means the Water Project Finance Act, Sections 72-4A-1 through 72-4A-10, NMSA 1978, as amended and supplemented.

“Additional Funding Amount” means the amount to be provided by the Borrower/Grantee which, in combination with the Loan/Grant Amount, is sufficient to complete the Project or to provide matching funds needed to complete the Project. The Additional Funding Amount is four thousand six hundred dollars (\$4,600).

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

“Authorized Officers” means the Chair of the Board of County Commissioners, County Manager, Finance Director and County Clerk of the Borrower/Grantee.

“Board Rules” means Section 19.25.10 NMAC, as supplemented and amended.

“Borrower/Grantee” means Santa Fe County in the State of New Mexico.

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

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

“Expense Account” means the account established pursuant to this Ordinance and held by the Finance Authority to pay the Expenses incurred by the Lenders/Grantors in connection with the Loan/Grant Agreement and the Loan/Grant.

“Expenses” means the costs of originating and administering the Loan/Grant, including legal fees to the extent allowed by the Act, the Board Rules and applicable policies of the Water Trust Board.

“Finance Authority” means the New Mexico Finance Authority.

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

“Governing Body” means the Board of County Commissioners of the Borrower/Grantee, or any future successor governing body of the Borrower/Grantee.

“Grant” or “Grant Amount” means the amount provided to the Borrower/Grantee as a grant pursuant to the Loan/Grant Agreement for the purpose of funding the Project, and is forty-one thousand four hundred dollars (\$41,400).

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

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

“Loan” or “Loan Amount” means the amount provided to the Borrower/Grantee as a loan pursuant to the Loan/Grant Agreement for the purpose of funding the Project, and is four thousand six hundred dollars (\$4,600).

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

“Loan/Grant Agreement” means the Water Project Fund Loan/Grant Agreement entered into by and between the Borrower/Grantee, the Water Trust Board and the Finance Authority as authorized by this Ordinance.

“NMAC” means the New Mexico Administrative Code.

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

“Ordinance” means this Ordinance as supplemented or amended from time to time.

“Pledged Revenues” means the revenues of the Borrower/Grantee pledged to the payment of the Loan Amount and Administrative Fees pursuant to this Ordinance and the Loan/Grant Agreement and described in the Term Sheet.

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

“Project Account” means the auditable book account in the name of the Borrower/Grantee established pursuant to this Ordinance and held by the Finance Authority for deposit of the Loan/Grant Amount, as shown in the Term Sheet, for disbursement to the Borrower/Grantee for payment of the costs of the Project.

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

“State” means the State of New Mexico.

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

“Useful Life” means the structural and material design life of the Project.

“Water Project Fund” means the fund of the same name created pursuant to Section 72-4A-9, NMSA 1978, and held and administered by the Finance Authority.

“Water Trust Board” means the water trust board created and established pursuant to the Act.

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

Section 3. Authorization of the Project and the Loan/Grant Agreement. The acquisition and completion of the Project and the method of funding the Project through execution and delivery of the Loan/Grant Agreement are hereby authorized and ordered. The Project is for the benefit and use of the Borrower/Grantee and the public whom it serves.

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

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

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

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

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

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

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

G. The Borrower/Grantee has, or will acquire by the Closing Date as required by the Loan/Grant Agreement, title to or easements or rights of way on the real property upon which the Project is being constructed or located.

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

A. Authorization. This Ordinance has been adopted by the affirmative vote of at least a two-thirds 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 constituent public served by the Borrower/Grantee and acquiring and completing the Project, it is hereby declared necessary that the Borrower/Grantee execute and deliver the Loan/Grant Agreement evidencing the Borrower/Grantee's acceptance of the Grant Amount of forty-one thousand four hundred dollars (\$41,400) and borrowing the Loan Amount of four thousand six hundred dollars (\$4,600) to be utilized solely for the purpose of completing the Project and paying Expenses, and solely in the manner and according to the restrictions set forth in the Loan/Grant Agreement, the execution and delivery of which are hereby authorized. The Borrower/Grantee shall use the Loan/Grant Amount to finance the acquisition and completion of the Project and to pay Expenses.

B. Detail. The Loan/Grant Agreement shall be in substantially the form of the Loan/Grant Agreement presented at the meeting of the Governing Body at which this Ordinance was adopted. The Grant shall be in the amount of forty-one thousand four hundred dollars (\$41,400) and the Loan shall be in the amount of four thousand six hundred dollars (\$4,600). Interest on the Loan Amount shall be zero percent (0%) per annum of the unpaid principal balance of the Loan Amount, and the Administrative Fee shall be one-quarter of one percent (0.25%) per annum of the unpaid principal balance of the Loan Amount, taking into account both payments made by the Borrower/Grantee and hardship waivers of payments granted to the Borrower/Grantee.

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

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

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

A. Project Account and Expense Account. The Borrower/Grantee hereby consents to creation of the Project Account and the Expense Account by the Finance Authority and approves of the deposit of the Loan/Grant Amount in those accounts as shown in the Term Sheet. Until the Completion Date, the money in the Project Account shall be used and paid out solely for the purpose of acquiring the Project in compliance with applicable law and the provisions of the Loan/Grant Agreement.

B. Completion of the Project. The Borrower/Grantee shall proceed to complete the Project with all due diligence. Upon the Completion Date, the Borrower/Grantee shall execute a certificate stating that completion of and payment for the Project has been

completed. Following the Completion Date, any balance remaining in the Project Account shall be transferred and deposited into the Water Project Fund or otherwise distributed as provided in the Loan/Grant Agreement.

C. Water Trust Board and Finance Authority Not Responsible. Neither the Water Trust Board nor the Finance Authority shall in any manner be responsible for the application or disposal by the Borrower/Grantee or by its officers of the funds derived from the Loan/Grant Agreement or of any other funds held by or made available to the Borrower/Grantee in connection with the Project.

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

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

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

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

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

Section 14. Severability Clause. If any section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or



unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

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

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

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

*[Remainder of page intentionally left blank.]*

*[Form of Summary of Ordinance for Publication]*

**SANTA FE COUNTY  
Notice of Adoption of Ordinance**

Notice is hereby given of the title and of a general summary of the subject matter contained in Ordinance No. \_\_\_\_\_, duly adopted and approved by the Board of County Commissioners of Santa Fe County on January 31, 2012. A complete copy of the Ordinance is available for public inspection during normal and regular business hours in the office of the County Clerk, at 102 Grant Avenue, Santa Fe, New Mexico 87501.

The title of the Ordinance is:

**SANTA FE COUNTY  
ORDINANCE NO. \_\_\_\_\_**

AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY OF A WATER PROJECT FUND LOAN/GRANT AGREEMENT BY AND BETWEEN THE NEW MEXICO WATER TRUST BOARD AND THE NEW MEXICO FINANCE AUTHORITY (THE "LENDERS/GRANTORS") AND SANTA FE COUNTY (THE "BORROWER/GRANTEE"), IN THE AMOUNT OF FORTY-SIX THOUSAND DOLLARS (\$46,000), EVIDENCING AN OBLIGATION OF THE BORROWER/GRANTEE TO UTILIZE THE LOAN/GRANT AMOUNT SOLELY FOR THE PURPOSE OF FINANCING THE COSTS OF PLANNING, DESIGNING AND IMPLEMENTING A VEGETATIVE MANAGEMENT AND BANK STABILIZATION PLAN ON THE RIO QUEMADO, A TRIBUTARY OF THE RIO SANTA CRUZ, IN SANTA FE COUNTY, AND SOLELY IN THE MANNER DESCRIBED IN THE LOAN/GRANT AGREEMENT; PROVIDING FOR PAYMENT OF THE LOAN AMOUNT SOLELY FROM PLEDGED REVENUES; CERTIFYING THAT THE LOAN/GRANT AMOUNT, TOGETHER WITH OTHER FUNDS AVAILABLE TO THE BORROWER/GRANTEE, IS SUFFICIENT TO COMPLETE THE PROJECT; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN/GRANT AGREEMENT; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS ORDINANCE; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN/GRANT AGREEMENT.

A general summary of the subject matter of the Ordinance 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 31 ST DAY OF JANUARY, 2012.

SANTA FE COUNTY

By \_\_\_\_\_  
Liz Stefanics, Chair  
Board of County Commissioners

ATTEST:

By \_\_\_\_\_  
Valerie Espinoza,  
County Clerk

*[Remainder of page intentionally left blank.]*

Governing Body Member \_\_\_\_\_ then moved adoption of the foregoing Ordinance, duly seconded by Governing Body Member \_\_\_\_\_.

The motion to adopt the Ordinance, 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 the motion, the Chair of the Governing Body declared the motion carried and the Ordinance adopted, whereupon the Chair and the County Clerk signed the Ordinance upon the records of the minutes of the Governing Body.

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

SANTA FE COUNTY

By \_\_\_\_\_  
Liz Stefanics, Chair  
Board of County Commissioners

ATTEST:

By \_\_\_\_\_  
Valerie Espinoza,  
County Clerk

STATE OF NEW MEXICO                    )  
  ) ss.  
COUNTY OF SANTA FE                    )

I, Valerie Espinoza, the duly qualified and acting County Clerk of the Santa Fe County (the "Borrower/Grantee"), do hereby certify:

1. The foregoing pages are a true, perfect, and complete copy of the record of the proceedings of the Board of County Commissioners of the Borrower/Grantee (the "Governing Body"), had and taken at a duly called regular meeting held at the County Commission Chambers, County Administration Building, 102 Grant Avenue, Santa Fe, New Mexico on January 10, 2012 at the hour of 2:00 p.m., insofar as the same relate to the adoption of Ordinance No. \_\_\_\_\_ and the execution and delivery of the proposed Loan/Grant Agreement, a copy of which is set forth in the official records of the proceedings of the Governing Body kept in my office. None of the action taken has been rescinded, repealed, or modified.

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

3. Notice of the meeting was given in compliance with the permitted methods of giving notice of meetings of the Governing Body as required by the Borrower/Grantee's open meetings standards in effect on the date of the meeting.

IN WITNESS WHEREOF, I have hereunto set my hand this 17th day of February, 2012.

SANTA FE COUNTY

By \_\_\_\_\_  
Valerie Espinoza,  
County Clerk

**EXHIBIT "A"**

**Notice of Meeting**



**\$46,000**

**WATER PROJECT FUND  
LOAN/GRANT AGREEMENT**

**Dated**

**March 9, 2012**

**By and between the**

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

**and**

**SANTA FE COUNTY,  
New Mexico,  
as Borrower/Grantee.**



**WATER PROJECT FUND  
LOAN/GRANT AGREEMENT**

THIS LOAN/GRANT AGREEMENT (the "Agreement") dated March 9, 2012, is entered into by and between the **NEW MEXICO WATER TRUST BOARD** (the "Water Trust Board") and **THE NEW MEXICO FINANCE AUTHORITY** (the "Finance Authority") (collectively, the "Lenders/Grantors"), and **SANTA FE COUNTY**, New Mexico (the "Borrower/Grantee").

WITNESSETH:

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

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

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

WHEREAS, the Act provides that the Water Trust Board and the Finance Authority may make loans and grants from the Water Project Fund to qualifying entities for projects approved by the Legislature; and

WHEREAS, pursuant to the Act, the Water Trust Board has established rules governing the terms and conditions of loans and grants made from the Water Project Fund as provided by Section 19.25.10 NMAC, as amended and supplemented, for the purpose of making loans and grants available to qualifying entities pursuant to the Board Rules for Qualifying Water Projects; and

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

WHEREAS, pursuant to the Board Rules, the Water Trust Board and the Finance Authority are authorized to make combination loan/grants to qualifying entities from the Water Project Fund for Qualifying Water Projects; and

WHEREAS, the Borrower/Grantee is a legally and regularly created, established, organized and existing county under the general laws of the State and more specifically, Section 4-26-1 et seq., NMSA 1978, as amended and supplemented, and is a qualifying entity under the Act and is qualified for financial assistance as defined by the Board Rules; and

WHEREAS, the Borrower/Grantee has determined that it is in the best interests of the Borrower/Grantee and the constituent public it serves that the Borrower/Grantee enter into this Agreement with the Lenders/Grantors to borrow four thousand six hundred dollars (\$4,600) from the Lenders/Grantors and to accept a grant in the amount of forty-one thousand four hundred dollars (\$41,400) from the Lenders/Grantors to finance the costs of planning, designing and implementing a vegetative management and bank stabilization plan on the Rio Quemado, a tributary of the Rio Santa Cruz, in Santa Fe County, this project being more particularly described in the Term Sheet; and

WHEREAS, based upon the Finance Authority's evaluation of the New Mexico Water Trust Board Application for Financial Assistance dated October 7, 2010 of the Borrower/Grantee and dealing with the Project, the Finance Authority's Board of Directors has recommended to the Water Trust Board that the Borrower/Grantee receive financial assistance in the form of the Loan/Grant, and has authorized the Finance Authority to enter into and administer this Agreement; and

WHEREAS, the Borrower/Grantee is willing to pledge the Pledged Revenues to the payment of the Loan; and

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

WHEREAS, 2011 N.M. Laws ch. 24, being House Bill 143 of the 2011 Regular New Mexico Legislative Session authorized the funding of the Project from the Water Project Fund; and

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

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

WHEREAS, the Finance Authority on behalf of the Water Trust Board has determined that the Borrower/Grantee has met the readiness to proceed requirements established for the Loan/Grant by the Finance Authority and the Water Trust Board; and

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

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

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

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

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

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

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

## **ARTICLE I DEFINITIONS**

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

“Act” means the Water Project Finance Act, Sections 72-4A-1 through 72-4A-10, NMSA 1978, as amended and supplemented.

“Additional Funding Amount” means the amount to be provided by the Borrower/Grantee which, in combination with the Loan/Grant Amount, is sufficient to complete the Project or to provide matching funds needed to complete the Project. The Additional Funding Amount is four thousand six hundred dollars (\$4,600).

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

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

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

“Application” means the New Mexico Water Trust Board Application for Financial Assistance dated October 7, 2010 of the Borrower/Grantee and dealing with the Project.

“Authorized Officers” means, with respect to the Borrower/Grantee, the Chair of the Board of County Commissioners, the County Manager, Finance Director and County Clerk thereof; with respect to the Finance Authority, the Chairman, Vice-Chairman, Secretary and Chief Executive Officer of the Finance Authority; and with respect to the Water Trust Board, the Chairman or a Co-Chairman and the Secretary thereof, and any other officer or employee of the Finance Authority or of the Water Trust Board designated in writing by an Authorized Officer thereof.

“Board Rules” means Section 19.25.10 NMAC, as supplemented and amended.

“Borrower/Grantee” means Santa Fe County in the State of New Mexico.

“Conditions” means the conditions to be satisfied prior to the disbursement of the Loan/Grant Amount or which otherwise apply to the performance of this Agreement and which are set forth in the Term Sheet.

“Department of Finance and Administration” or “DFA” means the department of finance and administration of the State

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

“Eligible Fiscal Agent Fees” means fees and costs incurred by a fiscal agent for the administration of Project funds, including the collection and reporting of Project information as required by this Agreement, in an amount not exceeding five (5) percent of the Loan/Grant Amount.

“Eligible Items” means eligible Project costs for which grants and loans may be made pursuant to Section 72-4A-7(C) of the Act, as amended and supplemented, the Board Rules and applicable Water Trust Board policies, and includes Expenses. Eligible items include (1) matching requirements for federal and local cost shares, (2) engineering feasibility reports, (3) contracted engineering design, (4) inspection of construction, (5) special engineering services, (6) environmental or archaeological surveys, (7) construction, (8) land acquisition, (9) easements and rights of way, (10) Eligible Legal Costs, and (11) Eligible Fiscal Agent Fees.

“Eligible Legal Costs” means legal fees and costs for services rendered by legal counsel on behalf of the Borrower/Grantee for transaction of the Project, in an amount not exceeding ten (10) percent of the Loan/Grant Amount, but does not include adjudication services.

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

“Expense Account” means the account established pursuant to the Ordinance and held by the Finance Authority to pay the Expenses incurred by the Lenders/Grantors in connection with the Loan/Grant Agreement and the Loan/Grant.

“Expenses” means the costs of originating and administering the Loan/Grant, and includes legal fees to the extent allowed under the Act, the Board Rules, other applicable statutes and rules, and applicable policies of the Water Trust Board.

“Finance Authority” means the New Mexico Finance Authority.

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

“Governing Body” means the Board of County Commissioners of the Borrower/Grantee, or any future successor governing body of the Borrower/Grantee.

“Grant” or “Grant Amount” means the amount provided to the Borrower/Grantee as a grant pursuant to this Agreement for the purpose of funding the Project and equals forty-one thousand four hundred dollars (\$41,400).

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

“Loan” or “Loan Amount” means the amount provided to the Borrower/Grantee as a loan pursuant to this Agreement for the purpose of funding the Project and equals four thousand six hundred dollars (\$4,600).

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

“NMAC” means the New Mexico Administrative Code.

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

“Ordinance” means the Borrower/Grantee’s Ordinance No. \_\_\_\_\_, adopted January 10, 2012, authorizing the execution of this Agreement.

“Pledged Revenues” means the revenues of the Borrower/Grantee pledged to the payment of the Loan Amount and Administrative Fees pursuant to the Ordinance and this Loan/Grant Agreement and described in the Term Sheet.

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

“Project Account” means the auditable book account in the name of the Borrower/Grantee established pursuant to the Ordinance and held by the Finance Authority for deposit of the Loan/Grant Amount, as shown in the Term Sheet, for disbursement to the Borrower/Grantee to pay the costs of the Project.

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

“State” means the State of New Mexico.

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

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

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

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

## **ARTICLE II REPRESENTATIONS, COVENANTS AND WARRANTIES**

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

(a) Binding Nature of Covenants. All covenants, stipulations, obligations and agreements of the Borrower/Grantee contained in this Loan/Grant Agreement shall be deemed to be the covenants, stipulations, obligations and agreements of the Borrower/Grantee to the full extent authorized or permitted by law, and such covenants, stipulations, obligations and

agreements shall be binding upon the Borrower/Grantee and its successors and upon any board or body to which any powers or duties affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law. Except as otherwise provided in this Agreement, all rights, powers and privileges conferred and duties and liabilities imposed upon the Borrower/Grantee by the provisions of this Agreement and the Ordinance shall be exercised or performed by the Borrower/Grantee or by such members, officers, or officials of the Borrower/Grantee as may be required by law to exercise such powers and to perform such duties.

(b) No Personal Liability. No covenant, stipulation, obligation or agreement contained in this Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any officer, agent or employee of the Borrower/Grantee or member of the Governing Body in his or her individual capacity, and neither the members of the Governing Body nor any officer executing this Agreement shall be liable personally on this Agreement or be subject to any personal liability or accountability by reason of the execution and delivery thereof.

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

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

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

(f) Completion of Project; Compliance with Laws. The Project will consist of planning, designing and implementing a vegetative management and bank stabilization plan on the Rio Quemado, a tributary of the Rio Santa Cruz, in Santa Fe County. The Project is more

particularly described in the Term Sheet. The Project will be completed, operated and maintained so as to comply with all applicable laws, ordinances, resolutions and regulations relating to the acquisition, operation, maintenance and completion of the Project and to the use of the Loan/Grant proceeds.

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

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

(i) Agreement Term Not Less than Useful Life. The Agreement Term is not less than the Useful Life of the Project, which shall not be less than twenty (20) years as required by Section 72-4A-7 of the Act, as amended and supplemented.

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

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

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



(m) Irrevocability of Enactments. While this Agreement remains outstanding, any ordinance, resolution or other enactment of the Governing Body accepting the terms hereof, including the Ordinance, shall be irrevocable until the Project has been fully acquired and completed, and shall not be subject to amendment or modification in any manner which would result in any use of the proceeds of this Agreement in a manner not permitted or contemplated by the terms hereof.

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

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

(p) Budgeting of Pledged Revenues; Approval by Department of Finance and Administration. The Borrower/Grantee anticipates that the Pledged Revenues will be sufficient to pay for the Loan, as and when due. The Borrower/Grantee will adequately budget for the periodic payments of the Loan Amount and other amounts payable by the Borrower/Grantee under this Agreement and will submit such budget on an annual basis to the Department of Finance and Administration for review and verification of compliance with this requirement.

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

(r) Use of Project; Continuing Covenant. The Borrower/Grantee shall not sell, lease, mortgage, pledge, relocate or otherwise dispose of or transfer the Project or any part of the Project during its Useful Life; provided, however, that if the Project is a joint project of the Borrower/Grantee and other qualifying entities (as defined by the Act), the Borrower/Grantee and the other qualifying entities may, with the express written approval of the Lenders/Grantors and not otherwise, enter into an agreement allocating ownership and operational and maintenance responsibilities for the Project during its Useful Life. Such agreement shall provide that the Lenders/Grantors, or either of them, shall have the power to enforce the terms of this Agreement, without qualification, as to each and every qualifying entity owning or operating any portion of the Project during its Useful Life. If any portion of the Project will be constructed, located, completed or extended on real property owned by a qualifying entity (as defined by the Act) other than the Borrower/Grantee, the Borrower/Grantee shall, prior to any use of the

Loan/Grant funds for the Project on such real property, obtain the written agreement of such other qualifying entity to abide by these restrictions with respect to such real property (and the portion of the Project to be constructed, located, completed or extended on such real property), which written agreement shall include an express statement by such other qualifying entity that the Lenders/Grantors are third party beneficiaries of such written agreement. The provisions of this Section shall remain effective and enforceable by the Lenders/Grantors for the duration of the Useful Life of the Project.

(s) Maintenance of Separate Project Accounts. The Lenders/Grantors on behalf of the Borrower/Grantee shall maintain a separate Project account or accounts. The Borrower/Grantee shall maintain financial records in accordance with Generally Accepted Accounting Principles during the construction or implementation of the Project.

(t) Title and Rights of Way. The Borrower/Grantee has or, prior to Project construction, shall obtain title to, easements, rights of way or use permits on the real property upon which the Project is being constructed, located, completed or extended, and if any portion of the Project will be constructed, located, completed or extended on real property owned by a qualifying entity (as defined by the Act) other than the Borrower/Grantee, such other qualifying entity has title to such real property. As required by Section 72-4A-7(A)(3) of the Act, as amended and supplemented, as a condition to any disbursement of the Loan/Grant Amount for Project construction, the Borrower/Grantee shall provide written assurance signed by an attorney or provide a title insurance policy ensuring that the Borrower/Grantee has proper title to, easements, rights of way or use permits on the real property upon or through which the Project is to be constructed, located, completed or extended. If any portion of the Project will be constructed, located, completed or extended on real property owned by a qualifying entity (as defined by the Act) other than the Borrower/Grantee, the Borrower/Grantee shall provide written assurance signed by an attorney or provide a title insurance policy ensuring that such other qualifying entity has proper title to such real property.

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

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

(b) Authority of Finance Authority. The Finance Authority is a public body politic and corporate, separate and apart from the State constituting a governmental instrumentality 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 Agreement and, by proper action, has duly authorized the execution and delivery of this Agreement.

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

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

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

(f) Sufficiency of Funds. Based solely upon information provided by the Borrower/Grantee (which information the Borrower/Grantee expressly acknowledges has not been independently verified by the Water Trust Board or the Finance Authority), it appears that the Loan/Grant Amount, together with the Additional Funding Amount, is sufficient to complete the Project and pay the Expenses, and is cost-effective.

(g) Importance of Project. The Project is important to the overall needs of the State and its citizens.

### **ARTICLE III AGREEMENT TERM**

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

### **ARTICLE IV LOAN/GRANT AMOUNT DISBURSEMENT CONDITIONS**

Section 4.1 Conditions Precedent to Disbursement of Loan/Grant. Prior to the disbursement of the Loan/Grant Amount or any portion thereof, the following conditions shall be satisfied:

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

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

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

(d) Prior to the disbursement of any Loan/Grant funds for construction, the plans and specifications for the Project shall have been approved by or on behalf of the Finance Authority as required by Section 72-4A-7(B), NMSA 1978; and

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

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

(g) The Finance Authority and/or the Water Trust Board, as applicable, shall have determined that the Conditions set forth in the Term Sheet, if any, have been satisfied.

Section 4.2 Determination of Eligibility Is Condition Precedent to Disbursement. No disbursement shall be made from the Project Account except upon a determination by the Finance Authority that such disbursement is for payment of Eligible Items, and that the disbursement does not exceed any limitation upon the amount payable for any Eligible Item pursuant to the Act, the Board Rules, and Water Trust Board policies governing the Water Project Fund. The Finance Authority, as a condition precedent to making any requested disbursement, may require submittal of such documentation as the Finance Authority deems

necessary, in its sole and absolute discretion, for a determination whether any requested disbursement is for payment of Eligible Items and is fully consistent with the Act, the Board Rules, and applicable Water Trust Board policies.

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

Section 5.1 Loan and Grant to the Borrower/Grantee.

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

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

(ii) Administrative Fee. The Borrower/Grantee shall, on an annual basis beginning June 1, 2013, pay to the Lenders/Grantors an administrative fee equal to one-quarter of one percent (0.25%) per annum of the unpaid principal balance of the Loan Amount, taking into account both payments made by the Borrower/Grantee and hardship waivers of payments granted to the Borrower/Grantee as provided by this Agreement. Any such Administrative Fee payment shall be due irrespective of whether or not a hardship waiver of payment is granted to the Borrower/Grantee for the principal payment otherwise due on June 1 of the applicable year or any other year.

(iii) Hardship Waivers of Payment. Each year while any portion of the Loan Amount remains outstanding, no later than April 1 of each such year, the Borrower/Grantee may apply in writing to the Finance Authority for a determination of whether the annual principal payment on the Loan Amount otherwise due on the upcoming June 1 of such year should be forgiven because such payment would cause undue hardship for the Borrower/Grantee or the constituent public it serves. Although such determination shall be made by DFA, the Borrower/Grantee shall submit such application to DFA through the Finance Authority for determination by DFA and shall submit with such application sufficient documentation of the existence of such undue hardship as is reasonably required by DFA (as determined by the Finance Authority and DFA) to make such determination, and the Borrower/Grantee shall promptly respond to additional requests for information from DFA or the Finance Authority. Such application shall be executed by the Authorized Officers of the Borrower/Grantee. For purposes of this Agreement and that determination, an "undue hardship" shall be deemed to exist if DFA determines that the Borrower/Grantee demonstrates economic need and the inability to pay on a timely basis such annual payment on the Loan Amount. DFA shall make such determination no later than May 15 of the applicable year, and the Finance Authority shall

promptly communicate to the Borrower/Grantee in writing the results of such determination. Upon receipt of written notice of such determination, either the principal payment otherwise due on June 1 of such year shall be forgiven (in the event of a determination of undue hardship) or such principal payment shall remain outstanding and due and payable on such date (in the event no undue hardship is determined to exist).

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

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

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

Section 5.2 Application of Loan/Grant Amount. Following the determination by the Water Trust Board and/or the Finance Authority, as applicable, that the conditions precedent to the disbursement of the Loan/Grant Amount have been satisfied, the Finance Authority shall transfer the Loan/Grant Amount shown on the Term Sheet for deposit as follows:

(a) to the Expense Account in the amount necessary to pay the Expenses of the Lenders/Grantors, as shown on the Term Sheet; and

(b) to the Project Account in the amount shown on the Term Sheet, to be disbursed by the Finance Authority at the request of the Borrower/Grantee as needed by it to acquire and complete the Project, as provided in Section 7.2 of this Agreement.

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

## **ARTICLE VI LOAN PAYMENTS BY THE BORROWER/GRANTEE**

Section 6.1 Payment Obligations Limited to Pledged Revenues; Pledge of the Pledged Revenues. The Borrower/Grantee promises to pay the Loan Amount and other amounts owed by the Borrower/Grantee as herein provided. The Borrower/Grantee does hereby convey, assign and pledge unto the Finance Authority and unto its successors in trust forever all right, title and

interest of the Borrower/Grantee in and to (i) the Pledged Revenues to the extent required to pay the Loan Amount and other amounts owed by the Borrower/Grantee as herein provided subject to and subordinate to all other pledges of the Pledged Revenues existing on the Closing Date and, further, that may exist in the future (except only that the pledge of the Pledged Revenues herein shall be on a parity with any other pledge of the Pledged Revenues by the Borrower/Grantee to repay a loan made by the Lenders/Grantors pursuant to the Act), and (ii) all other rights hereinafter granted, for securing of the Borrower/Grantee's obligations under this Agreement, including payment of the Loan Amount and other amounts owed by the Borrower/Grantee as herein provided, provided, however that if the Borrower/Grantee, its successors or assigns, shall well and truly pay, or cause to be paid the Loan Amount at the time and in the manner contemplated by this Agreement, according to the true intent and meaning hereof, and all other amounts due or to become due under this Agreement in accordance with its terms and provisions then, upon such final payment or provision for payment by the Borrower/Grantee, the provisions of this Agreement and the rights created thereby with respect to the Loan Amount shall terminate and the Lenders/Grantors shall give a written release or such other confirmation as may be necessary to remove any encumbrances upon the Pledged Revenues; otherwise, such provisions of this Agreement shall remain in full force and effect.

The pledge of the Pledged Revenues and the lien thereon shall be effective upon the Effective Date. The Borrower/Grantee and the Finance Authority acknowledge and agree that obligations of the Borrower/Grantee hereunder are limited to the Pledged Revenues; and that this Agreement with respect to the Loan Amount and other amounts owed by the Borrower/Grantee as herein provided shall constitute a special, limited obligation of the Borrower/Grantee. No provision of this Agreement shall be construed or interpreted as creating a general obligation or other indebtedness of the Borrower/Grantee within the meaning of any constitutional or statutory debt limitation. No provision of this Agreement shall be construed to pledge or to create a lien on any class or source of Borrower/Grantee's moneys other than the Pledged Revenues, nor shall any provision of this Agreement restrict the future issuance of any bonds or obligations payable from any class or source of Borrower/Grantee's moneys including the Pledged Revenues. In addition, the Pledged Revenues may be utilized by the Borrower/Grantee for any other purposes permitted by law.

Section 6.2 Deposit of Payments of Loan Amount to Water Project Fund. All payments made by the Borrower/Grantee to the Finance Authority to pay the Loan Amount shall be deposited into the Water Project Fund.

Section 6.3 Manner of Payment. All payments of the Borrower/Grantee hereunder shall be paid in lawful money of the United States of America to the Finance Authority at the address designated in Section 11.1 of this Agreement. The obligation of the Borrower/Grantee to make payments hereunder, from and to the extent of the available Pledged Revenues, shall be absolute and unconditional in all events, except as expressly provided hereunder, and payment hereunder shall not be abated through accident or unforeseen circumstances. Notwithstanding any dispute between the Borrower/Grantee and the Finance Authority, any vendor or any other person, the Borrower/Grantee shall make all deposits hereunder, from and to the extent of the available Pledged Revenues, when due and shall not withhold any deposit hereunder pending



final resolution of such dispute, nor shall the Borrower/Grantee assert any right of set-off or counterclaim against its obligation to make such deposits required hereunder.

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

Section 6.5 Lenders/Grantors' Release of Lien and Further Assurances. Upon payment in full of the Loan Amount and other amounts owed by the Borrower/Grantee as herein provided the Lenders/Grantors agree to execute a release of lien and to give such further assurances as are reasonably necessary to ensure that the Lenders/Grantors no longer hold or maintain any lien or claim against the Pledged Revenues.

## **ARTICLE VII THE PROJECT**

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

(a) The Borrower/Grantee hereby agrees that in order to effectuate the purposes of this Agreement and to acquire and complete the Project it shall take such steps as are necessary and appropriate to acquire, complete and operate the Project lawfully and efficiently. Plans and specifications for the Project shall incorporate available technologies and operational design for water use efficiency. The Project shall be constructed and completed substantially in accordance with the approved plans and specifications, and shall fully incorporate the available technologies and operational design for water use efficiency described in the approved plans and specifications. No Loan/Grant funds shall be used for items not constituting Eligible Items.

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

Section 7.2 Disbursements from the Project Account. So long as no Event of Default shall occur and provided that all conditions precedent to the disbursement of the Loan/Grant Amount have been satisfied, the Finance Authority shall disburse moneys from the Project Account upon receipt by the Finance Authority of a requisition substantially in the form of Exhibit "B" attached hereto signed by an Authorized Officer of the Borrower/Grantee, supported by certification by the Borrower/Grantee's project architect, engineer, or such other authorized representative of the Borrower/Grantee that the amount of the disbursement request represents the progress of construction, acquisition or other Project-related activities accomplished as of the date of the disbursement request. Such certification must be acceptable in form and substance to the Finance Authority and, at its request, the Water Trust Board. The Borrower/Grantee shall provide such records or access to the Project as the Finance Authority, and, at its request, the Water Trust Board, in the discretion of each, may request in connection with the approval of the Borrower/Grantee's disbursement requests made hereunder.

Section 7.3 No Disbursement for Prior Expenditures Except upon Approval. No disbursement shall be made from the Project Account without the approval of the Finance Authority and, at its request, the Water Trust Board, to reimburse any expenditures made prior to the Effective Date.

Section 7.4 Borrower/Grantee Reporting to Lenders/Grantors. During the acquisition of the Project, the Borrower/Grantee shall provide the Lenders/Grantors with a quarterly written report executed by an Authorized Officer of the Borrower/Grantee, in the form attached as Exhibit "D" hereto or in another form reasonably acceptable to the Lenders/Grantors, describing the status of the Project as of the report date, uses of Loan/Grant funds during the quarterly period ending on the report date, and requests for distributions of Loan/Grant funds anticipated to occur during the quarterly period immediately following the report date. The first quarterly report shall be due on March 31, 2012, and subsequent reports shall be due on each March 31, June 30, September 30 and December 31 thereafter until the report date next following final distribution of the Loan/Grant funds. No reports shall be required after the report date next following final distribution of the Loan/Grant Funds, unless specifically required by the Finance Authority or the Water Trust Board. The description of the status of the Project in each quarterly report shall include, among other information, (a) a comparison of actual and anticipated requests for distributions of Loan/Grant funds as of the report date with those anticipated as of the Closing Date, (b) a description of actual and anticipated changes in the cost estimates for the Project as of the report date compared with those anticipated as of the Closing Date, and (c) a description of the percentage of completion of the Project.

Section 7.5 Completion of Disbursement of Loan/Grant Funds. Upon completion of disbursement of Loan/Grant funds, an Authorized Officer of the Borrower/Grantee shall deliver a certificate to the Finance Authority and the Water Trust Board, substantially in the form of Exhibit "E" attached hereto, stating that, to his or her knowledge, the Project has been completed and Loan/Grant funds needed for the Project have been disbursed in accordance with the terms of this Agreement. No Loan/Grant funds shall be disbursed after the date which is three (3) years from the Effective Date or, if the funds from the Water Project Fund utilized to make the Loan/Grant are the proceeds of Severance Tax Bonds issued pursuant to Section 7-27-10.1,

NMSA 1978, and received into the Water Project Fund as provided by Section 7-27-10.1, NMSA 1978, the earlier of such date or the date which is three (3) years from the date of issuance of such Severance Tax Bonds.

Section 7.6 Application of Project Account Subsequent to Disbursement of Loan/Grant Funds. Within six (6) months following the first to occur of either (a) completion of the disbursement of Loan/Grant funds as signified by delivery of the completion certificate contemplated in Section 7.5 hereof; or (b) the date which is three (3) years from the Effective Date, the Finance Authority shall transfer any amounts remaining on deposit in the Project Account to the severance tax bonding fund in accordance with Section 7-27-10.1(C), NMSA 1978, or to such other fund permitted by law as may be established by the Water Trust Board, the Finance Authority or an agency of the State having authority to establish such fund.

## **ARTICLE VIII COMPLIANCE WITH LAWS AND RULES; OTHER COVENANTS**

Section 8.1 Further Assurances and Corrective Instruments. The Lenders/Grantors and the Borrower/Grantee agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the intention hereof.

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

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

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

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

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

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

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

## **ARTICLE IX INSURANCE; NON-LIABILITY OF LENDERS/GRANTORS**

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

Section 9.2 Non-Liability of Lenders/Grantors. Lenders/Grantors shall not be liable in any manner for the Project, Borrower/Grantee's use of the Loan/Grant, the ownership, operation or maintenance of the Project, or any failure to act properly by the owner or operator of the Project.

## **ARTICLE X EVENTS OF DEFAULT AND REMEDIES**

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

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

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

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

Section 10.2 Limitations on Remedies. A judgment requiring payment of money entered against the Borrower/Grantee may reach only available Pledged Revenues.

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

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

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

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

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

(e) by applying any amounts in the Project Account toward satisfaction of any of the obligations of the Borrower/Grantee under this Agreement other than repayment of the Loan or payment of any Administrative Fee due under this Agreement.

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

Section 10.5 Waivers of Events of Default. The Lenders/Grantors, collectively or individually, may, in the respective discretion of each, waive any Event of Default hereunder and the consequences of any such Event of Default; provided, however, all expenses of the Lenders/Grantors, collectively or individually, in connection with such Event of Default shall have been paid or provided for. Such waiver shall be effective only if made by a written statement of waiver issued by the Finance Authority and the Water Trust Board. In case of any such waiver or rescission, or in case any proceeding taken by the Lenders/Grantors, collectively or individually, on account of any such Event of Default shall have been discontinued or abandoned or determined adversely, then and in every such case, the Lenders/Grantors shall be restored to their former positions and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other Event of Default, or impair any right consequent thereon.

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

## ARTICLE XI MISCELLANEOUS

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

If to the Borrower/Grantee, to:

Santa Fe County  
Attn.: County Manager  
102 Grant Avenue  
Santa Fe, New Mexico 87501

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

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

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

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

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

Section 11.4 Amendments. This Agreement may be amended only with the written consent of all of the parties hereto.

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

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

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

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

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

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

*[Remainder of page intentionally left blank.]*

*[Signature pages follow.]*



IN WITNESS WHEREOF, the Finance Authority, on behalf of itself, and the Water Trust Board, on behalf of itself, each have executed this Agreement, which was approved by the Water Trust Board on June 1, 2011 and by the Finance Authority's Board of Directors on August 11, 2011, in their respective corporate names with their corporate seals affixed hereto and attested by their duly authorized officers; and the Borrower/Grantee has caused this Agreement to be executed and attested by duly authorized officers thereof. All of the above are effective as of the date first above written.

LENDERS/GRANTORS:

NEW MEXICO FINANCE AUTHORITY

By \_\_\_\_\_  
Richard E. May  
Chief Executive Officer

ATTEST:

By \_\_\_\_\_

NEW MEXICO WATER TRUST BOARD

By \_\_\_\_\_  
William F. Fulginiti  
Acting Chairman

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

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

COPPLER LAW FIRM, P.C.  
As Loan/Grant Counsel

By: \_\_\_\_\_  
Reynold E. Romero  
Finance Authority General Counsel

By: \_\_\_\_\_  
John L. Appel

BORROWER/GRANTEE:

SANTA FE COUNTY

By \_\_\_\_\_  
Liz Stefanics, Chair  
Board of County Commissioners

ATTEST:

By \_\_\_\_\_  
Valerie Espinoza  
County Clerk

**EXHIBIT "A"**

**TERM SHEET**

**\$46,000 WATER PROJECT LOAN/GRANT TO  
SANTA FE COUNTY**

Project Description: The Project is planning, designing and implementing a vegetative management and bank stabilization plan on lands within Santa Fe County located on the Rio Quemado, a tributary of the Rio Santa Cruz, below Santa Cruz Reservoir. The Project may be further described in the Application and in the final plans and specifications for the Project approved by the Water Trust Board and the Finance Authority as provided by this Agreement. However, in the event of any inconsistency, the description of the Project as stated in this Term Sheet shall control.

Grant Amount: \$41,400

Loan Amount: \$4,600

Pledged Revenues: Capital Outlay Grant Funds distributed for and dedicated to the Borrower/Grantee's Los Potrerros Open Space Project.

Authorizing Legislation: Borrower/Grantee Ordinance No. \_\_\_\_\_, adopted January 10, 2012

Additional Funding Amount: \$4,600

Effective Date: February 17, 2012

Project Account Deposit: \$46,000

Expense Account Deposit: \$0

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

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

**EXHIBIT "B"**

**FORM OF REQUISITION**

RE: \$46,000 Loan/Grant Agreement by and between the Water Trust Board and the Finance Authority, as Lenders/Grantors, and Santa Fe County, as Borrower/Grantee (the "Loan/Grant Agreement")

Loan/Grant No. 227-WTB

Closing Date: March 9, 2012

TO: NEW MEXICO FINANCE AUTHORITY

You are hereby authorized to disburse from the Project Account – Santa Fe County with regard to the above-referenced Loan/Grant Agreement the following:

REQUISITION NUMBER: \_\_\_\_\_

NAME AND ADDRESS OF PAYEE: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

---

**WIRING INFORMATION**

BANK NAME:	_____
ACCOUNT NUMBER:	_____
ROUTING NUMBER:	_____

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AMOUNT OF PAYMENT: \$ \_\_\_\_\_

PURPOSE OF PAYMENT:  
\_\_\_\_\_

ELIGIBLE ITEM CATEGORY (See below): \_\_\_\_\_

\_\_\_\_\_

DATED: \_\_\_\_\_

By: \_\_\_\_\_  
Authorized Officer

Title: \_\_\_\_\_

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

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

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

**EXHIBIT "C"**

**PAYMENT PROVISIONS OF THE LOAN**

The Loan Amount shall be payable by the Borrower/Grantee to the Lenders/Grantors in ten (10) annual installments of principal pursuant to the attached debt service schedule, beginning June 1, 2013 and ending June 1, 2022. The Loan Amount shall be prepayable at any time without penalty. The Administrative Fee shall be due and payable annually on June 1 of each year while the Loan, or any portion thereof, remains outstanding.

**EXHIBIT "D"**

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

Fund Recipient Names: <b>Santa Fe County</b>	WTB Project Number: <b>227-WTB</b>
Recipient Contact:	WTB Project Name: <b>Rio Quemado Watershed Restoration</b>
Phone Number:	Project Type: <b>Watershed Restoration &amp; Management</b>
Quarterly Project Report <input type="checkbox"/> Final <input type="checkbox"/> Other <input type="checkbox"/>	Report Period: From - ___ / ___ / ___ To - ___ / ___ / ___
Contract Expiration: _____	
Total WTB Award: \$ _____ Current Balance: \$ _____	
Loan % <b>10%</b> Grant % <b>90%</b> Match % <b>10%</b>	
Expected WTB Award Expenditure Next Quarter: \$ _____	
Project Phase: Planning <input type="checkbox"/> Design <input type="checkbox"/> Construction <input type="checkbox"/>	
PROJECT TIME: Original Completion Date: _____ Current Completion Date: _____ Days Remaining for Completion _____	
Percent Project is Complete _____ % On Schedule? Yes <input type="checkbox"/> No <input type="checkbox"/>	
Briefly Describe Project Progress During This Reporting Period:	
Issues Addressed During This Period (Indicate any current and/or anticipated issues that remain unresolved):	
Goals/Milestones With Timeline or Dates For The Next Reporting Period:	
Name and Title of Authorized Representative: (Print)	Authorized Representative Signature:
Date: _____	



**EXHIBIT "E"**

**FORM OF CERTIFICATE OF COMPLETION**

RE: \$46,000 Loan/Grant Agreement by and between the Water Trust Board and the Finance Authority, as Lenders/Grantors, and Santa Fe County, as Borrower/Grantee (the "Loan/Grant Agreement")

Loan/Grant No. 227-WTB

Closing Date: March 9, 2012

TO: NEW MEXICO FINANCE AUTHORITY

I, \_\_\_\_\_, the \_\_\_\_\_ of the  
[Name] [Title or position]

Borrower/Grantee, hereby certify as follows:

1. The project described in the Loan/Grant Agreement (the "Project"), or the applicable phase of the project if funding was for a phased Project, was completed and placed in service on \_\_\_\_\_, 20\_\_.
2. The total cost of the Project was \$ \_\_\_\_\_.
3. Cost of the Project paid from the Loan/Grant Amount was \$ \_\_\_\_\_.
4. The portion of the Loan/Grant Amount unexpended for the Project is \$ \_\_\_\_\_.
5. The Project was completed and is and shall be used consistent with and subject to the covenants set forth in the Loan/Grant Agreement.

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

SANTA FE COUNTY

By: \_\_\_\_\_

Its: \_\_\_\_\_