

*Rolf Hechler
Mayor*



*Destiny Mitchell
Commissioner*

*Amanda Forrister
Mayor Pro-Tem*

*Ingo Hoeppe
Commissioner*

*Merry Jo Fahl
Commissioner*

*505 Sims St.
Truth or Consequences, New Mexico 87901
P: 575-894-6673 ♦ F: 575-894-7767
www.torcnm.org*

*Gary Whitehead
City Manager*

REGULAR MEETING

THE REGULAR MEETING OF THE CITY COMMISSION OF THE CITY OF TRUTH OR CONSEQUENCES, NEW MEXICO, TO BE HELD IN THE COMMISSION CHAMBERS, 405 W. 3RD ST., ON WEDNESDAY, SEPTEMBER 24, 2025; TO START AT 4:00 P.M.

A. CALL TO ORDER

B. INTRODUCTION

1. ROLL CALL

Hon. Rolf Hechler, Mayor
Hon. Amanda Forrister, Mayor Pro-Tem
Hon. Destiny Mitchell, Commissioner
Hon. Merry Jo Fahl, Commissioner
Hon. Ingo Hoeppe, Commissioner

2. SILENT MEDITATION

3. PLEDGE OF ALLEGIANCE

4. APPROVAL OF AGENDA

5. COMMISSION COMMENTS

6. STAFF COMMENTS

C. CONSENT CALENDAR

1. Purchase report of items between \$20,000 and \$60,000

D. ORDINANCES/RESOLUTIONS/ZONING

1. Discussion/Action: Resolution No. 15 25/26 Budget Adjustment Request. Jocelyn Holguin, Finance Director
2. Discussion/Action: Publication of Ordinance No. 772 G.O. Bond. Chris Muirhead & Mark Valenzuela

E. NEW BUSINESS

1. Discussion/Action: Engagement Agreement for Municipal Advisory Services between the City of Truth or Consequences and Bosque Advisors, LLC. Mark Valenzuela, Bosque Advisors & City Manager Whitehead
2. Discussion/Action: Modrall Sperling Proposal Letter for Bond Counsel Services – 2025 General Obligation Bonds. Chris Muirhead, Modrall Sperling & City Manager Whitehead
3. Discussion/Action: Approving Spay and Neuter Grant from NM Veterinary Board. Tara Manning, Animal Shelter Supervisor

E. NEW BUSINESS Continued...

4. Discussion/Action: Capital Outlay Process and Project Selection. Assistant City Manager Alvarez & City Manager Whitehead
5. Discussion/Action: Trails + Grant MOU between the City of Truth or Consequences and Sierra County. OJ Hechler, Community Services Director
6. Discussion/Action: 3rd amendment to the Sierra Vista Hospital Joint Powers Agreement. City Attorney Rubin

F. EXECUTIVE SESSION

1. Threatened & Pending Litigation (Rachel Higgins vs. City of T or C) pursuant to 10-15-1(H.7).

G. RETURN TO REGULAR SESSION; ACTION (if any)

1. Threatened & Pending Litigation (Rachel Higgins vs. City of T or C) pursuant to 10-15-1(H.7).

H. ADJOURNMENT

A Workshop/Public Input regarding the Proposed Ordinance No. 771 Amending Chapter 3 of the Municipal Code of Ordinances pertaining to animals will be held at 5:30 p.m.

The meeting will be streamed through YouTube Live at <http://www.youtube.com/@CityofTorC>.

If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing or meeting please contact the City Clerk's Office, at 505 Sims Street, Truth or Consequences, New Mexico 87901, phone (575) 894-6673 at least one (1) week prior to the meeting or as soon as possible. Public documents, including the agenda and minutes, can be provided in various accessible formats. Please contact the City Clerk's Office if a summary or other type of accessible format is needed.

NEXT REGULAR CITY COMMISSION MEETING OCTOBER 8, 2025 AT 9:00 A.M.



CITY OF TRUTH OR CONSEQUENCES

AGENDA REQUEST FORM

MEETING DATE: September 24, 2025

Agenda Item #: C.1

SUBJECT: Purchase report of items between \$20,000 and \$60,000

DEPARTMENT: Finance

DATE SUBMITTED: September 17, 2025

SUBMITTED BY: Carlos Miyagishima, Chief Procurement Officer

WHO WILL PRESENT THE ITEM: Gary Whitehead, City Manager

Summary/Background:

Per Resolution No 46 20/21 Execution of Contracts; Grant Agreements; Memoranda of Understanding; Joint Powers Agreements; Settlement Agreements; Purchases (Contract and Purchases Over \$20,000).

Recommendation:

Please see the attached purchase item list.

Attachments:

- Listing of Purchase Requisitions \$20,000-\$60,000 or More
- Purchase Requisitions, Procurement Documentation

Fiscal Impact (Finance): N/A

None.

Legal Review (City Attorney): N/A

None.

Approved For Submittal By: ☒ Department Director

Reviewed by: ☒ City Clerk ☒ Finance ☐ Legal ☐ Other: Carlos Miyagishima, Chief Procurement Officer

Final Approval: ☒ City Manager

CITY CLERK'S USE ONLY - COMMISSION ACTION TAKEN

Resolution No. - Ordinance No. -

Continued To: - Referred To: -

☐ Approved ☐ Denied ☐ Other: -

File Name: CC Agendas 9-24-2025

**OPEN PURCHASE ORDERS FROM AUGUST 20, 2025 – PRESENT-MANAGER APPROVED: \$20,000- AND OVER CITY
MANAGER COMMISSION REPORT- CITY COMMISSION MEETING DATE: 9/24/2025 ITEM: C.2 CONSENT CALENDAR**

4 records found

Issue Date	Number	Department Name	Vendor Name	Vendor Number	Total	Description
9/5/2025	82467	Electric Dept	WESTERN UNITED ELECTRI	7498	39,110.00	WOOD POLES FOR INVENTORY
9/5/2025	82463	Electric Dept	ASPLUNDH ELECTRICAL TE	9042	39,730.00	SUBSTATION TESTING- NORTH & SOUTH
8/27/2025	82423	Police Dept	WILLIAM PHILIP BUCKLEY	9267	27,250.00	ARCHITECUAL SERVICES FOR 210 MAIN ST -
8/20/2025	82391	Solid Waste	WASTEQUIP MANUFACTURI	8820	37,976.00	RESTOCK DUMPSTERS & TOTERS

Reviewed by City Finance Director/CPO On: AA 9/14/25 Accepted by Commission: _____

**CITY OF TRUTH OR CONSEQUENCES**

505 Sims St.

Truth or Consequences, NM 87901

PH: (575) 894-6673

FAX: (575) 894-0363

PURCHASE ORDER**PO Number:** 82423**Date:** 08/27/2025**Requisition #:** 95101**Vendor #:** 9267

ISSUED TO: WILLIAM PHILIP BUCKLEY
218 CAMINO SEIS
PO BOX 1316
ELEPHANT BUTTE, NM 87935-1316

SHIP TO: TCPD
507 McAdoo Street
Truth or Consequences, NM 87901

ITEM	UNITS	VENDOR PART #	DESCRIPTION	GL ACCT #	PROJ ACCT #	PRICE	AMOUNT
1	0		ARCHITECTUAL SERVICES FOR 210 MAIN ST - PD	296-2403-80805		0.00	27,250.00
	PD						

Chief Purchasing Office

Date:

8/27/25

Director of Finance: Requisition approved electronically.City Manager: Requisition approved electronically.

SUBTOTAL:	27,250.00
TOTAL TAX:	0.00
SHIPPING:	0.00
TOTAL	27,250.00

1. Send INVOICE to Accounts Payable, address as noted above.
2. Prepay all transportation charges, and attach receipted freight bill to invoice.
3. Show our Purchase Order number on all invoices, Bills of Lading, Packages, etc.
4. This order must NOT be filled in greater or lesser quantities than shown without our written permission.
5. This order is issued with the understanding that if material is not according to our specifications, same will be returned at seller's expense.
6. The right is reserved to cancel this order if not filled within a reasonable length of time.
7. The City is exempt from all federal excise and state tax - ID# 01-405755-007



REQUISITION

Requisition #: 95101

Date: 08/14/2025

Vendor #: 9267

ISSUED TO: WILLIAM PHILIP BUCKLEY
218 CAMINO SEIS
PO BOX 1316
ELEPHANT BUTTE, NM 87935-1316

SHIP TO: TCPD
507 McAdoo Street
Truth or Consequences, NM 87901

ITEM	UNITS DESCRIPTION	PROJECT #	PRICE GL ACCOUNT NUMBER	AMOUNT
1	0 ARCHITECTUAL SERVICES FOR 210 MAIN		0.00 296-2403-80805	27,250.00
PO Description: ARCHITECTUAL SERVICES FOR 210 MAIN ST - PD Detailed Description: ARCHITECTUAL SERVICES FOR 210 MAIN ST. SERVICES FOR THIS REQUISITION ARE OUTLINED IN THE SUPPORTING DOCUMENTATION QUOTED AT \$25000.00 + TAX (9%) = \$27250.00 ADDITIONAL AGREED UPON WORK WILL BE PERFORMED AT \$150/HB				

Authorized By: _____

SUBTOTAL:	27,250.00
TOTAL TAX:	0.00
SHIPPING:	0.00
TOTAL	27,250.00

bill buckley solar architects

218 camino seis, p.o.b. 1316, elephant butte, new mexico 87935-1316
505-263-1960 email: billbuckley1@netscape.net

3 August 2025

Ms. Joselyn Holguin
City of Truth or Consequences
505 Sims Street
Truth or Consequences, New Mexico

RE: A Proposal to Provide Architectural Services Related to a Building to be remodeled at 210 Main Street and an existing Canopy to be enclosed at the same address.

Dear Ms. Holguin:

William Phillip Buckley proposes to perform or provide the following services in design of the above project. More specifically:

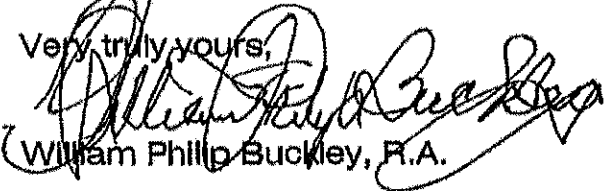
1. Prepare a preliminary Site Plan to include existing structure, parking, landscaping areas, possible drainage and ponding location.
2. Provide Site Plans to Drainage and Landscaping Engineers for their design purposes if required.
3. Provide Architectural Floor Plan for Electrical Engineer if necessary due to load requirements.
4. Provide Architectural Floor plan for Mechanical Engineer if necessary due to significant modifications to existing HVAC.
5. Answer questions and help resolve problems relating to the Architectural portion of this project.

William Phillip Buckley, R.A., proposes to provide the design and items 1-5, for \$25,000.00 plus tax.

Additional work beyond that proposed above will be performed at a rate of \$150.00/hour.

Additional work must be agreed upon by both parties before being performed.

Very truly yours,



William Phillip Buckley, R.A.

*Rolf Hechler
Mayor*

*Amanda Forrister
Mayor Pro-Tem*

*Merry Jo Fahl
Commissioner*



*505 Sims St.
Truth or Consequences, New Mexico 87901
P: 575-894-6673 ♦ F: 575-894-7767
www.torcnm.org*

*Destiny Mitchell
Commissioner*

*Ingo Hoepfner
Commissioner*

*Gary Whitehead
City Manager*

PROCUREMENT MEMO PD/PNC BUILDING

August 20, 2025

To Whom It May Concern:

RE: 13-1-125 SMALL PURCHASE BILL BUCKLEY SOLAR ARCHITECTS

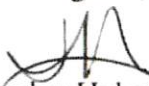
The City shall be utilizing the procurement code to procure the services from Mr. William Buckley; he is a local architect with "bill buckley solar architects". The City Police Department would like to utilize him for his services in the new office space and site plans of the PNC/PD building.

The request is for \$25,000.00 + NM GRT. Based on these conditions a Small Purchase Determination has been issued in accordance with the procurement code.

Under 13-1-125 Small Purchases. A central purchasing office shall procure services, construction or items of tangible personal property having a value not exceeding sixty thousand dollars (\$60,000), excluding applicable state and local gross receipts taxes, in accordance with the applicable small purchase rules adopted by the secretary, a local public body or a central purchasing office that has the authority to issue rules.

Should there be any questions or concerns, please contact me directly. Thank you.

Best Regards,


Jocelyn Holguin
Finance Director/CPO
jholguin@torcnm.org
575.740.7323

CC: G. Whitehead, Manager and Chief L.Travizon

**CITY OF TRUTH OR CONSEQUENCES**

505 Sims St.
Truth or Consequences, NM 87901
PH: (575) 894-6673
FAX: (575) 894-0363

PURCHASE ORDER**PO Number:** 82463**Date:** 09/05/2025**Requisition #:** 95130**Vendor #:** 9042

ISSUED TO: ASPLUNDH ELECTRICAL TESTING LLC
25 FORBES BLVD, SUITE 1
FOXBORO, MA 02035-

SHIP TO: City of Truth or Consequences
505 Sims St.
Truth or Consequences, NM 87901

ITEM	UNITS	VENDOR PART #	DESCRIPTION	GL ACCT #	PROJ ACCT #	PRICE	AMOUNT
1	0		NORTH & SOUTH TRANSFORMER TESTING SUBSTATION TESTING- NORTH & SOUTH	503-3702-48598		0.00	39,730.00

SUBTOTAL:	39,730.00
TOTAL TAX:	0.00
SHIPPING:	0.00
TOTAL	39,730.00

Chief Purchasing Office

Date:

9/5/25Director of Finance: Requisition approved electronically.City Manager: Requisition approved electronically.

1. Send INVOICE to Accounts Payable, address as noted above.
2. Prepay all transportation charges, and attach receipted freight bill to invoice.
3. Show our Purchase Order number on all invoices, Bills of Lading, Packages, etc.
4. This order must NOT be filled in greater or lesser quantities than shown without our written permission.
5. This order is issued with the understanding that if material is not according to our specifications, same will be returned at seller's expense.
6. The right is reserved to cancel this order if not filled within a reasonable length of time.
7. The City is exempt from all federal excise and state tax - ID# 01-405755-007



REQUISITION

Requisition #: 95130

Date: 08/20/2025

Vendor #: 9042

ISSUED TO: ASPLUNDH ELECTRICAL TESTING LLC
25 FORBES BLVD, SUITE 1
FOXBORO, MA 02035-

SHIP TO: City of Truth or Consequences
505 Sims St.
Truth or Consequences, NM 87901

ITEM	UNITS DESCRIPTION	PROJECT #	PRICE GL ACCOUNT NUMBER	AMOUNT
1	0 NORTH & SOUTH TRANSFORMER TESTIN		0.00 503-3702-48598	39,730.00
PO Description: SUBSTATION TESTING- NORTH & SOUTH Detailed Description: SUBSTATION TESTING- NORTH & SOUTH-PER ATTACHED CONTRACT AGREEMENT-SEE ATTACHED:				

Authorized By: _____

SUBTOTAL:	39,730.00
TOTAL TAX:	0.00
SHIPPING:	0.00
TOTAL	39,730.00

ASPLUNDH
ELECTRICAL TESTING

76 Cain Drive
Brentwood, NY 11717
Phone: (631) 617-5330
www.asplundhtesting.com

August 15, 2025

Mr. Bo Easley
Electric Department Director
City of Truth or Consequences
505 Sims Street
Truth or Consequences, NM 87901

Re: 2025 Hot Springs Testing – North Transformer
Quote: L250812A

Dear Mr. Easley:

Asplundh Electrical Testing, LLC is pleased to present this proposal to perform preventive maintenance on the North transformer for the City of Truth or Consequences.

Asplundh Electrical Testing has a staff of highly skilled NETA Certified Test Technicians and support personnel available to provide the power system services required for this project.

Work Scope:

Perform electrical preventive maintenance in accordance with ANSI/NETA MTS Specifications on the North Transformer and tap changers:

- North Transformer – Virginia Transformer Serial # H8010MA073UHB157A

Pricing:

The work may per performed for the fixed price of \$19,865.00

Notes:

1. This proposal includes labor, travel, materials, and test equipment needed to perform the specified testing during normal work hours.
2. This proposal is based on all the equipment being ready to test upon arrival. Any delays shall be performed on a time and material basis.
3. This proposal includes testing of the equipment one time. Any retests shall be performed on a time and material basis.
4. This proposal includes a final report detailing equipment tested and findings.
5. This proposal is valid for **30 days**

NETA.

Asplundh Electrical Testing, LLC

Thank you for the opportunity to submit this proposal. We look forward to working with you on this project. If you have any questions or can be of assistance, please contact me at 631-356-3161.

Best Regards,

Jay Devers

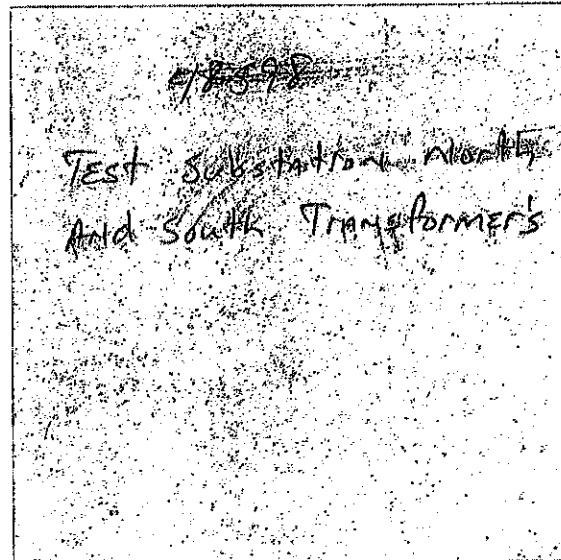
Jay Devers

New York Area Manager

Asplundh Electrical Testing, LLC

W: (631) 617-5330 | C: (631) 356-3161

ALWAYS
SAFETY FIRST ... IT'S YOUR LIFE!



ASPLUNDH
ELECTRICAL TESTING

76 Cain Drive
Brentwood, NY 11717
Phone: (631) 617-5330
www.asplundhtesting.com

August 15, 2025

Mr. Bo Easley
Electric Department Director
City of Truth or Consequences
505 Sims Street
Truth or Consequences, NM 87901

Re: 2025 Hot Springs Testing – South Transformer
Quote: L250812B

Dear Mr. Easley:

Asplundh Electrical Testing, LLC is pleased to present this proposal to perform preventive maintenance on the South transformer for the City of Truth or Consequences.

Asplundh Electrical Testing has a staff of highly skilled NETA Certified Test Technicians and support personnel available to provide the power system services required for this project.

Work Scope:

Perform electrical preventive maintenance in accordance with ANSI/NETA MTS Specifications on the South Transformer and tap changers:

- Transformer – Magnetek Serial # H881685B

Pricing:

The work may per performed for the fixed price of \$19,865.00

Notes:

1. This proposal includes labor, travel, materials, and test equipment needed to perform the specified testing during normal work hours.
2. This proposal is based on all the equipment being ready to test upon arrival. Any delays shall be performed on a time and material basis.
3. This proposal includes testing of the equipment one time. Any retests shall be performed on a time and material basis.
4. This proposal includes a final report detailing equipment tested and findings.
5. This proposal is valid for 30 days

Asplundh Electrical Testing, LLC

Thank you for the opportunity to submit this proposal. We look forward to working with you on this project. If you have any questions or can be of assistance, please contact me at 631-356-3161.

Best Regards,

Jay Devers

Jay Devers

New York Area Manager

Asplundh Electrical Testing, LLC

W: (631) 617-5330 | C: (631) 356-3161

ALWAYS
SAFETY FIRST ... IT'S YOUR LIFE!

**CITY OF TRUTH OR CONSEQUENCES**

505 Sims St.
Truth or Consequences, NM 87901
PH: (575) 894-6673
FAX: (575) 894-0363

PURCHASE ORDER**PO Number:** 82467**Date:** 09/05/2025**Requisition #:** 95176**Vendor #:** 7498

ISSUED TO: WESTERN UNITED ELECTRIC
SUPPLY CORPORATION
100 BROMLEY BUSINESS PKWY
BRIGHTON, CO 80603

SHIP TO: ELECTRIC
404 E Joffre
Truth or Consequences, NM 87901

ITEM	UNITS	VENDOR PART #	DESCRIPTION	GL ACCT #	PROJ ACCT #	PRICE	AMOUNT
1	10		45' CLASS 2 DF POLE	503-3702-44607		1,312.00	13,120.00
2	10		40' CLASS 2 DF POLE	503-3702-44607		1,099.00	10,990.00
3	20		35' CLASS 4 POLE	503-3702-44607		750.00	15,000.00

SUBTOTAL:	39,110.00
TOTAL TAX:	0.00
SHIPPING:	0.00
TOTAL	39,110.00

Chief Purchasing Office

Date:

9/5/25

Director of Finance:

Requisition approved electronically.

City Manager:

Requisition approved electronically.

1. Send INVOICE to Accounts Payable, address as noted above.
2. Prepay all transportation charges, and attach receipted freight bill to invoice.
3. Show our Purchase Order number on all invoices, Bills of Lading, Packages, etc.
4. This order must NOT be filled in greater or lesser quantities than shown without our written permission.
5. This order is issued with the understanding that if material is not according to our specifications, same will be returned at seller's expense.
6. The right is reserved to cancel this order if not filled within a reasonable length of time.
7. The City is exempt from all federal excise and state tax - ID# 01-405755-007



REQUISITION

Requisition #: 95176

Date: 08/27/2025

Vendor #: 7498

ISSUED TO: WESTERN UNITED ELECTRIC
SUPPLY CORPORATION
100 BROMLEY BUSINESS PKWY
BRIGHTON, CO 80603

SHIP TO: ELECTRIC
404 E Joffre
Truth or Consequences, NM 87901

ITEM	UNITS DESCRIPTION	PROJECT #	PRICE GL ACCOUNT NUMBER	AMOUNT
1	10 45' CLASS 2 DF POLE		1,312.00 503-3702-44607	13,120.00
2	10 40' CLASS 2 DF POLE		1,099.00 503-3702-44607	10,990.00
3	20 35' CLASS 4 POLE		750.00 503-3702-44607	15,000.00

PO Description: WOOD POLES FOR INVENTORY

Detailed Description:

(3) QOUTES- SEE ATTACHED:

Authorized By: _____

SUBTOTAL:	39,110.00
TOTAL TAX:	0.00
SHIPPING:	0.00
TOTAL	39,110.00

QUOTATION

Western United Electric Supply Corp

7311 La Morada Pl NW
Albuquerque, NM 87120
US
505-346-9572



Order Number	
2115345	
Order Date	Page
08/27/2025 11:21:03	1 of 1

Quote Expires On: 09/03/2025

Pricing and lead times are subject to change at time of shipment due to market volatility and potential tariff impacts.

Bill To:

City of Truth or Consequences
505 SIMS STREET
TRUTH OR CONSEQUENCES, NM 87901
US

Ship To:

City of Truth or Consequences
505 SIMS STREET
TRUTH OR CONSEQUENCES, NM 87901
US

575-894-6675

Attn: INVOICES

Requested By: Bo Basley

Customer ID: 10250

PO Number					Ship Route	Taker			
Poles					NORTE	ESISNEROS			
Quantities					Item ID	Pricing	Unit	Extended	
Ordered	Allocated	Remaining	UOM	Qty.	Item Description	UOM	Unit Price	Price	
			Unit Size			Unit Size			
Delivery Instructions: 9-10 weeks									
10.00	0.00	10.00	EA		45FT CLASS 2 DF	EA	1,312.000000	13,120.00	
			1.0		Pole Wood 45' Class 2 DF Penta	1.0			
10.00	0.00	10.00	EA		40FT CLASS 2 DF	EA	1,099.000000	10,990.00	
			1.0		POLE WOOD 40 FT DF	1.0			
20.00	0.00	20.00	EA		35FT CLASS 4 DF	EA	750.000000	15,000.00	
			1.0		POLE WOOD W1.1G	1.0			

Total Lines: 3

SUB-TOTAL: 39,110.00

TAX: 0.00

AMOUNT DUE: 39,110.00

U.S. Dollars

Effective July 1, 2025, Colorado imposes a retail delivery fee of \$0.28 on all deliveries by motor vehicle to a location in Colorado with at least one item of tangible personal property subject to state sales or use tax. The fee will be assessed at the time of shipment and included on your invoice.



QUOTATION

Company Name: City of Truth or Consequences

Quotation Number: 20372438

Quotation Date: 08/27/2025

Customer Reference: T OR C NM

Customer Contact: Bo Easley

Phone: 575-894-6675

Fax:

Email: beasley@torcnm.org

Sales Manager: JON DYESS

Email: JDyess@stella-jones.com

Ship To:

TRUTH OR CONSEQUENCES

JOBSITE TBD

TRUTH OR CONSEQUENCES NM 87901 US

Ship From: Silver Springs - Plant S NV US

Ship Via: Self Loader Truck

Shipping Condition: Truck TM

Incoterm: FOB DESTINATION

Estimated Delivery: 9-10 Weeks ARO

Quotation Expiration Date: 09/24/2025

TRUTH OR CONSEQUENCES, CITY OF - CITY OF TRUTH OR CONSEQUENCES: SPEC # P.W., 4/19/94 - DATED: APRIL 19, 2004 - PLANT INSPECTION

Item No	Material	Description	QTY Weight	Unit Price	Freight	Gross Price
				Currency: USD		
10	10048983	POLE DF 45/2 PENTA OR DCOI TORC	10 EA 14,268.000 LB	1,331.00/EA		13,310.00
20	10048981	POLE DF 40/2 PENTA OR DCOI TORC	10 EA 12,095.000 LB	1,158.75/EA		11,587.50
30	10048980	POLE DF 35/4 PENTA OR DCOI TORC	20 EA 15,006.000 LB	794.75/EA		15,895.00
Gross Total						40,792.50
Net Value						40,792.50
TOTAL VALUE						40,792.50

Total Weight: 41,369.000 LB

Total Volume: 1,009.000 FT3

Payment Terms: Net 30 Days

PRICES BASED ON SHIPPING FULL TRUCKLOAD QUANTITIES. FREIGHT AND DELIVERY CHARGES INCLUDED.
PLEASE SEE ATTACHED TERMS AND CONDITIONS.

FINAL LEAD TIME FOR ORDER WILL BE SET AT TIME OF ORDER RECEIPT

Sales Manager: JON DYESS

Unless otherwise stated herein, this quotation is submitted subject to our confirmation upon receipt of your order. Any applicable taxes and/or duties are for the buyer's account. All Taxes subject to change based on final delivery destination at time of order. All agreements are contingent upon strikes, accidents, acts of God, or other delays whatsoever kind occasioned by circumstances beyond our control. Unless otherwise stated, prices are valid for 30 days from quotation date. Freight is based on quantities quoted and is subject to review should the quantity change. Scheduled delivery is conditional on truck/railcar availability. Inspection and final acceptance is to be made at our plant, concurrently with loading, by mutually satisfactory parties, for your account, unless otherwise stated. Payment terms are net 30 days after date of shipment, based on approved credit. All credit card payments will be assessed an additional processing fee. Interest will be charged at a rate of 1.5% per month on overdue accounts.



QUOTE TERMS AND CONDITIONS

These Pole Quote Terms and Conditions ("Terms and Conditions") govern the purchase and sale of wood poles or similar products (hereinafter, "Materials") by Stella-Jones Corporation ("Stella-Jones") to the purchaser listed on the attached Quote (hereinafter, "Buyer"). If these Terms and Conditions are not acceptable to Buyer, Stella-Jones reserves the right to increase the prices or otherwise modify this Quote to adequately address the additional risk and expense to Stella-Jones.

Partial award is subject to negotiation. Prices are firm until the expiration date set forth in the attached Quote and subject to adjustment thereafter. Prices may be adjusted if the specifications or delivery schedule is modified.

Materials subject to availability at time of firm order placement. Unless paid in advance, all orders are subject to Stella-Jones' approval of Buyer's credit.

Materials supplied will equal or exceed specification quoted. Larger sizes may be provided at no additional cost.

Materials covered by this Quote are subject to the following terms and conditions unless explicitly amended by the parties in writing signed by both parties at time of final order placement:

- Buyer is responsible for the Materials' design including selection of the material type, size, preservative and all other aspects of its design and specification.
- Materials covered by this quotation are warranted to comply with Buyer's specifications, or where no detailed specifications are provided the minimum referenced industry standards, if applicable, at time of sale.
- Stella-Jones excludes any implied warranties, including without limitation, warranties of merchantability or fitness for a particular purpose.
- Buyer has sole responsibility for installation and engineering, including delivery location and location suitability for storage and installation. Risk of loss or damage to the Materials shall transfer from Stella-Jones to Buyer upon delivery to Buyer or Buyer's specified destination.
- Buyer has responsibility for occupational safety and health issues related to its employees and any other claims resulting therefrom or that are related to delivery location, storage, theft, installation, use or any other claims, liabilities, or fines of any type.
- In no event will Stella-Jones be liable to Buyer in an amount exceeding the purchase price of the subject Materials. In no event will Stella-Jones be liable for indirect, special, incidental, exemplary or consequential damages of any kind sustained from any cause or arising out of any legal theory, whether contract, negligence, strict tort liability, contribution, indemnity, or otherwise. Stella-Jones limits all claims to the value of the Materials supplied. Buyer shall make all claims within ten days of receipt regarding delivery quantity or quality after which the Materials shall be deemed to have been received and accepted by the Buyer. Any lawsuit by Buyer against Stella-Jones will be filed within one year from delivery of the subject Materials. The remedies provided herein shall be Buyer's sole and exclusive remedies with respect to the Materials.

Sales or other applicable taxes will be added to the quoted prices unless customer supplies a resale or exemption certificate valid to the delivery location of the Materials covered by the Quote. Any sales or other taxes that are found to be applicable to the transaction shall be the liability of the Buyer at time of sale or at any time thereafter. Nothing contained in this Acknowledgement grants Buyer audit rights to inspect Stella-Jones' records with respect to this transaction.

This Quote does not provide any form of indemnification except to the extent caused solely by Stella-Jones, nor does this Quotation provide for the payment of any liquidated and/or consequential damages.



SINCE 1909

Bell Lumber & Pole Company
778 - 1st Street NW New
Brighton MN, 55112-0024
651-633-4334
www.blpole.com

City of Truth or Consequences
Bo Easley
beasley@torcnm.org

Date: 25-Aug-2025
Reference: Email
Bell Quote: 162775

Douglas Fir Poles per RUS Bulletin 1728F-700, pressure treated with Pentachlorophenol or DCOI and oil per RUS Bulletin 1728F-700, Use Area 2. Wood Quality Control (WQC) inspection charges are included.

Quantity	Species	Class/Length	Framing	Price Each	Extended
20	DF	4/35	PW dtd 4/19/94 - 35'	\$932.00	\$18,640.00
10	DF	2/40	PW dtd 4/19/94 - 40'+	\$1,166.00	\$11,660.00
10	DF	2/45	PW dtd 4/19/94 - 40'+	\$1,414.00	\$14,414.00

FOB: Self-Unloading Truck - Truth Or Consequences NM

Total Quantity: 38

Total Bid: \$44,714.00

Shipment: Commencing 8-9 week(s) after receipt of order via self-unloading truck.

Terms: Net 30 Days

Freight and treating solution are subject to diesel surcharges at the time of shipment.

When framing is required, delivery lead time is subject to receipt of approved framing prints no less than 4 week(s) prior to commencing delivery date. When line staked delivery is required, line staking sheets must be provided no less than 4 week(s) prior to commencing delivery date.

Stock is subject to availability at the time of the order placement.

This quotation is valid for acceptance through the end of business day on Oct 06, 2025. Receipt of Purchase Order after validity date is subject to price and lead time review.

Thank you for the opportunity to quote on your wood pole requirements. We look forward to being of service.

Bell Lumber & Pole Company

Jared Lambertson, Western
Region Sales Representative

This quote does not include any sales, use or other tax that may apply to the customer. Customer will provide specific sales, use or other tax documentation, including tax resale or exemption certificates for all shipment destinations. In the absence of receiving resale or exemption certificates from the customer, Bell Lumber & Pole Company will charge sale or use tax on invoices, when required by law.

By accepting this quote and ordering the products described above, Customer agrees to the following: Bell Lumber & Pole Company ("Bell") will manufacture the utility poles to the specifications stipulated in this quote. In addition, utility poles are treated with a chemical preservative, to the extent assignable, Bell shall assign and pass through to Customer, the benefit of all rights & remedies, including warranties, acceptance rights, rights of return, and rights of recovery Bell may have with any other party from which it receives preservative with regard to defect, non-conformity, or any other condition that may exist or arise involving the chemical preservative (the "Warranty"). THE WARRANTY IS CUSTOMER'S SOLE RIGHT, UNDER WARRANTY UNDER THIS AGREEMENT AND IS IN LIEU OF ALL OTHER WARRANTIES, WRITTEN, ORAL, EXPRESSED, OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE, AND OF NON-INFRINGEMENT, AND OF ANY CLAIM OF NEGLIGENCE DESIGN OR MANUFACTURE. Customer hereby grants Bell a purchase money security interest in the poles sold hereunder, together with all products and proceeds thereof, and authorizes Bell to file financing statements with respect thereto. The terms and conditions set forth herein contain the entire agreement between Customer and Bell with respect to the subject matter hereof, supersede all other written and oral communications, and may not be modified or waived except in writing. This agreement shall be deemed to have been made in the State of Minnesota, shall be governed by Minnesota law, and the parties agree to jurisdiction and venue in any federal or state court located in Hennepin County, Minnesota, with respect to any dispute hereunder. Bell is not liable to Customer for any incidental, consequential, special or punitive damages relating to the poles and this agreement shall in no event exceed the price paid by Customer to Bell hereunder. Any payment not made when due shall accrue a late charge of one and one-half percent (1.5%) per month or, if lower, the maximum rate permitted by law. Customer shall reimburse Bell for any expenses, including reasonable attorneys' fees incurred by Bell in enforcing its rights hereunder.

**CITY OF TRUTH OR CONSEQUENCES**

505 Sims St.

Truth or Consequences, NM 87901

PH: (575) 894-6673

FAX: (575) 894-0363

PURCHASE ORDER**PO Number:** 82506**Date:** 09/16/2025**Requisition #:** 95166**Vendor #:** 7498

ISSUED TO: WESTERN UNITED ELECTRIC
SUPPLY CORPORATION
100 BROMLEY BUSINESS PKWY
BRIGHTON, CO 80603

SHIP TO: ELECTRIC
404 E Joffre
Truth or Consequences, NM 87901

ITEM	UNITS	VENDOR PART #	DESCRIPTION	GL ACCT #	PROJ ACCT #	PRICE	AMOUNT
1	3		25 KVA POLE MOUNT TRANSFORMER	503-3702-44607		2,050.00	6,150.00
2	4		37.5 KVA POLE MOUNT TRANSFORMER	503-3702-44607		2,584.00	10,336.00
3	4		15 KVA POLE MOUNT TRANSFORMER	503-3702-44607		1,691.00	6,764.00
4	2		75 KVA POLE MOUNT TRANSFORMER	503-3702-44607		6,164.00	12,328.00
ELECTRIC							

SUBTOTAL:	35,578.00
TOTAL TAX:	0.00
SHIPPING:	0.00
TOTAL	35,578.00

Chief Purchasing Office

Date:

9/16/25

Director of Finance: Requisition approved electronically.City Manager: Requisition approved electronically.

1. Send INVOICE to Accounts Payable, address as noted above.
2. Prepay all transportation charges, and attach receipted freight bill to invoice.
3. Show our Purchase Order number on all invoices, Bills of Lading, Packages, etc.
4. This order must NOT be filled in greater or lesser quantities than shown without our written permission.
5. This order is issued with the understanding that if material is not according to our specifications, same will be returned at seller's expense.
6. The right is reserved to cancel this order if not filled within a reasonable length of time.
7. The City is exempt from all federal excise and state tax - ID# 01-405755-007



REQUISITION

Requisition #: 95166

Date: 08/26/2025

Vendor #: 7498

ISSUED TO: WESTERN UNITED ELECTRIC
SUPPLY CORPORATION
100 BROMLEY BUSINESS PKWY
BRIGHTON, CO 80603

SHIP TO: ELECTRIC
404 E Joffre
Truth or Consequences, NM 87901

ITEM	UNITS DESCRIPTION	PROJECT #	PRICE GL ACCOUNT NUMBER	AMOUNT
1	3 25 KVA POLE MOUNT TRANSFORMER		2,050.00 503-3702-44607	6,150.00
2	4 37.5 KVA POLE MOUNT TRANSFORMER		2,584.00 503-3702-44607	10,336.00
3	4 15 KVA POLE MOUNT TRANSFORMER		1,691.00 503-3702-44607	6,764.00
4	2 75 KVA POLE MOUNT TRANSFORMER		6,164.00 503-3702-44607	12,328.00

PO Description: TRANSFORMERS INVENTORY

Detailed Description:

ELECTRIC

*REQUEST ON HOLD UNTIL FURTHER INFORMATION

Authorized By: _____

SUBTOTAL:	35,578.00
TOTAL TAX:	0.00
SHIPPING:	0.00
TOTAL	35,578.00

QUOTATION

Western United Electric Supply Corp

7311 La Morada Pl NW
Albuquerque, NM 87120
US
505-346-9572



Order Number	
2114900	
Order Date	Page
08/20/2025 11:23:35	1 of 2

Quote Expires On: 08/27/2025

Pricing and lead times are subject to change at time of shipment due to market volatility and potential tariff impacts.

Bill To:

City of Truth or Consequences
505 SIMS STREET
TRUTH OR CONSEQUENCES, NM 87901
US

Ship To:

City of Truth or Consequences
505 SIMS STREET
TRUTH OR CONSEQUENCES, NM 87901
US

575-894-6675

Attn: INVOICES .

Requested By: Bo Easley

Customer ID: 10250

PO Number					Ship Route	Taker			
Transformers					NORTE	ESISNEROS			
Quantities					Item ID	Pricing			
Ordered	Allocated	Remaining	UOM	Disp.	Item Description	UOM	Unit Price	Extended Price	
			Unit Size			Unit Size			
3.00	0.00	3.00	EA		1-50131-102DOE	EA	2,050.000000	6,150.00	
				1.0	25KVA 1PH CSP Pole, 12.47/7.2, 120/240		1.0		
					CSP Unit with Straddle Taps, 2.5% Above and Below				
					Q 516033.002				
4.00	0.00	4.00	EA		1-60131-102DOE	EA	2,584.000000	10,336.00	
				1.0	37.5KVA 1PH CSP Pole, 12.47/7.2, 120/240		1.0		
					CSP Unit with Straddle Taps, 2.5% Above and Below				
4.00	0.00	4.00	EA		1-40131-102DOE	EA	1,691.000000	6,764.00	
				1.0	15KVA 1PH CSP Pole, 12.47/7.2, 120/240		1.0		
					CSP Unit with Straddle Taps, 2.5% Above and Below				
2.00	0.00	2.00	EA		1-80131-102DOE	EA	6,164.000000	12,328.00	
				1.0	75KVA 1PH CSP 7.2/12.47 X 120/240		1.0		
					Q# 771063-011				
					12-14 weeks				

QUOTATION

Western United Electric Supply Corp

7311 La Morada Pl NW
Albuquerque, NM 87120
US
505-346-9572



Order Number	
2114900	
Order Date	Page
08/20/2025 11:23:35	2 of 2

Quote Expires On: 08/27/2025

Pricing and lead times are subject to change at time of shipment due to market volatility and potential tariff impacts.

Quantities					Item ID	Pricing	Unit	Extended
Ordered	Allocated	Remaining	UOM	Days	Item Description	UOM	Price	Price
			Unit Size			Unit Size		

Total Lines: 4

SUB-TOTAL: 35,578.00

TAX: 0.00

AMOUNT DUE: 35,578.00

U.S. Dollars

Effective July 1, 2025, Colorado imposes a retail delivery fee of \$0.28 on all deliveries by motor vehicle to a location in Colorado with at least one item of tangible personal property subject to state sales or use tax. The fee will be assessed at the time of shipment and included on your invoice.



SUNBELT SOLOMON
UNPARALLELED POWER SOLUTIONS

Quote: Q-124431 | Sale
Date: August 29, 2025
Change Order: No | Revision: 0
Project:

Sunbelt Solomon remanufactured (REMAN)

transformers are BABA Certified

Consult with your sales rep to confirm if this applies to the unit(s) within your quote

Bo Easley
City of Truth or Consequences
beasley@torcnm.org

Jan Sexton
Outside Sales
jan.sexton@sunbeltsolomon.com | +1 7852635180

PRODUCT	QTY	EACH
Single Phase Pole Mount 25 KVA KVA: 25 @ 65°C 60Hz Impedance: Standard HV: 12470GrdY/7200 (95 KV BIL) LV: 120/240 (30 KV BIL) Primary Taps: 2-2.5% FCAN & BN	3	\$2,140

CSP

Tap Changer

- 1) High Voltage Cover Mounted Bushings
 - 3) Low Voltage Sidewall Mounted Bushings
- Non-PCB Mineral Oil

PRODUCT	QTY	EACH
Single Phase Pole Mount 37.5 KVA KVA: 37.5 @ 65°C 60Hz Impedance: Standard HV: 12470GrdY/7200 (95 KV BIL) LV: 120/240 (30 KV BIL) Primary Taps: 2-2.5% FCAN & BN	4	\$2,610

CSP

Tap Changer

- 1) High Voltage Cover Mounted Bushing
 - 3) Low Voltage Sidewall Mounted Bushings
- Non-PCB Mineral Oil

PRODUCT	QTY	EACH
Single Phase Pole Mount 15 KVA KVA: 15 @ 65°C 60Hz Impedance: Standard HV: 12470GrdY/7200 (95 KV BIL) LV: 120/240 (30 KV BIL) Primary Taps: 2-2.5% FCAN & BN	4	\$1,995

CSP

Tap Changer

- 1) High Voltage Cover Mounted Bushing
 - 3) Low Voltage Sidewall Mounted Bushings
- Non-PCB Mineral Oil

PRODUCT	QTY	EACH
Single Phase Pole Mount 75 KVA KVA: 120/240 @ 65°C 60Hz Impedance: Standard HV: 7200/12470Y (95 KV BIL) LV: 120/240 (30 KV BIL) Primary Taps: 2-2.5% FCAN & BN	2	\$6,470

CSP

Tap Changer

- 1) High Voltage Cover Mounted Bushing
 - 3) Low Voltage Sidewall Mounted Bushings
- Non-PCB Mineral Oil

37,780.⁰⁰



1922 S. MLK Jr. Drive
Temple, TX 76504



+01 800.433.3128

info@sunbeltsolomon.com
sunbeltsolomon.com



SUNBELT SOLOMON
UNPARALLELED POWER SOLUTIONS

Quote: Q-124431 | Sale
Date: August 29, 2025
Change Order: No | Revision: 0
Project:

All REMAN Units are Completely Reconditioned to Nameplate Specifications

Ask your sales rep about volume discounts

Destination: Truth or Consequences, NM | **FOB:** Origin | **Shipping & Handling:** Prepaid & Allowed
Shipment: 6 weeks ARO | **Warranty:** 3 Years | **Terms:** Net 30 with approved credit.

Offer to sell valid for 30 days. Price is subject to re-evaluation after 15 days. Units subject to availability.

Please note any changes to the specifications on this quotation form and reference the quotation number on your Purchase Order. Sunbelt Solomon ("Supplier") will use your Purchase Order to proceed with manufacturing when terms and conditions are finalized. Please note that changes made after the manufacturing process begins may result in additional charges and potential delays in production. Production of units that are contingent on the approval/receipt of drawings will begin the manufacturing process after the final sign off on the specified drawings by the customer. Please contact your sales representative for the estimated drawing lead time associated with this quote.

All sales, rental and services are subject to Supplier's Terms and Conditions for Sales and Rentals of Equipment and/or Services ("Terms and Conditions") unless otherwise mutually agreed in writing by officer of Supplier as evidenced by such officer's signature. Acceptance of a Buyer purchase order by Supplier does not constitute acceptance of Buyer terms and conditions. As orders are time sensitive and it is cost prohibitive to review and negotiate terms and conditions between parties, Supplier Terms and Conditions apply to quotes/orders: 1) with a value before tax of \$25,000 or less, 2) emergency services or services completed before issuance of a purchase order, and 3) rush orders for sales and rental that are to ship within three (3) days regardless of submission of terms and conditions by Buyer. If the Quotation is for Company to perform evaluation services on Customer-owned equipment (e.g. for Company to determine how/if the piece of equipment failed and/or whether it can be repaired), then the provisions of terms and conditions will apply which include (among other provisions) risk of loss remaining with Customer and Company only being liable for damage to this equipment to the extent of its gross negligence or willful misconduct. In no event does Supplier accept consequential damages or agree to Prime/Owner contract terms and conditions.

Price does not include tax. If applicable, tax will be added to the invoice. If order is tax exempt, please provide a copy of your exemption certificate. Unit(s) quoted are for normal service conditions as defined by ANSI/IEEE Standards. Notify Supplier at time of quotation should the unit(s) be subject to harmonics, motor starting, shovel duty, or other special service conditions.

Schedules

All Delivery dates are estimates and under no circumstances does Company guarantee date of delivery. Company shall not be responsible or liable for any damage or loss which occurs during transportation and/or shipment of the Equipment. Company is not liable or responsible for any costs of Customer caused by any delays in transportation or delivery.

Company reserves the right to manufacture and ship any items in advance of the acknowledged shipping schedule, unless expressly forbidden by the Customer at the time of the order entry.

Cancellation or Revision of Order

Any Purchase Order may be cancelled or revised by Customer only upon written approval by an authorized representative of the Company, and at the Company's sole discretion. Should Company approve cancellation or revision of a Purchase Order, Customer shall pay the cancellation or revision charges specified in said approval. Cancellation or revision charges will include expenses previously incurred, commitments made pursuant to or in reliance upon such Purchase Order, whether or not such commitments are legally binding on Company, and any other factors considered relevant by Company. In the event that Company does not approve cancellation or revision, Customer shall remain liable to Company for the full price of the Equipment, Rental and/or Services ordered.

Cancellation charges are calculated for each unit cancelled per its individual status.

Standard Cancellation Charges:

Cancellation Charges:	% of PO Price
Upon Purchase Order acceptance	25
After materials are ordered	50

1922 S. MLK Jr. Drive
Temple, TX 76504

+01 800.433.3128

info@sunbeltsolomon.com
sunbeltsolomon.com



SUNBELT SOLOMON
UNPARALLELED POWER SOLUTIONS

Quote: Q-124431 | Sale
Date: August 29, 2025
Change Order: No | Revision: 0
Project:

After production begins for Equipment	75
Once production is complete for Equipment	100

Company reserves the right to re-quote both price and lead time for any request to revise an order. If it is determined that a revision will incur an additional revision charge, charges are calculated for each unit revised per its individual status.

Standard Revision Charges:

Revision Charges:	% of Selling Price
Before Engineering Review / Scheduling	0
Before Production Begins	35
After Production Begins	100



1922 S. MLK Jr. Drive
Temple, TX 76504



+01 800.433.3128

info@sunbeltsolomon.com
sunbeltsolomon.com

9/10/25 17:12:16

ERMCO QUOTE

PAGE 1

CUSTOMER COPY

QUOTE * 772600-00
QUOTED DATE 9/10/25BILL TO:
CITY OF TRUTH OR CONSEQUENCES
505 SIMS ST.SHIP TO:
CITY OF TRUTH OR CONSEQUENCES
505 SIMS ST.

TRUTH OR CONSEQUENNM87901

TRUTH OR CONSEQUENNM87901

DESCRIPTION	PRODUCT NUMBER	QTY	UNIT PRICE	EXT PRICE
TRANSFORMER LOSS DATA IS BASED ON ANSI C57.12.00:				
LOSS GRT: AVE VOLT% : 100				
NL TEMP BASIS: 85 LL TEMP BASIS: 85				
ITEM 1: COPIED FROM QUOTE * 516033 ITEM 2 NO CHANGES WHERE MADE.				
ITEM 2: COPIED FROM QUOTE * 516033 ITEM 2 ONLY CHANGING TO 37.5 KVA.				
ITEM 3: COPIED FROM QUOTE * 516033 ITEM 2 ONLY CHANGING TO 15 KVA.				
ITEM 4: COPIED FROM QUOTE * 771063 ITEM 11 NO CHANGES WHERE MADE.				
ITEM 1				
OVERHEAD DIST. TRANSFORMER	OVERHEAD	1	2098.00	2098.00
ITEM* : 1.00				
YOUR PRODUCT 1-50131-102DOE				
INTERLACED N TANK DIAM 15.0 NON-MAG N STEEL TYP SI				
NL= 60 LL= 332 IZ=1.800 TL= 392				
OPTIONS BEGIN.....				
025	25 KVA			
001G	12470GRDY/7200	95BIL 1BU		
001	7200			
G	Grounded Wye System			
003	2 TAPS 2.5% ABOVE AND BELOW			
401	120/240 3 OR 4 LVBU(QTY PER ANSI)			
2	2 SETS OF HANGER BRACKETS			
STD	CSP - LOAD SIDE CIRCUIT BREAKER			
100	INTERNAL BU MTD FUSE (1) PER HVBU			
A17	HEAVY DUTY MOV (18"WIRE) GENERIC			
300	GenThermoSet/ThermoPlast w/EyeBolt			
1	RECEIVES STD LENGTH LV GRD STRAP			
1	*10-1,1WAY TIN/BROZE LUG(STD)19-01			
B	(1) BARCODED ALUMINUM NAMEPLATE			
SANGO	"NONPCB"& BARCODE"B"FIELD(STOCK*)			
1	Standard 2.5 BlakOnWhite kVA Decal			
ARRESTER KV PRI	0000000010.00000			
0	STD TX MINERAL OIL			
1E	PALLET OPTION			
TKD	0000000015.00000			
TKH	0000000026.00000			
OPTIONS END.....				

3 / 6294^{ea}

9/10/25 17:12:16

ERMCO QUOTE

PAGE 2

CUSTOMER COPY

QUOTE * 772600-00
QUOTED DATE 9/10/25BILL TO:
CITY OF TRUTH OR CONSEQUENCES
505 SIMS ST.SHIP TO:
CITY OF TRUTH OR CONSEQUENCES
505 SIMS ST.

TRUTH OR CONSEQUENNM87901

TRUTH OR CONSEQUENNM87901

DESCRIPTION	PRODUCT NUMBER	QTY	UNIT PRICE	EXT PRICE
ITEM 2				
OVERHEAD DIST. TRANSFORMER	OVERHEAD	1	2672.00	2672.00
ITEM* : 2.00				
YOUR PRODUCT 1-60131-102DOE				
INTERLACED N TANK DIAM 17.0 NON-MAG N STEEL TYP SI				
NL= 78 LL= 371 IZ=1.800 TL= 449				
OPTIONS BEGIN.....				
037	37.5 KVA			
001G	12470GRDY/7200	95BIL 1BU		
001	7200			
G	Grounded Wye System			
003	2 TAPS 2.5% ABOVE AND BELOW			
401	120/240 3 OR 4 LVBU(QTY PER ANSI)			
2	2 SETS OF HANGER BRACKETS			
STD	CSP - LOAD SIDE CIRCUIT BREAKER			
100	INTERNAL BU MTD FUSE (1) PER HVBU			
A17	HEAVY DUTY MOV (18"WIRE) GENERIC			
300	GenThermoSet/ThermoPlast w/EyeBolt			
1	RECEIVES STD LENGTH LV GRD STRAP			
1	*10-1,1WAY TIN/BROZE LUG(STD)19-01			
B	(1) BARCODED ALUMINUM NAMEPLATE			
SANGO	"NONPCB"& BARCODE"B"FIELD(STOCK*)			
1	Standard 2.5 BlakOnWhite kVA Decal			
ARRESTER KV PRI	0000000010.00000			
0	STD TX MINERAL OIL			
1E	PALLET OPTION			
TKD	0000000018.80000			
TKH	0000000028.00000			
OPTIONS END.....				

4/ 10,688.⁰⁰

ITEM 3				
OVERHEAD DIST. TRANSFORMER	OVERHEAD	1	1712.00	1712.00
ITEM* : 3.00				
YOUR PRODUCT 1-40131-102DOE				
INTERLACED N TANK DIAM 15.0 NON-MAG N STEEL TYP SI				
NL= 43 LL= 209 IZ=2.000 TL= 252				
OPTIONS BEGIN.....				
015	15 KVA			
001G	12470GRDY/7200	95BIL 1BU		
001	7200			
G	Grounded Wye System			
003	2 TAPS 2.5% ABOVE AND BELOW			

4/ 6,848.⁰⁰

9/10/25 17:12:16

ERMCO QUOTE

PAGE

3

CUSTOMER COPY

QUOTE * 772600-00
QUOTED DATE 9/10/25BILL TO:
CITY OF TRUTH OR CONSEQUENCES
505 SIMS ST.SHIP TO:
CITY OF TRUTH OR CONSEQUENCES
505 SIMS ST.

TRUTH OR CONSEQUENNM87901

TRUTH OR CONSEQUENNM87901

DESCRIPTION	PRODUCT NUMBER	QTY	UNIT PRICE	EXT PRICE
401	120/240 3 OR 4 LVBU(QTY PER ANSI)			
2	2 SETS OF HANGER BRACKETS			
STD	CSP - LOAD SIDE CIRCUIT BREAKER			
100	INTERNAL BU MTD FUSE (1) PER HVBU			
A17	HEAVY DUTY MOV (18"WIRE) GENERIC			
300	GenThermoSet/ThermoPlast w/EyeBolt			
1	RECEIVES STD LENGTH LV GRD STRAP			
1	*10-1,1WAY TIN/BROZE LUG(STD)19-01			
B	(1) BARCODED ALUMINUM NAMEPLATE			
SANGO	"NONPCB"& BARCODE"B"FIELD(STOCK*)			
1	Standard 2.5 BlakOnWhite kVA Decal			
ARRESTER KV PRI	0000000010.00000			
0	STD TX MINERAL OIL			
1E	PALLET OPTION			
TKD	0000000015.00000			
TKH	0000000026.00000			
OPTIONS END.....				

ITEM 4

OVERHEAD DIST. TRANSFORMER OVERHEAD 1 7895.00 7895.00

ITEM* : 4.00

YOUR PRODUCT 1-80131-102DOE

INTERLACED N TANK DIAM 21.0 NON-MAG N STEEL TYP SI

NL= 135 LL= 702 IZ=2.000 TL= 837

OPTIONS BEGIN.....

075	75 KVA			
001G	12470GRDY/7200	95BIL 1BU		
001	7200			
G	Grounded Wye System			
001	NO TAPS			
401	120/240 3 OR 4 LVBU(QTY PER ANSI)			
2	2 SETS OF HANGER BRACKETS			
STD	CSP - LOAD SIDE CIRCUIT BREAKER			
NOF	NO FUSE PER CUSTOMER			
A04	NORMAL DUTY MOV (18"WIRE)			
300	GenThermoSet/ThermoPlast w/EyeBolt			
1	RECEIVES STD LENGTH LV GRD STRAP			
H	GENRIC 10PSI 50SCFM w/FR3 (02or32)			
1	Standard 2.5 BlakOnWhite kVA Decal			
1	NON PCB 1x2(ERMCO STD)WHT/BLU7-15			
ARRESTER KV PRI	0000000009.00000			
8	ENVIROTEMP-FR3			
TKD	0000000021.00000			

2/ 15,790.⁰⁰Total 39,620.⁰⁰

9/10/25 17:12:16

ERMCO QUOTE

PAGE 4

CUSTOMER COPY

QUOTE # 772600-00
QUOTED DATE 9/10/25

BILL TO:
CITY OF TRUTH OR CONSEQUENCES
505 SIMS ST.

SHIP TO:
CITY OF TRUTH OR CONSEQUENCES
505 SIMS ST.

TRUTH OR CONSEQUENN87901

TRUTH OR CONSEQUENN87901

DESCRIPTION	PRODUCT NUMBER	QTY	UNIT	PRICE	EXT	PRICE
TKH	0000000042.00000					
OPTIONS END						

24 HOUR NOTICE

FLAT BED SIDE UNLOAD



CITY OF TRUTH OR CONSEQUENCES

AGENDA REQUEST FORM

MEETING DATE: September 24, 2025

Agenda Item #: D.1

SUBJECT: Resolution No. 15 25/26 Budget Adjustment Request

DEPARTMENT: Finance Department

DATE SUBMITTED: September 17, 2025

SUBMITTED BY: Kerin Salcedo, Accounting Officer

WHO WILL PRESENT THE ITEM: Jocelyn Holguin, Finance Director

Summary/Background: Reconciling Budget Adjustments Requests (based on Chapter 6, Article 6 NM Statute) needed for budget adjustments, increases, and decreases per attached.

Recommendation:

Approval Resolution No. 15 25/26 Final Budget Adjustment Requests for Fiscal Year 2025-2026

Attachments:

Resolution No 15 25/26

- Schedule of Budget Adjustments, Supporting Documentation

Fiscal Impact (Finance): Yes

Changes in funding as presented on the Department of Finance and Administration Schedule of Budget Adjustments

Legal Review (City Attorney): N/A

Approved For Submittal By: ☒ Department Director

Reviewed by: ☒ City Clerk ☒ Finance ☐ Legal ☐ Other: [Click here to enter text.](#)

Final Approval: ☒ City Manager

CITY CLERK'S USE ONLY - COMMISSION ACTION TAKEN

Resolution No. [Click here to enter text.](#) Ordinance No. .

Continued To: . Referred To: .

☐ Approved ☐ Denied ☐ Other: .

File Name: CC Agendas 9-24-25



RESOLUTION NO. 15 25/26

A RESOLUTION REQUESTING FINAL BUDGET ADJUSTMENTS IN THE REVENUE AND EXPENDITURE BUDGET FOR FISCAL YEAR 2025-2026.

WHEREAS, the final budget for was approved by the City Commission of the City of Truth or Consequences, New Mexico, pursuant to Chapter 6, Article 76 NMSA 1978; and

WHEREAS, the City Commission in and for the City of Truth or Consequences, State of New Mexico needs to adjust the current approved budget for Fiscal Year 2025-2026; and

WHEREAS, said budget was adjusted on the basis of need and through cooperation with all user departments, elected officials and other department supervisors; and

WHEREAS, the official meeting for the review of said documents was duly advertised in compliance with the State Open Meetings act; and

WHEREAS, it is the majority opinion of this Board that the adjusted budget meets the requirements as currently determined.

NOW THEREFORE, BE IT RESOLVED that the City Commission of the City of Truth or Consequences, State of New Mexico hereby adopts the budget adjustment hereinabove described and attached and respectfully requests approval from the Local Government Division of the Department of Finance and Administration.

PASSED, ADOPTED and APPROVED this **24th day of September, 2025**.

Rolf Hechler, Mayor

ATTEST:

Angela A. Torres, City Clerk-Treasurer

Department of Finance and Administration
Local Government Division
Financial Management Bureau
SCHEDULE OF BUDGET ADJUSTMENTS

For Local Government Division use only:

ENTITY NAME: City of Truth or Consequences
FISCAL YEAR: 2025-26 9/24/2025
DFA Resolution Number: 15 25/26
BAR NUMBER 3

DOCUMENT NUMBER	FUND	ACCOUNT STRING	ACCOUNT NAME	REVENUE, EXPENDITURE, or TRANSFER (TO or FROM)	APPROVED BUDGET	ADJUSTMENT / INCREASE	ADJUSTED BUDGET	PURPOSE
1	211	211-2003-44607	LEPF- Field Supplies	Expense	\$ 3,000.00	\$ 4,443	\$ 7,443	Carry over funds FY 25
							\$ -	
2	360	360-7061-32700	WW-State Grant	Revenue	\$ -	\$ 171,900	\$ 171,900	Colonias Infrastructure Project - CIF-6738 WasteWater Collection System PER (Preliminary Engineering Report)
2	360	360-7061-38387	WW-Loan Proceeds	Revenue	\$ -	\$ 19,100	\$ 19,100	Colonias Infrastructure Project - CIF-6738 WasteWater Collection System PER (Preliminary Engineering Report) (Bond)
2	360	360-7061-39935	WW-Transfer In	Revenue	\$ -	\$ 210,100	\$ 210,100	Colonias Infrastructure Project - CIF-6738 WasteWater Collection System PER (Preliminary Engineering Report)
2	360	360-7061-45600	WW- Entity Match	Expense	\$ -	\$ 19,100	\$ 19,100	Colonias Infrastructure Project - CIF-6738 WasteWater Collection System PER (Preliminary Engineering Report) (Bond)
2	360	360-7061-80860	WW-Infrastructure	Expense	\$ -	\$ 191,000	\$ 191,000	Colonias Infrastructure Project - CIF-6738 WasteWater Collection System PER (Preliminary Engineering Report)
2	360	360-7061-49930	WW-Transfer Out	Expense	\$ -	\$ 210,100	\$ 210,100	Colonias Infrastructure Project - CIF-6738 WasteWater Collection System PER (Preliminary Engineering Report)
2	315	315-9003-39935	CI-Transfer In	Revenue	\$ 25,862,131.00	\$ 210,100	\$ 26,072,231	Colonias Infrastructure Project - CIF-6738 WasteWater Collection System PER (Preliminary Engineering Report)
2	315	315-9003-49930	CI-Transfer Out	Expense	\$ 28,347,300.00	\$ 210,100	\$ 28,557,400	Colonias Infrastructure Project - CIF-6738 WasteWater Collection System PER (Preliminary Engineering Report)
3	305	305-7062-32380	AS- State Grant	Revenue	\$ -	\$ 495,000	\$ 495,000	Animal Shelter Grant Appropriation 25-J3166
3	305	305-7062-80805	AS- Buildings & Structures	Expense	\$ -	\$ 495,000	\$ 495,000	Animal Shelter Grant Appropriation 25-J3166
3	305	305-7062-39935	AS- Transfer In	Revenue	\$ -	\$ 495,000	\$ 495,000	Animal Shelter Grant Appropriation 25-J3166
3	305	305-7062-49930	AS- Transfer Out	Expense	\$ -	\$ 495,000	\$ 495,000	Animal Shelter Grant Appropriation 25-J3166
3	101	101-1099-39935	GF- Transfer In	Revenue	\$ 273,549.00	\$ 495,000	\$ 768,549	Animal Shelter Grant Appropriation 25-J3166 (Coverage)
3	101	101-1099-49930	GF- Transfer Out	Expense	\$ 1,515,830.00	\$ 495,000	\$ 2,010,830	Animal Shelter Grant Appropriation 25-J3166
4	380	380-7063-32380	PD- State Grant	Revenue	\$ -	\$ 356,400	\$ 356,400	Police Department Grant Appropriation 25-J3167
4	380	380-7063-80805	PD- Buildings & Structures	Expense	\$ -	\$ 356,400	\$ 356,400	Police Department Grant Appropriation 25-J3167
4	380	380-7063-39935	PD- Transfer In	Revenue	\$ -	\$ 356,400	\$ 356,400	Police Department Grant Appropriation 25-J3167
4	380	380-7063-49930	PD- Transfer Out	Expense	\$ -	\$ 356,400	\$ 356,400	Police Department Grant Appropriation 25-J3167
4	101	101-1099-39935	GF- Transfer In	Revenue	\$ 273,549.00	\$ 356,400	\$ 629,949	Police Department Grant Appropriation 25-J3167
4	101	101-1099-49930	GF- Transfer Out	Expense	\$ 1,515,830.00	\$ 356,400	\$ 1,872,230	Police Department Grant Appropriation 25-J3167

ATTEST:

Angela Torres, Clerk-Treasurer

(Date)

Rolf Hechler, Mayor

(Date)

DOCUMENT #1

Department of Finance & Administration / Local Government Division (DFA/LGD)
Law Enforcement Protection Fund Carryover Request Form

****(this form must accompany the final budget submission for counties & municipalities)****

Entity Name: Torrey
Contact Name: Luis A. Tavizon
Contact Title: Chief of Police
Contact Phone Number: (575)740-5939
Contact E-mail Address: ltavizon@torcnm.org

I hereby certify that the information presented on this form is true and correct to the best of my knowledge:
[Signature] 8/21/25
Signature Date

We hereby request approval from the Division Director to carryover the following balance from the Law Enforcement Protection Fund (LEPF) distribution:

Current Fiscal Year: FY 2024/2025
Total Distribution for Current FY: \$116,000.00
Balance on June 30th: \$4,442.72

If the carryover is approved, we will only expend the balance in the succeeding fiscal year for allowable uses.

Succeeding Fiscal Year: FY2025/2026
(This is the fiscal year that balance will be carried over to)

Describe the unusual circumstances requiring an unexpended amount to be carried over and state the intended allowable uses (pursuant to LEPF Rule, 2.110.3.8 NMAC) for the carryover balance in the box below:

The entity was unable to utilize the entire funding. There were some unforeseen tariffs on some of the equipment we had considered procuring. As well as delays in shipping of certain equipment that would have taken the funding well into the next fiscal year. As a smaller entity, we would like the opportunity to apply this unused funding for officer training.

*The June 30th balance should only be from the LEPF distribution and not include any other revenue sources. If the June 30th balance is greater than the total distribution amount for the current fiscal year, then the entity has a balance left over from a prior fiscal year's carryover. Balances can only be carried over for one subsequent year. *Therefore, the balance calculated below that is from a prior fiscal year's carryover must be reverted to the State of New Mexico.*

Calculated Reversion Amount

Balance on June 30th: \$4,442.72
LEPF Total Distribution for Current FY: \$116,000.00
Reversion Due to State: None

Reversion Instructions

A check made payable to the "State of New Mexico, Department of Finance & Administration" for the *Reversion Due to State* amount listed above, should be mailed to the following address:

LEPF REVERSION
DFA / Local Government Division
Bataan Memorial Building, Suite 201
407 Galisteo Street
Santa Fe, NM 87501

This form must be uploaded and submitted with the final budget for counties & municipalities.

If you have any questions contact your assigned LGD Budget Analyst.

Pursuant to the LEPF Rule, 2.110.3.10C, New Mexico Administrative Code, "The distributions from the fund are to be expended, not accumulated, except as provided for the peace officers' survivors fund. Any unexpended award amount remaining at the end of a fiscal year may be carried over to a succeeding fiscal year only with prior written approval from the division. An applicant wishing to request such a carryover must submit a request in writing to the division by July 31 explaining the unusual circumstances requiring an unexpended amount to be carried over to the succeeding fiscal year. The division director will review the unusual circumstances associated with the unexpended amount and determine whether the amount may be carried over."

FOR DFA/LGD USE ONLY:

Carryover Amount*: \$4,442.72

APPROVED BY LGD DIRECTOR:



DISAPPROVED BY LGD DIRECTOR:



Signed by:

SIGNATURE:

Cecilia Manrommatis

DATE: 9/5/2025

*If LGD Director has disapproved carryover, then this carryover amount must be reverted back to the State (refer to "reversion instructions" above).

DOCUMENT #2

Salcedo, Kerin

From: Alvarez, Traci
Sent: Monday, September 8, 2025 8:35 AM
To: Holguin, Jocelyn; Salcedo, Kerin
Subject: BAR Request - 9-24-25
Attachments: CIF-6738 award letter_signed.pdf

Follow Up Flag: Follow up
Flag Status: Flagged

Good Morning,

Can we please add the attached award to the commission meeting on 9-24-25?

Loan/Grant Agreement is being presented and signed at the Commission meeting on 9-10 and I will provide the fully executed copy once we have received it.

This funding is for the Wastewater Collection System PER (Preliminary Engineering Report) –

Award is as noted below and identified in the attached award letter:

Grant: \$171,900.00

Loan: \$19,100.00 (I believe Gary plans this to be paid directly via Bond Funds but will double check)

Match: \$19,100.00 (I believe Gary plans this to be paid directly via Bond Funds but will double check)

Total: \$210,100.00

Please let me know if you have any questions.

Thank you,

Traci

Traci Alvarez
Assistant City Manager
City of Truth or Consequences
505 Sims Street
Truth or Consequences, NM 87901
(575) 952-0565
talvarez@torcnm.org





June 30, 2025

Via Email

City of Truth or Consequences
Attn: Mayor Rolf Hechler
505 Sims St.
Truth or Consequences, NM, 87901
rhechler@torcnm.org

RE: Colonias Infrastructure Project No. CIF-6738; Wastewater Infrastructure;
Municipal WW Collection system PER

Dear Mayor Hechler:

The Board of Directors of the New Mexico Finance Authority ("NMFA") met on June 26, 2025, to approve the final terms, structure, and conditions of Colonias Infrastructure Funding in the amount of \$191,000 to the City of Truth or Consequence ("City") for its Wastewater Infrastructure Project. This action is a result of the Colonias Infrastructure Board recommendations approved on May 15, 2025.

The approved funding structure consists of a 10% loan in the amount of \$19,100, and a 90% grant in the amount of \$171,900. The loan component is a 10-year term at a net effective interest rate of .25% (0% interest rate with an administrative fee component of ¼ of 1%). The loan and grant are to be used for the planning of a city-wide wastewater collection preliminary engineering report ("PER").

To secure the funding agreement for the award, the City must submit the following Readiness to Proceed items **no later than October 31, 2025**, by email only to Colonias@nmfa.net.

SUBMISSION OF READINESS TO PROCEED ITEMS

This funding is conditional, and the City must submit the following Readiness to Proceed ("RTP") items, as applicable, before the loan/grant agreement can be scheduled to close:

1. A monthly draw-down schedule of project expenditures, including Month and Year;
2. Verification that right-of-way, easements, and permits have been secured; if applicable
3. Verification of match in the amount of \$19,100;
4. Updated Open Meetings Act resolution (7/10/2025);
5. All contingencies must be satisfied **no later than October 31, 2025**; and
6. Any additional information requested by the Colonias Infrastructure Board or the NMFA Board.

Compliance with the RTP process is required to secure the funding for this project. To prevent any delays in securing the funding, please begin preparing the RTP information upon receipt of this notice. When all the RTP criteria have been submitted, outside counsel for NMFA will draft the funding agreement and will contact the City directly for closing arrangements.

As part of the technical oversight of Colonias Infrastructure Funds, the City may be required to submit project documentation (design and construction plans, contracts, bids, etc.), for review and/or approval.

Please contact me at Colonias@nmfa.net or (505) 992-9688 if you have any questions regarding the RTP information.

Sincerely,

Sharon Romero

Sharon Romero
Lead Program Administrator

cc: Traci Alvarez, TorC, talvarez@torcnm.org
Jocelyn Holguin, TorC, jholgin@torcnm.org
Alfredo Holguin, Stantec, alfredo.holguin@stantec.com
Ashley Martinez, Stantec, Ashley.martinez@wilsonco.com

Salcedo, Kerin

From: Alvarez, Traci
Sent: Monday, September 8, 2025 9:03 AM
To: Holguin, Jocelyn; Salcedo, Kerin
Subject: RE: BAR Request - 9-24-25
Attachments: City of Truth or Consequences 25-J3166 Executed.pdf; City of Truth or Consequences 25-J3167 Executed.pdf

Follow Up Flag: Follow up
Flag Status: Flagged

Thank you!

If we could add 2 more – that would be great as well – these agreements have been signed by the Commission, and we are just waiting for the executed agreements. (I have attached the Commission executed agreements and will provide fully executed copies once received)

Animal Shelter Grant Appropriation 25- J3166 –
Total Grant Funds (minus AIPP allocation): \$495,000.00 #3

Police Dept Grant Appropriation 25-J3167
Total Grant Funds (minus AIPP allocation): \$356,400.00 #4

Let me know if you have any questions or need anything else.
Traci

Traci Alvarez
Assistant City Manager
City of Truth or Consequences
505 Sims Street
Truth or Consequences, NM 87901
(575) 952-0565
talvarez@torcnm.org



From: Holguin, Jocelyn <jholguin@torcnm.org>
Sent: Monday, September 8, 2025 8:39 AM
To: Alvarez, Traci <talvarez@torcnm.org>; Salcedo, Kerin <ksalcedo@torcnm.org>
Subject: Re: BAR Request - 9-24-25

Good Morning,

DOCUMENT #3

**NEW MEXICO CAPITAL OUTLAY GRANT AGREEMENT
CAPITAL APPROPRIATION PROJECT**

THIS AGREEMENT is made and entered into by and between the State of New Mexico, Department of Finance & Administration, 407 Gallisteo Street, Santa Fe, NM 87501, ("**Department**") and the City of Truth or Consequences, ("**Grantee**") (individually "**Party**" and collectively "**Parties**"). This Agreement shall be effective as of the date the Department executes it ("**Effective Date**").

WITNESSETH

WHEREAS, in the Laws of 2025, Chapter 159, Section 511, Paragraph 33, the Legislature made an appropriation to the Department, funds from which the Department is making available to the Grantee pursuant to this Agreement; and

WHEREAS, the Department is granting to Grantee, and the Grantee is accepting the grant of funds from this appropriation, in accordance with the terms and conditions of this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and obligations contained herein, the parties hereby mutually agree as follows:

AGREEMENT

I. PROJECT DESCRIPTION, GRANT AMOUNT, AND REVERSION

- A. 25-J3166 ("Project")** 6/30/2029 ("**Reversion Date**"). Laws of 2025, Chapter 159, Section 511, Paragraph 33, Five Hundred Thousand Dollars and No Cents, \$500,000.00, to plan, design, construct, renovate, furnish and equip an animal shelter in Truth or Consequences in Sierra county,.
- B. Grantee's total reimbursements shall not exceed \$500,000.00 Five Hundred Thousand Dollars and No Cents, ("**Appropriation Amount**") minus the allocation for Art in Public Places ("**AIPP amount**"). If applicable, \$5,000.00 Five Thousand Dollars and No Cents, which equals ~~\$495,000.00~~ Four Hundred Ninety Five Thousand Dollars and No Cents ("**Adjusted Appropriation Amount**").**
- C. In the event of a conflict among the Appropriation Amount, the Reversion Date, as defined herein and/or the purpose of the Project, as set forth in this Agreement, and the corresponding appropriation language in the laws cited above in this Article I, the language of the laws cited herein shall control.**

The information contained in Article I is referred to collectively as the "**Project Description**."

II. DISBURSEMENT LIMITATION

- A. Upon the Effective Date, the Grantee shall submit to the Department a comprehensive procurement plan and expenditure plan, detailing a Project timeline with milestones, required procurements, and identifying expected expenditures per milestone (collectively, "**Project Budget**"). The Department shall review and approve the Project Budget by approving a Notice of**

Department's Obligation ("**Notice of Obligation**"), in accordance with the Project Description, a sample of which is attached hereto as **Exhibit B** and incorporated herein by reference. After receipt of approved Notice of Obligation, the Grantee may be reimbursed for allowable costs up to the Adjusted Appropriation Amount. This Agreement and any reimbursements up to the Adjusted Appropriation Amount are expressly conditioned upon the following:

- a. Irrespective of any Notice of Obligation, Grantee's expenditures shall be made in accordance with the Project Budget, on or before the Reversion Date and/or, if applicable, any Early Termination Date; and
 - b. The total amount received by Grantee shall not exceed the lesser of:
 - i. the Adjusted Appropriation Amount identified in Article I (B) herein; or
 - ii. the total of all amounts stated in the Notice(s) of Obligation evidencing the Department has received and accepted Grantee's Third Party Obligation(s); and
 - c. Grantee's expenditures are made and accounted for pursuant to the State Procurement Code, State's Model Accounting Practices, and execution of binding written obligations or purchase orders with third-party contractors or vendors for the provision of services, including professional services, or the purchase of tangible personal property and real property for the Project ("**Third Party Obligations**"); and
 - d. Grantee's submittal of timely Requests for Payment and supporting documentation in accordance with the procedures set forth in this Agreement; and
 - e. In the event capital assets acquired with Project funds are to be sold, leased, or licensed to or operated by a private entity, the sale, lease, license, or operating agreement:
 - i. must be approved by the applicable oversight entity (if any) in accordance with §§ 13-6-2, 13-6-2.1, and 13-6-3; or
 - ii. If no oversight entity is required to approve the transaction, the Department of Finance and Administration's Infrastructure Planning Development Division (IPDD) must approve it as complying with the law.
- B. Prior to the sale, lease, license, or operating agreement being approved pursuant to Articles II(A) (e) (i) or (ii) herein, the Department may, in its sole and absolute discretion, unless inconsistent with State Board of Finance imposed conditions, reimburse Grantee for necessary expenditures incurred to develop the Project sufficiently to make the sale, lease, license, or operating agreement commercially feasible, limited to planning and design expenditures; and
- C. Grantee's submission of documentation of all Third Party Obligations and amendments thereto (including terminations) to the Department and the Department's issuance of a Notice of Obligation for a particular amount in accordance with the terms of this Agreement shall be governed by the following:
- a. Grantee is authorized to budget the particular amount set forth in the Notice of Obligation, execute the Third Party Obligation, and request the Third Party to begin work after issuance of a Notice of Obligation by the Department.
 - b. Grantee acknowledges and agrees that any Third Party Obligations agreed to prior to receiving a Notice of Obligation are its sole responsibility.
 - c. Grantee shall submit to the Department one copy of all Third Party Obligations and amendments thereto (including terminations) as soon as possible after execution by the Third Party but prior to execution by the Grantee.

- d. Department may, in its sole and absolute discretion, issue a Notice of Obligation for the particular amount of a Third Party Obligation that only obligates the Department to reimburse Grantee's expenditures made on or before the Reversion Date or an Early Termination Date. The current Notice of Obligation form is incorporated herein and attached hereto as **Exhibit B**.
- D. Grantee shall provide all necessary qualified personnel, materials, and facilities to implement the Project. The Grantee shall finance its share (if any) of the costs of the Project, including all Project overruns.
- E. Prior to entering into this Agreement, the Department conducted a risk assessment on the Grantee and a project readiness review for the Project. In accordance with State Model Accounting Practices, FIN 9.2, if the Department determines that the expenditure of Project funds by the Grantee requires special conditions, those conditions are identified and listed in **Exhibit C**, which is attached and incorporated by reference. The Parties agree that, to the extent the Department, in its sole and absolute discretion, determines additional special conditions are necessary or that existing special conditions are no longer required, it may update **Exhibit C** from time to time without the need for a formal amendment of this Agreement.
- F. Project funds shall not be used for purposes other than those authorized by the Department in accordance with the Project Description.
- G. Project funds cannot be used to reimburse the Grantee for indirect Project costs unless specifically allowed by law.

III. NOTICES

The following provisions shall apply whenever written notices, including written decisions, are to be given or received related to this Agreement.

- A. The Grantee designates the person(s) listed below, or their successor, as their official representative(s) concerning all matters related to this Agreement:

Grantee: City of Truth or Consequences
Name: Rolf Hechler
Title: Mayor
Address: 505 Sims St., Tor C, NM 87901
Email: rhechler@torcnm.org
Telephone: 575-894-6673

- B. The Grantee designates the person(s) listed below, or their successor, as their Fiscal Officer or Fiscal Agent concerning all matters related to this Agreement:

Grantee: City of Truth or Consequences
Name: Traci Alvarez
Title: CFO
Address: 505 Sims St., Tor C, NM 87901
Email: talvarez@torcnm.org

Telephone: 575-952-0565

- C. The Department designates the persons listed below, or their successors, as the Points of Contact for matters related to this Agreement.

Department: DFA/Local Government Division

Name: Melanie Vlarrial

Title: Grant Manager

Address: Bataan Memorial Bldg. Rm 202, Santa Fe NM 87501

Email: melanie.vlarrial@dfa.nm.gov

Telephone: 505-690-1561

The Parties agree that all notices, including written decisions, related to this Agreement shall be sent to the persons named above by email or regular mail. For mailings, notices shall be deemed to have been given and received upon the date of the receiving party's actual receipt or five (5) calendar days after mailing, whichever shall first occur. In the case of email transmissions, the notice shall be deemed to have been given and received on the date reflected on the delivery receipt of the email.

IV. TERM & DEADLINE TO EXPEND FUNDS

- A. The term of this Agreement shall begin on the Effective Date and terminate on the 30th day of June during the calendar year of the Reversion Date unless Terminated Before Reversion Date ("Early Termination") pursuant to Article V herein (collectively "Term").
- B. The Project's funds must be expended on or before the Reversion Date and, if applicable, the Early Termination Date of this Agreement.
- a. For purposes of this Agreement, it is not sufficient for the Grantee to encumber the Project funds on its books on or before the Reversion Date or Early Termination Date.
 - b. For purposes of this Agreement, an expenditure of funds has occurred on the date the particular quantity of goods is delivered to and received by the Grantee, title to the goods is transferred to the Grantee, and/or as of the date particular services are rendered to and accepted by the Grantee.
 - c. For purposes of this Agreement, an encumbrance of funds pursuant to a contract or purchase order with a third party does not qualify as an expenditure.

V. EARLY TERMINATION

- A. General Provision. The Department may terminate this Agreement before the Reversion Date based on the Completion of the Project, Complete Expenditure of the Adjusted Appropriation, and/or Violation of this Agreement. Early Termination hereunder includes:
- a. Termination due to completion of the Project before the Reversion Date;
 - b. Termination due to complete expenditure of the Adjusted Appropriation Amount before the Reversion Date;
 - c. Termination for violation of the terms of this Agreement; or
 - d. Termination for suspected mishandling of public funds, including but not limited to fraud, waste, abuse, and conflicts of interest.

B. Non-appropriation. This Agreement is expressly contingent upon the New Mexico State Legislature making sufficient appropriations and authorizations for the Project Description.

a. If the Legislature does not appropriate the Appropriation Amount, this Agreement shall terminate upon the Department giving the Grantee written notice of such termination. Such termination shall be effective as of the effective date of the law making the non-appropriation.

i. The Department's decision as to whether sufficient appropriations or authorizations are available shall be final. Grantee hereby waives any rights to assert an impairment of contract claim against the State of New Mexico in the event of Early Termination of this Agreement.

b. As used herein, "non-appropriate" or "non-appropriation" includes the following actions by the New Mexico Legislature:

i. Deauthorization, reauthorization, or revocation of a prior authorization.

C. Grant Disbursements in the Event of Early Termination. In the event of Early Termination, the Department's sole and absolute obligation to reimburse the Grantee is expressly conditioned upon the limitations set forth in Article II above.

D. Notice. Either Party may terminate this Agreement prior to the Reversion Date by providing the other Party with a minimum of fifteen (15) days advance written notice of the Early Termination. Grantee hereby waives any rights to assert an impairment of contract claim against the State of New Mexico in the event of Early Termination of this Agreement by the Department.

VI. SUSPENSION OF NEW OR FURTHER OBLIGATIONS

A. Department, in its sole and absolute discretion, may provide written notice to Grantee to suspend entering into further obligations. Upon the receipt of such written notice by the Grantee:

- a. Grantee shall immediately suspend entering into new or further written obligations with third parties;
- b. Department will suspend the issuance of any new or further Notice of Obligation under this Agreement; and
- c. Department may direct the Grantee to implement a corrective action plan in accordance with Article VI (D) herein.

B. In the event of Suspension of this Agreement, the Department's sole and absolute obligation to reimburse the Grantee is expressly conditioned upon the limitations set forth in Article II herein.

C. A suspension of new or further obligations under this Agreement shall remain in effect unless or until the date the Grantee receives written notice given by the Department informing the Grantee that the Suspension has been lifted or that the Agreement has been Early Terminated in accordance with Article V herein. If the Suspension is lifted, the Department will consider further requests for a Notice of Obligation.

D. Corrective Action Plan in the Event of Suspension. Where the Department, in its sole and absolute discretion, directs Grantee to suspend entering into new or further written obligations

with third parties pursuant to Article VI(A), the Department may, but is not obligated to, require the Grantee to develop and implement a written corrective action plan to remedy the grounds for the Suspension.

- a. Such a corrective action plan must be approved by the Department and be signed by the Grantee.
- b. Failure to sign a corrective action plan or meet the terms and deadlines set forth in the signed corrective action plan is hereby deemed a violation of the terms of this Agreement for purposes of Early Termination, Article V(A)(c).
- c. A corrective action plan shall be in addition to, and not in lieu of, any other equitable or legal remedy authorized hereunder or at law, including but not limited to Early Termination.

VII. AMENDMENTS

Unless expressly stated otherwise herein, this Agreement shall not be altered, changed, or amended except by an instrument in writing duly executed by both parties hereto with the same formalities as this agreement.

VIII. REPORTING

A. Database Reporting

- a. Grantee shall provide the Department with quarterly reports of Project activity, entering the required Project Information directly into a database required by the Department.
- b. Additionally, Grantee shall certify on each Request for Payment form, attached hereto as **Exhibit A** and incorporated herein, that all information provided in the database is true and accurate, updates to the database have been maintained, and all Project activity complies with applicable law and the terms of this Agreement.
- c. Grantee hereby acknowledges that failure to perform and/or certify updates to the database will jeopardize the reimbursement of funds. The Department shall give Grantee a minimum of fourteen (14) days' advance written notice of any changes to the information the Grantee is required to report.
- d. At the Department's discretion, all reports required hereunder may be directed to and facilitated through an electronic database.
- e. Quarterly reports shall be due on the last day of the month, that is, 30 days prior to the end of the quarter following the execution of this Agreement by the Department and ending during the quarter of the submission of the final request for reimbursement for the Project, or the following quarter.

B. Requests for Additional Information/Project Inspection

During the term of this Agreement and during the period of time during which the Grantee must maintain records pursuant to Article VIII, the Department may:

- i. request such additional information regarding the Project as it deems necessary; and
- ii. conduct, at reasonable times and upon reasonable notice, onsite inspections of the Project.

Grantee shall respond to such requests for additional information within a reasonable period of time, as established by the Department.

B. Requests for Additional Information/Project Inspection

- a. During the term of this Agreement and the Record Retention Period, the Department may:
 - i. Request additional information regarding the Project as it deems necessary and
 - ii. Conduct on-site inspections of the Project at reasonable times and upon reasonable notice.
- b. Grantee shall respond to such requests for additional information within the time established by the Department.

IX. REQUEST FOR PAYMENT PROCEDURES

A. Grantee shall request payment by submitting the form attached hereto as **Exhibit A. Payment requests are subject to the following procedures:**

- a. Each Request for Payment must be in accordance with the Project Budget and contain proof of payment by the Grantee or liabilities incurred by the Grantee.
 - i. Proof of payment must demonstrate the validity of an expenditure or liabilities incurred by Grantee.
 - ii. However, Grantee may be reimbursed for unpaid liabilities only if the Department, in its sole and absolute discretion, agrees to do so and in accordance with any special conditions imposed by the Department.
 - iii. The Grantee shall make payment to those contractors or vendors within five (5) business days from the date of receiving reimbursement from the Department or in a shorter period than the Department may prescribe in writing.
 - iv. The Department reserves the right to make such payments directly to the contractors or vendors as a special condition under this Agreement.
 - v. The Grantee is required to certify to the Department proof of payment to the third-party contractor or vendor within five (5) business days from the date the Department reimburses the Grantee.

B. Until the Project is fully planned, designed, and all necessary procurements identified in the Project Budget are completed, Grantee's reimbursements will be limited to the planning, design, and procurement costs outlined in the Project Budget. Once the planning, designing, and procuring stages are complete, the Grantee must obligate at least ten percent (10%) of the Adjusted Appropriation Amount within one (1) year and must have utilized at least eighty-five percent (85%) of the Adjusted Appropriation Amount six (6) months before the reversion date.

C. Deadlines. Grantee shall submit requests for Payments to the Department on the earlier of:

- a. Immediately as Grantee receives them, but at a maximum of thirty (30) days from when Grantee incurred the expenditure or liability; or
- b. Twenty (20) days from the date of Early Termination or Reversion Date for expenditures or liabilities incurred before the Early Termination date or Reversion Date.

D. Grantee's failure to abide by the requirements set forth in Article II and Article IX herein may result in the denial of its Request for Payment. Department reserves the right to reject a payment request for the Project unless and until it is satisfied that the expenditures or liabilities are for permissible purposes within the meaning of the Project Description, identified within the Project Budget, and that the Grantee is otherwise in compliance with this Agreement.

- a. Department's authority to reject any Request for Payment is in addition to, and not in lieu of, any other legal or equitable remedy available to the Department under this Agreement, at law, or in equity.

X. PROJECT CONDITIONS AND RESTRICTIONS

A. The following general conditions and restrictions shall apply to the Project:

- a. The Project's funds must be spent in accordance with all applicable state laws, regulations, policies, and guidelines, including, but not limited to, the State Procurement Code.
- b. The Project's expenditures and liabilities must be accounted for in accordance with the State's Model Accounting Practices, as amended from time to time.
- c. The Project must be implemented in accordance with the New Mexico Public Works Minimum Wage Act, Section 13-4-10 through 13-4-17 NMSA 1978, as applicable.
- d. The Project must provide a public benefit above and beyond any incidental benefit to private entities in accordance with applicable law, including, but not limited to, Article IX, Section 14 of the Constitution of the State of New Mexico.
- e. Without prior written approval from the Department and State Board of Finance, for the useful life of any asset purchased under this Agreement, Grantee shall not convert any property acquired, built, renovated, repaired, designed, or developed with Project funds to uses other than those specified in the Project Description.
 - 1. In addition to other remedies available at law or in equity, any disposal or conversion of property acquired, built, renovated, repaired, designed, or developed with Project funds without the Department's and the Board of Finance's express written approval will trigger the Department's right to reimbursement from Grantee of the Appropriated Amount, transfer proceeds from any disposition of property to the State, or otherwise provide consideration to the State for the Appropriated Amounts.
- f. Grantee shall comply with all applicable federal and state laws, rules, and regulations pertaining to civil rights and equal employment opportunity.
 - 1. In accordance with all such laws, rules, and regulations, the Grantee agrees to assure that no person shall, on the grounds of race, color, national origin, sex, sexual preference, age, or handicap, be excluded from participation in the Project, use of the Project, employment with Grantee, or otherwise be denied benefits/subject to discrimination for any activity performed under this Agreement.
- g. Where the Department, in its sole and absolute discretion, determines Grantee has failed to comply with the above conditions and restriction, Grantee agrees to take appropriate steps to correct any deficiencies immediately. The Grantee's failure to implement such appropriate steps within a reasonable time, but no longer than thirty (30) days after

notice from the Department, constitutes a breach of this Agreement and grounds for Early Termination.

XI. REPRESENTATIONS AND WARRANTIES

A. Reliance by Department.

- a. Grantee expressly acknowledges that the Department relies on the representations and warranties made by Grantee in this Agreement. Grantee acknowledges that such representations and warranties are a material inducement for the Department to enter into this Agreement and provide the Appropriated Amount.
- b. Grantee shall ensure all representations and warranties provided herein are true, accurate, and complete as of the date of the Effective Date and shall remain so throughout the Term of this Agreement. Grantee is responsible for promptly notifying the Department in writing of any changes or inaccuracies in the representations and warranties contained herein.

B. Grantee hereby represents and warrants the following:

- a. Grantee has taken all necessary steps to attain the legal authority to receive and expend the Project's funds.
- b. Grantee has duly authorized this Agreement, and the person executing it has authority to do so. Once executed by Grantee, this Agreement shall constitute a binding obligation of Grantee, enforceable according to its terms.
- c. Grantee's obligations hereunder do not conflict with any law, ordinance, or resolution applicable to Grantee, Grantee's charter (if applicable), or any judgment or decree to which Grantee is subject.
- d. Grantee has independently confirmed that the Project Description, including, but not limited to, the Appropriated Amount and Reversion Date, is consistent with the underlying appropriation in law.
- e. Grantee's governing body has duly adopted or passed as an official act a resolution, motion, or similar action authorizing the person identified as the official representative of the Grantee to sign and submit Requests for Payment on behalf of Grantee.
- f. Grantee will abide by New Mexico laws regarding conflicts of interest, governmental conduct, and whistleblower protection.
 - i. Grantee agrees explicitly none of its officers or employees or its designees or agents, no member of the governing body, and no other public official of Grantee who exercises any function or responsibility with respect to this Agreement, shall have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for the Project.
 - ii. Further, Grantee will require all of its contractors to incorporate the language set forth in this paragraph prohibiting conflicts of interest in all subcontracts.
- g. No funds have been paid or will be paid, by or on behalf of the Grantee, to any person for influencing or attempting to influence an officer or employee of the State, any agency, or body in connection with the awarding of any Third Party Obligation.
 - i. Grantee will require certifying language prohibiting lobbying to be included in the award documents for all subawards, including subcontracts, loans, and cooperative agreements.

C. **Consequences of False or Misleading Representations.** If any representation or warranty made by Grantee is found to be false or misleading, the Department shall have the right to exercise any or all of the following remedies:

- a. **Termination of Agreement:** Department may terminate this Agreement immediately upon written notice to the Grantee.
- b. **Repayment of Grant Funds:** Grantee shall repay all Appropriated Amounts disbursed under this Agreement, upon demand by the Department.
- c. **Other Remedies:** Department may pursue any other remedies available at law or in equity.

D. **Survival of Representations and Warranties.** The representations and warranties made by the Grantee shall survive the Early Termination or expiration of this Agreement.

XII. PROJECT RECORDS

A. Grantee shall be strictly accountable for receipts and disbursements relating to the Project's funds. The Grantee shall follow generally accepted accounting principles and the State's Model Accounting Practices and, if feasible, maintain a separate bank account or fund with a separate organizational code to ensure separate budgeting and accounting of the funds.

B. For six (6) years following the Project's completion ("**Record Retention Period**"), Grantee shall maintain all Project-related records, including, but not limited to, all financial records, requests for proposals, invitations to bid, selection and award criteria, contracts and subcontracts, advertisements, minutes of pertinent meetings, as well as records sufficient to fully account for the amount and disposition of the Appropriated Amount from all sources budgeted for the Project, the purpose for which such funds were used, and such other records as the Department may prescribe.

C. Grantee shall make all Project records available to the Department, the Department's Independent Public Accountant, and the New Mexico State Auditor upon request. With respect to the funds that are the subject of this Agreement, if the State Auditor or the Department finds any funds were improperly expended, Grantee shall be required to reimburse the State all amounts found to be improperly expended.

XIII. IMPROPERLY REIMBURSED FUNDS

If the Department determines part or all of the Appropriation Amount was improperly reimbursed to Grantee, including but not limited to funds reimbursed to Grantee based upon fraud, mismanagement, misrepresentation, misuse, violation of law by the Grantee, after ten (10) days' notice to Grantee and the opportunity to return such funds to the Department, the Department may offset any funds due to Grantee from the State, until the Appropriation Amount is fully repaid.

XIV. LIABILITY

Neither Party shall be responsible for liability incurred as a result of the other Party's acts or omissions in connection with this Agreement. Any liability incurred in connection with this Agreement is subject to

Immunities and limitations of the New Mexico Tort Claims Act.

XV. SCOPE OF AGREEMENT

This Agreement constitutes the entire and exclusive agreement between the Parties concerning the subject matter hereof. The Agreement supersedes all prior or contemporaneous agreements, understandings, discussions, communications, and representations, written or verbal.

XVI. REQUIRED NON-APPROPRIATIONS CLAUSE

- A. Grantee acknowledges and agrees to include a "non-appropriations" clause in all contracts between it and other parties that are (i) funded in whole or part by funds made available under this Agreement and (ii) entered into after the effective date of this Agreement that states:
- a. "The terms of this Agreement are contingent upon sufficient appropriations and authorization being made by the Legislature of the State of New Mexico ("Legislature") for the performance of this Agreement.
 - b. If the Legislature does not make sufficient appropriations and authorization, City of Truth or Consequences may immediately terminate this Agreement by giving Contractor written notice of such termination.
 - c. The City of Truth or Consequences's decision as to whether sufficient appropriations are available shall be final and accepted by the Contractor. Contractor hereby waives any rights to assert an impairment of contract claim against the City of Truth or Consequences or the State of New Mexico in the event of Immediate or Early Termination of this Agreement by the City of Truth or Consequences or the State Department of Finance and Administration."

XVII. REQUIRED TERMINATION CLAUSE

- A. Grantee acknowledges and agrees to include the following termination clause in all contracts that are (i) funded in whole or part by funds made available under this Agreement and (ii) entered into after the effective date of this Agreement:
- a. "This contract is funded in whole or in part by funds made available by the State of New Mexico ("State"). Should the State terminate its Agreement with the City of Truth or Consequences, the City of Truth or Consequences may terminate this contract immediately by providing Contractor written notice of such termination.
 - b. In the event of termination pursuant to this paragraph, the City of Truth or Consequences's only liability to Contractor shall be for goods and services delivered and accepted prior to the termination date."

XVIII. COMPLIANCE WITH UNIFORM FUNDING CRITERIA

- A. Throughout the term of this Agreement, Grantee shall:
- a. Submit all reports of annual audits and agreed-upon procedures required by § 12-6-3(A)-(B), NMSA 1978 by the due dates established in § 2.2.2 NMAC, reports of which must be a

public record pursuant to § 12-6-5(A), NMSA 1978 within forty-five (45) days of delivery to the State Auditor;

- b. Have a duly adopted budget for the current fiscal year approved by its budgetary oversight agency (if any);
- c. Timely submit all required financial reports to its budgetary oversight agency (if any); and
- d. Use accounting methods and procedures consistent with Generally Accepted Accounting Principles and the State's Model Accounting Principles to expend the Appropriated Amount in accordance with applicable law and account for and safeguard Project funds and assets acquired with Project funds.

B. In the event Grantee fails to comply with the requirements of subparagraph A of this Article XVIII, Department may take one or more of the following actions:

- a. Suspend new or further obligations pursuant to Article VI(A) of this Agreement;
- b. Require the Grantee to develop and implement a written corrective action plan pursuant to Article VI(D) of this Agreement to remedy the non-compliance;
- c. Impose special conditions to address the non-compliance by giving Grantee notice of such special conditions in accordance with Article III of this Agreement;
 - i. The Parties agree that any special conditions imposed to address non-compliance shall be incorporated into this Agreement, through **Exhibit C**, upon notice to Grantee, without need for formal amendment of this Agreement;
 - ii. Special conditions shall be binding and effective on the date that notice is deemed to have been given pursuant to Article III or
- d. Terminate this Agreement pursuant to Article V(A) of this Agreement.

XIX. SEVERANCE TAX AND GENERAL OBLIGATION BONDS

A. Grantee acknowledges and agrees that the underlying appropriation for the Project may originate from the issuance of tax-exempt severance tax bonds or general obligation bonds by the State. Proceeds from such bonds are administered by the New Mexico State Board of Finance ("SBOF"), an entity separate and distinct from the Department.

a. Grantee acknowledges and agrees:

- i. It is Grantee's responsibility to determine through SBOF what (if any) conditions are currently imposed on the Project;
- ii. Department's failure to inform Grantee of an SBOF-imposed condition does not affect the validity or enforceability of the condition;
- iii. The SBOF may in the future impose further or different conditions upon the Project;
- iv. All SBOF conditions are attached to the Project and Appropriation Amount without the need for formal amendment of this Agreement;
- v. All applicable SBOF conditions must be satisfied before the SBOF will release to the Department funds subject to the condition(s) and
- vi. The Department's obligation to reimburse Grantee from the Project is expressly contingent upon the satisfaction of the then-current SBOF conditions.

B. Grantee acknowledges and agrees SBOF may, at its sole and absolute discretion, require reimbursement or remove eligibility for bond proceeds for the Project if the Project doesn't

proceed sufficiently.

- a. Grantee must comply with the requirement to encumber five percent (5%) of Project funds within six months of bond issuance as certified by Grantee in the Bond Questionnaire and Certification documents submitted to the SBOF.
 - b. Failure to comply may result in the reassignment of the bond proceeds. Upon reassignment of bond proceeds, this Agreement will be suspended until the entity has demonstrated readiness as determined by the SBOF and the Department.
- C. Grantee acknowledges and agrees that this Agreement is subject to the SBOF's Bond Project Disbursements rule, § 2.61.6, NMAC, as may be amended from time to time or re-codified.

XX. GENERAL PROVISIONS

- A. Assignment: Grantee's rights and obligations under this Agreement are personal and may not be transferred or assigned without the prior written consent of the State. Any attempt at assignment or transfer without such consent shall be void. Any assignment or transfer of Grantee's rights and obligations approved by the State shall be subject to the provisions of this Agreement.
- B. Subcontractors: Grantee shall not enter any subgrant or subcontract in connection with its obligations under this Agreement without the prior written approval of the State. Upon request, Grantee shall submit to the Department a copy of each such subgrant or subcontract.
- C. Binding Effect: Except as otherwise provided, all provisions of this Agreement, including the benefits and burdens, shall extend to and be binding upon the Parties' respective successors and assigns.
- D. Authority: Each Party represents and warrants to the other that the execution and delivery of this Agreement and the performance of such Party's obligations have been duly authorized.
- E. Captions and References: The captions and headings in this Agreement are for the convenience of reference only and shall not be used to interpret, define, or limit its provisions. All references in this Agreement to sections (whether spelled out or using the § symbol), subsections, exhibits, or other attachments are references to sections, subsections, exhibits, or other attachments contained herein or incorporated as a part hereof, unless otherwise noted.
- F. Counterparts: This Agreement may be executed in multiple, identical, original counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute the same agreement.
- G. Digital Signatures: If any signatory signs this agreement using a digital signature in accordance with the State Policies regarding the use of digital signatures, then any agreement or consent to use digital signatures within the electronic system through which that signatory signed shall be incorporated into this Agreement by reference.
- H. Modification: Except as otherwise provided in this Agreement, any modification to this Agreement shall only be effective if agreed to in a formal amendment, properly executed and approved in accordance with applicable New Mexico law and State fiscal policies and rules.

Modifications permitted under this Agreement, other than Agreement amendments, shall conform to the policies issued by the State.

- I. Statutes, Regulations, Fiscal Rules, and Other Authority: Any reference in this Agreement to a statute, regulation, policy, or other authority shall be interpreted to refer to such authority then current, as may have been changed or amended after the Effective Date of this Agreement.
- J. External Terms and Conditions: Notwithstanding anything to the contrary herein, the State shall not be subject to any provision included in any terms, conditions, or agreements appearing on Grantee's or a subcontractor's website or any provision incorporated into any click-through or online agreements related to the Work unless that provision is specifically referenced in this Agreement.
- K. Severability: The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect, provided that the Parties can continue to perform their obligations under this Agreement in accordance with its intent.
- L. Survival of Certain Agreement Terms: Any provision of this Agreement that imposes an obligation on a Party after the termination or expiration of this Agreement shall survive the termination or expiration of this Agreement and shall be enforceable by the other Party.
- M. Third Party Beneficiaries: Except for the Parties' respective successors and assigns described in this Agreement, it does not and is not intended to confer any rights or remedies upon any person or entity other than the Parties. Enforcement of this Agreement and all rights and obligations hereunder are reserved solely to the Parties. Any services or benefits that third parties receive as a result of this Agreement are incidental to this Agreement and do not create any rights for such third parties.
- N. Waiver: A Party's failure or delay in exercising any right, power, or privilege under this Agreement, whether explicit or by lack of enforcement, shall not operate as a waiver, nor shall any single or partial exercise of any right, power, or privilege preclude any other or further exercise of such right, power, or privilege.
- O. Standard and Manner of Performance: Grantee shall perform its obligations under this Agreement in accordance with the highest standards of care, skill, and diligence in Grantee's industry, trade, or profession.
- P. Licenses, Permits, and Other Authorizations: Grantee shall secure, prior to the Effective Date, and maintain at all times during the term of this Agreement, at its sole expense, all licenses, certifications, permits, and other authorizations required to perform its obligations under this Agreement and shall ensure that all employees, agents, and subcontractors secure and maintain at all times during the term of their employment, agency or subcontractor, all license, certifications, permits and other authorizations required to perform their obligations in relation to this Agreement.
- Q. Publicity: Any Publicity regarding the subject matter of this Agreement may not be released without prior written approval from the Department. For purposes of this agreement, "Publicity"

means notices, informational pamphlets, press releases, email responses, research, reports, signs, and similar public notices prepared by or for the Grantee or jointly with others.

- a. Grantee shall obtain written approval prior to issuing any press release or making any public announcement regarding this agreement. Grantee agrees to obtain approval of the Department in advance with respect to all Public Relations, all communications with media, or all communications with any other member of the public with respect to this agreement, except to acknowledge that an agreement does exist.
 - b. For purposes of this agreement, "Public Relations" includes community relations and means those activities dedicated to maintaining the Department's image or maintaining or promoting understanding and favorable relations with the community or public at large or any segment of the public.
 - c. Violations of either Article XX (Q)(a) or (b) shall constitute a material Breach of Agreement.
- R. Data Sharing: The State intends to secure and collate specific data generated by Grantee under this Agreement to use in support of the State's organizational, policy-making, and management of public resource functions. State, in accordance with **Exhibit E**, attached hereto and incorporated herein by reference, reserves the right to require Grantee and/or its subcontractors to provide specific data relevant to the above-listed functions. Data provided by Grantee may be incorporated into existing or future developed State Integrated analysis tools or databases, including but not limited to geographic information system (GIS) networks and databases accessible by the public. Dissemination of data collected may include historical data and projections based on such historical data.
- a. To the extent any data transferred as part of this Agreement is legally determined to be the property of Subrecipient or its subcontractors, Subrecipient and/or its subcontractors grants State a nonexclusive, fully paid-up right and license to reproduce, use, distribute, do derivative works based on, and archive data transferred as part of this Agreement.
- S. Venue and Choice of Law: This Agreement shall be governed by and construed in accordance with the laws of the State of New Mexico, without regard to any conflict of law provisions. Any legal suit, action, or proceeding arising out of or related to this Agreement shall be instituted exclusively in the district courts located in Santa Fe, New Mexico. The Parties hereby irrevocably submit to the exclusive jurisdiction and venue of such courts in any such suit, action, or proceeding. The Parties waive any objection to the laying of the venue of any such suit, action, or proceeding in the district courts of Santa Fe, New Mexico, and irrevocably waive and agree not to plead or claim in any such court that any such suit, action, or proceeding brought in any such court has been brought in an inconvenient forum.

[SIGNATURE PAGE AND EXHIBITS FOLLOW]
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IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the Department's date of execution.

APPROVED BY DEPARTMENT:

Cabinet Secretary, Wayne Propst:

Signature

Date

Chief Financial Officer, Mackie Romero:

Signature

Date

Local Government Division Director, Cecilia Mavrommatis:

Signature

Date

AS TO LEGAL FORM AND SUFFICIENCY

General Counsel's Office:

Signature

(Print Name)

(Title)

APPROVED BY GRANTEE:

City of Truth or Consequences
Entity Name

Official with Authority to Bind Grantee:

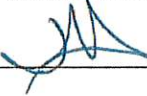

Signature

Rolf Hechler
(Print Name)

Mayor
(Title)

8-13-2025
Date

Fiscal Officer or Chief Financial Officer:

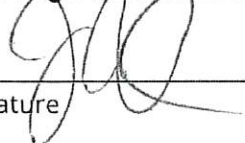

Signature

Jocelyn Holguin
(Print Name)

Finance Director
(Title)

8-13-2025
Date

As To Legal Form And Sufficiency


Signature

Jaime Rubin
(Print Name)

Attorney
(Title)

8-13-2025
Date

EXHIBIT A
Request for Payment Form and Certification

STATE OF NEW MEXICO GRANT APPROPRIATION Request for Payment Form Exhibit A	
I. Grantee Information (Must match your DFA Substitute W-9 Form)	
A. Grantee: _____	II. Payment Computation
B. Address: _____ (Complete including mailing suite, if applicable)	A. Payment Request No. _____
C. City/State/Zip: _____	B. Grant Amount: \$ 0.00
C. Contact Name/Phone #: _____	C. AIPP Amount (if applicable): \$ 0.00
D. Grant No: _____	D. Funds Requested to Date: \$ 0.00
E. Project Title: _____	E. Amount Requested this Payment: _____
F. Grant Expiration Date: _____	F. Reversion Amount (if applicable): \$ 0.00
	G. Grant Balance: \$ 0.00
	H. ☐ Final Request for Payment (if applicable)
III. Fiscal Year : <u>2020 (July 1, 2020-June 30, 2021)</u> (The State of NM Fiscal Year is July 1, 20XX through June 30, 20XX of the following year)	
IV. Certifications	
☐ I hereby certify that all conditions and requirements for Payments outlined in the Agreement have been met, including but not limited to: a. Submission and approval of a Project Budget as per Article IV, Section A of the Agreement. b. Compliance with the Project Budget and expenditure of funds in accordance with the State Procurement Code and the State's Model Accounting Practices. c. Submission of supporting documentation as required by the Agreement. d. Maintenance of all necessary records and documentation as stipulated in the Agreement.	
☐ I attest that the information provided is correct; expenditures are properly documented and valid or actual receipts, and that the activity fully complies with Article IX, Sec. 14 of the New Mexico Constitution, known as the "anti-donation" clause.	
☐ I hereby certify that all representations and warranties made in the Agreement remain true, accurate, and complete as of the date of this request, and will continue to be so throughout the term of the Agreement. I acknowledge that these representations and warranties are a material inducement for the Department to approve this pay request.	
Grantee Fiscal Officer or Fiscal Agent (if applicable)	Grantee Representative
Printed Name: _____	Printed Name: _____
Date: _____	Date: _____
(State Agency Use Only)	
Vendor Code: _____	Fund No.: _____
PO # _____	Loc No.: _____
I certify that the State Agency financial and vendor file information agree with the above submitted information.	
ASD Officer _____	Division Grant Manager _____
Date _____	Date _____

Revised 7/2025

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EXHIBIT B
Notice of Department's Obligation Form

NOTICE OF OBLIGATION TO REIMBURSE GRANTEE
EXHIBIT B

Notice of Obligation to Reimburse Grantee # _____

DATE: _____

TO: Department Representative: _____ Grant Manager

FROM: Grantee Entity: _____

Grantee Official Representative: _____

SUBJECT: Notice of Obligation to Reimburse Grantee

Grant Number: _____

Grant Termination Date: _____

As the designated representative of the Department for Grant Agreement number _____ entered into between Grantee and the Department, I certify that the Grantee has submitted to the Department the following third party obligation executed, in writing, by the third party's authorized representative:

Vendor or Contractor: _____

Third Party Obligation Amount: _____

Vendor or Contractor: _____

Third Party Obligation Amount: _____

I certify that the State is issuing this Notice of Obligation to Reimburse Grantee for permissible purposes within the scope of the project description, subject to all the terms and conditions of the above referenced Grant Agreement.

Grant Amount (Minus AIPP if applicable): _____

The Amount of this Notice of Obligation: _____

The Total Amount of all Previously Issued Notices of Obligation: _____

The Total Amount of all Notices of Obligation to Date: \$ 0.00

Note: Contract amounts may exceed the total grant amount, but the invoices paid by the grant will not exceed the grant amount.

Department Rep. Approver: _____

Title: Grant Manager

Signature: _____

Date: _____

1 Administrative and/or Indirect Cost – generally, the legislation authorizing the issuance of bonds prohibits the use of its proceeds for indirect expenses (e.g. penalty fees or damages other than pay for work performed, attorney fees, and administrative fees). Such use of bond proceeds shall not be allowed unless specifically authorized by statute.

Revised 7/2025

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EXHIBIT C

Special Conditions (If Fiscal Agent Required or Anti Donations Issues Exist)

OPTIONAL EXHIBIT C SPECIAL CONDITIONS

The capital outlay oversight requires grantees' accounting methods and procedures, including their internal control framework, to be scrutinized, so as to safeguard State capital outlay appropriations and assets acquired with such appropriations.

This Capital Outlay Special Grant Condition(s) **Exhibit C** is necessary pursuant to § 6-3b-1 et seq., NMSA 1978 (Public Finance Accountability Act) and MAPS Fin 9.2, due to the Grantees' material weaknesses, significant deficiencies, or findings that raised concerns as to the ability to expend grant funds in accordance with applicable law in the organization's FY[20XX] audit. The Special Conditions identified below apply to the authorized agent, [insert the Grantee or Fiscal Agent name].

Procurement - All purchases or contracts the Grantee enters that shall use funding from the Department capital appropriations grant must be approved by the Department prior to the initiation of implementing purchasing documents. The Grantee shall receive such prior approval via official correspondence from the Department, which may be through letter or email. The Grantee shall submit the following to the Department in pursuit of prior approval: purchasing policies and procedures, CFO certification, documentation of management and program approval, policies and procedures governing purchasing and contracting, a copy of the current procurement and contracting policies, and documentation regarding informing staff responsible for purchasing and contracting on such policies and procedures.

Budget - Provide documentation of approval of your current budget from DFA Local Government or other authoritative agency. Provide policies and procedures on who is responsible for and how annual budgets (expenditures and revenue) are established, monitored and adjusted. Provide a corrective action plan on how budget issues identified in your audit will be/have been addressed. Also include documentation on how staff responsible for budgeting is informed on budget policies and procedures.

Capital Assets - Provide a complete list of inventory including inventory control numbers and current location. Provide policies and procedures on capital assets and inventory and specify how the proposed purchased items will be included, tagged, and tracked in capital asset inventory. Also include documentation on how staff responsible for capital assets is informed on capital asset policies and procedures.

Travel and Per Diem - Provide policies and procedures on travel and per diem. Also include how staff who travel and those responsible for travel reimbursement are informed on travel and per diem policies and procedures.

Timely Audits - Provide policies and procedures on annual audits. Provide documentation on how and who is responsible for insuring that annual audits are completed timely. Also include documentation on how staff responsible for the annual audit is informed on audit policies and procedures.

Cash Management - policies and procedures on cash management of federal funds. Provide procedures used to draw and disburse federal funds. Provide procedures to reconcile draw amounts, deposits and disbursements; and to prepare federal cash reporting documents to ensure compliance with federal regulations.

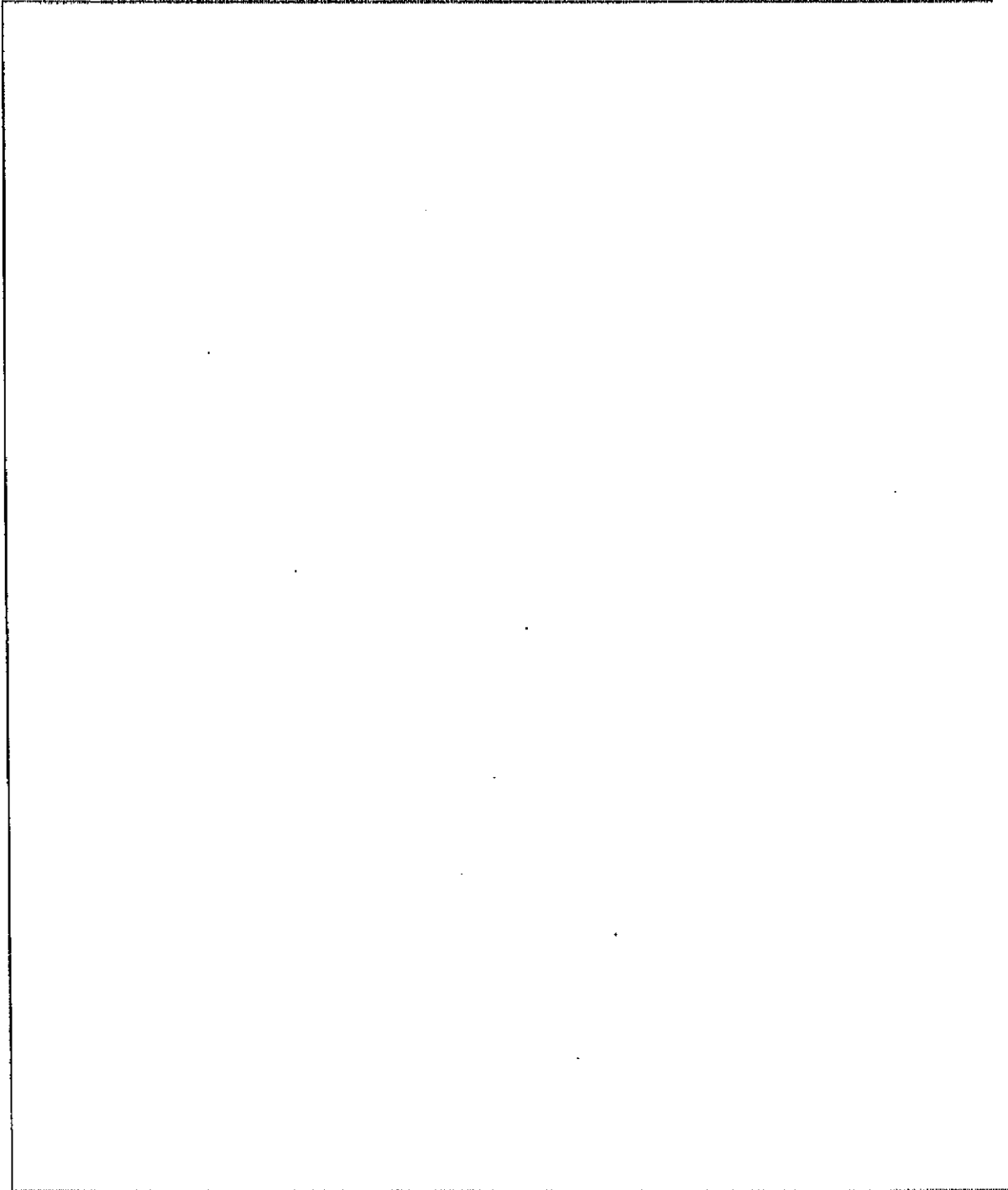
The <Grantee> was required to, and has provided sufficient documentation regarding [insert specific names of the Special Condition(s)], as referenced in the <Grantee>'s [20XX] Audit file. Therefore, the criteria to enter into this agreement have been met.

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EXHIBIT D

Project Budget Worksheet *

*(Provided separately when grant agreement issued to Grantee)



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EXHIBIT E
Data Sharing Provisions

Exhibit E
Data Sharing Provisions for New Mexico Capital Outlay Agreements

I. Introduction:

This Data Sharing Provisions Exhibit ("Exhibit") is incorporated into the New Mexico Capital Outlay Agreements ("Agreements") between the State of New Mexico ("State") and [Insert Partner Name] ("Partner"). This Exhibit outlines the terms and conditions under which data will be shared between the Parties to ensure compliance with New Mexico state laws and regulations, focusing on data privacy, security, and compliance.

II. Definitions:

- a. **Authorized User:** An employee, agent, assign, representative, independent contractor, or other person or entity authorized by Partner or State to access, use, or disclose information through this exhibit.
- b. **Confidential Information:** All data or information shared in confidence, with the expectation that it will not be disclosed in an identifiable form. This includes data that is exempt from public disclosure under the New Mexico Inspection of Public Records Act (§ 14-2-1 et seq. NMSA 1978) or other relevant laws.
- c. **Data Storage:** Electronic media that hold recorded information.
- d. **Data Transmission:** The process of moving information over a network from its source to one or more destinations.
- e. **Direct Identifier:** Records or data containing personal identifiers such as names, addresses, and social security numbers.
- f. **Disclosure:** Permission to access, release, transfer, or otherwise communicate confidential information by any means to any third party, except as authorized by the Party that controls the record.
- g. **Encryption** involves using algorithms to encode data, rendering it unreadable without a specific key. It may be necessary during data transmission and/or storage.
- h. **Information:** Any data, figures, statistics, or other facts provided or learned about someone or something, including Confidential Information, that may be legally transmitted under this Exhibit.
- i. **Limited Dataset:** A data file that omits Direct Identifiers.
- j. **Protected Personally Identifiable Information:** Sensitive personal details such as social security numbers and financial account numbers, with specific exclusions as outlined in the Agreements.

III. Purpose:

The purpose of this exhibit is to promote transparency, facilitate information sharing between the parties, support better policy and decision-making, and enhance public services through collaborative

data analysis from various sources.

IV. Use of Information:

- a. Use of Information obtained or created under this exhibit shall be strictly limited to the purposes stated herein and in the agreements. The parties agree not to sell Information to third parties or use it for commercial, solicitation, or political purposes.
- b. Each Party shall serve as the custodian of the Information and comply with all conditions for its use, including security measures to prevent unauthorized access.
- c. The Parties shall follow all relevant federal and state laws and regulations governing the use of such Information.

V. Safeguarding Information:

- a. Confidentiality: Access to Confidential Information shall be limited to the minimum necessary to accomplish the purposes of this Exhibit. Authorized Users must adhere to the confidentiality requirements.
- b. Security: Security practices shall comply with the requirements of the New Mexico Department of Information Technology Act and related regulations. The Parties agree to notify each other within three business days of any suspected or actual security breach.
- c. Information Storage and Transmission: Data Storage and Transmission shall take place on an encrypted server with appropriate security controls.

VI. Re-Disclosure of Information:

The Parties agree not to disclose Information except as required by law or with prior written approval of the other Party. If there is a public records request, the Party receiving it shall notify the other Party within three business days.

VII. Ownership of Information:

Legal title to Information shall remain with the provider. The Partner grants the State a royalty-free, non-exclusive, non-transferable license to use the Information in furtherance of the purposes outlined in this Exhibit.

DOCUMENT #4

**NEW MEXICO CAPITAL OUTLAY GRANT AGREEMENT
CAPITAL APPROPRIATION PROJECT**

THIS AGREEMENT is made and entered into by and between the State of New Mexico, Department of Finance & Administration, 407 Galisteo Street, Santa Fe, NM 87501, ("**Department**") and the City of Truth or Consequences, ("**Grantee**") (Individually "**Party**" and collectively "**Parties**"). This Agreement shall be effective as of the date the Department executes it ("**Effective Date**").

WITNESSETH

WHEREAS, in the Laws of 2025, Chapter 159, Section 512, Paragraph 33, the Legislature made an appropriation to the Department, funds from which the Department is making available to the Grantee pursuant to this Agreement; and

WHEREAS, the Department is granting to Grantee, and the Grantee is accepting the grant of funds from this appropriation, in accordance with the terms and conditions of this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and obligations contained herein, the parties hereby mutually agree as follows:

AGREEMENT

I. PROJECT DESCRIPTION, GRANT AMOUNT, AND REVERSION

- A. **25-J3167 ("Project")** 6/30/2029 ("**Reversion Date**"). Laws of 2025, Chapter 159, Section 512, Paragraph 33, Three Hundred Sixty Thousand Dollars and No Cents, \$360,000.00, to plan, design, construct, renovate, furnish and equip police department facilities in Truth or Consequences in Sierra county;
- B. Grantee's total reimbursements shall not exceed \$360,000.00 Three Hundred Sixty Thousand Dollars and No Cents, ("**Appropriation Amount**") minus the allocation for Art in Public Places ("**AIPP amount**"), if applicable, \$3,600.00 Three Thousand Six Hundred Dollars and No Cents, which equals \$356,400.00 Three Hundred Fifty Six Thousand Four Hundred Dollars and No Cents ("**Adjusted Appropriation Amount**").
- C. In the event of a conflict among the Appropriation Amount, the Reversion Date, as defined herein and/or the purpose of the Project, as set forth in this Agreement, and the corresponding appropriation language in the laws cited above in this Article I, the language of the laws cited herein shall control.

The information contained in Article I is referred to collectively as the "**Project Description**."

II. DISBURSEMENT LIMITATION

- A. Upon the Effective Date, the Grantee shall submit to the Department a comprehensive procurement plan and expenditure plan, detailing a Project timeline with milestones, required procurements, and identifying expected expenditures per milestone (collectively, "**Project Budget**"). The Department shall review and approve the Project Budget by approving a Notice of

Department's Obligation ("**Notice of Obligation**"), in accordance with the Project Description, a sample of which is attached hereto as **Exhibit B** and incorporated herein by reference. After receipt of approved Notice of Obligation, the Grantee may be reimbursed for allowable costs up to the Adjusted Appropriation Amount. This Agreement and any reimbursements up to the Adjusted Appropriation Amount are expressly conditioned upon the following:

- a. Irrespective of any Notice of Obligation, Grantee's expenditures shall be made in accordance with the Project Budget, on or before the Reversion Date and/or, if applicable, any Early Termination Date; and
 - b. The total amount received by Grantee shall not exceed the lesser of:
 - i. the Adjusted Appropriation Amount identified in Article I (B) herein; or
 - ii. the total of all amounts stated in the Notice(s) of Obligation evidencing the Department has received and accepted Grantee's Third Party Obligation(s); and
 - c. Grantee's expenditures are made and accounted for pursuant to the State Procurement Code, State's Model Accounting Practices, and execution of binding written obligations or purchase orders with third-party contractors or vendors for the provision of services, including professional services, or the purchase of tangible personal property and real property for the Project ("**Third Party Obligations**"); and
 - d. Grantee's submittal of timely Requests for Payment and supporting documentation in accordance with the procedures set forth in this Agreement; and
 - e. In the event capital assets acquired with Project funds are to be sold, leased, or licensed to or operated by a private entity, the sale, lease, license, or operating agreement:
 - i. must be approved by the applicable oversight entity (if any) in accordance with §§ 13-6-2, 13-6-2.1, and 13-6-3; or
 - ii. if no oversight entity is required to approve the transaction, the Department of Finance and Administration's Infrastructure Planning Development Division (IPDD) must approve it as complying with the law.
- B. Prior to the sale, lease, license, or operating agreement being approved pursuant to Articles II(A) (e) (i) or (ii) herein, the Department may, in its sole and absolute discretion, unless inconsistent with State Board of Finance Imposed conditions, reimburse Grantee for necessary expenditures incurred to develop the Project sufficiently to make the sale, lease, license, or operating agreement commercially feasible, limited to planning and design expenditures; and
- C. Grantee's submission of documentation of all Third Party Obligations and amendments thereto (including terminations) to the Department and the Department's issuance of a Notice of Obligation for a particular amount in accordance with the terms of this Agreement shall be governed by the following:
- a. Grantee is authorized to budget the particular amount set forth in the Notice of Obligation, execute the Third Party Obligation, and request the Third Party to begin work after issuance of a Notice of Obligation by the Department.
 - b. Grantee acknowledges and agrees that any Third Party Obligations agreed to prior to receiving a Notice of Obligation are its sole responsibility.
 - c. Grantee shall submit to the Department one copy of all Third Party Obligations and amendments thereto (including terminations) as soon as possible after execution by the Third Party but prior to execution by the Grantee.

- d. Department may, in its sole and absolute discretion, issue a Notice of Obligation for the particular amount of a Third Party Obligation that only obligates the Department to reimburse Grantee's expenditures made on or before the Reversion Date or an Early Termination Date. The current Notice of Obligation form is incorporated herein and attached hereto as **Exhibit B**.
- D. Grantee shall provide all necessary qualified personnel, materials, and facilities to implement the Project. The Grantee shall finance its share (if any) of the costs of the Project, including all Project overruns.
- E. Prior to entering into this Agreement, the Department conducted a risk assessment on the Grantee and a project readiness review for the Project. In accordance with State Model Accounting Practices, FIN 9.2, if the Department determines that the expenditure of Project funds by the Grantee requires special conditions, those conditions are identified and listed in **Exhibit C**, which is attached and incorporated by reference. The Parties agree that, to the extent the Department, in its sole and absolute discretion, determines additional special conditions are necessary or that existing special conditions are no longer required, it may update **Exhibit C** from time to time without the need for a formal amendment of this Agreement.
- F. Project funds shall not be used for purposes other than those authorized by the Department in accordance with the Project Description.
- G. Project funds cannot be used to reimburse the Grantee for indirect Project costs unless specifically allowed by law.

III. NOTICES

The following provisions shall apply whenever written notices, including written decisions, are to be given or received related to this Agreement.

- A. The Grantee designates the person(s) listed below, or their successor, as their official representative(s) concerning all matters related to this Agreement:

Grantee: City of Truth or Consequences
Name: Rolf Hechler
Title: Mayor
Address: 505 Sims St., Tor C, NM 87901
Email: rhechler@torcnm.org
Telephone: 575-894-6673

- B. The Grantee designates the person(s) listed below, or their successor, as their Fiscal Officer or Fiscal Agent concerning all matters related to this Agreement:

Grantee: City of Truth or Consequences
Name: Traci Alvarez
Title: CFO
Address: 505 Sims St., T or C, NM 87901
Email: talvarez@torcnm.org

Telephone: 575-952-0565

- C. The Department designates the persons listed below, or their successors, as the Points of Contact for matters related to this Agreement.

Department: DFA/Local Government Division

Name: , Melanie Vlarrial

Title: Grant Manager

Address: Bataan Memorial Bldg. Rm 202, Santa Fe NM 87501

Email: melanie.vlarrial@dfa.nm.gov

Telephone: 505-690-1561

The Parties agree that all notices, including written decisions, related to this Agreement shall be sent to the persons named above by email or regular mail. For mailings, notices shall be deemed to have been given and received upon the date of the receiving party's actual receipt or five (5) calendar days after mailing, whichever shall first occur. In the case of email transmissions, the notice shall be deemed to have been given and received on the date reflected on the delivery receipt of the email.

IV. TERM & DEADLINE TO EXPEND FUNDS

- A. The term of this Agreement shall begin on the Effective Date and terminate on the 30th day of June during the calendar year of the Reversion Date unless Terminated Before Reversion Date ("Early Termination") pursuant to Article V herein (collectively "Term").

- B. The Project's funds must be expended on or before the Reversion Date and, if applicable, the Early Termination Date of this Agreement.

- a. For purposes of this Agreement, it is not sufficient for the Grantee to encumber the Project funds on its books on or before the Reversion Date or Early Termination Date.
- b. For purposes of this Agreement, an expenditure of funds has occurred on the date the particular quantity of goods is delivered to and received by the Grantee, title to the goods is transferred to the Grantee, and/or as of the date particular services are rendered to and accepted by the Grantee.
- c. For purposes of this Agreement, an encumbrance of funds pursuant to a contract or purchase order with a third party does not qualify as an expenditure.

V. EARLY TERMINATION

- A. General Provision. The Department may terminate this Agreement before the Reversion Date based on the Completion of the Project, Complete Expenditure of the Adjusted Appropriation, and/or Violation of this Agreement. Early Termination hereunder includes:

- a. Termination due to completion of the Project before the Reversion Date;
- b. Termination due to complete expenditure of the Adjusted Appropriation Amount before the Reversion Date;
- c. Termination for violation of the terms of this Agreement; or
- d. Termination for suspected mishandling of public funds, including but not limited to fraud, waste, abuse, and conflicts of interest.

B. Non-appropriation. This Agreement is expressly contingent upon the New Mexico State Legislature making sufficient appropriations and authorizations for the Project Description.

a. If the Legislature does not appropriate the Appropriation Amount, this Agreement shall terminate upon the Department giving the Grantee written notice of such termination. Such termination shall be effective as of the effective date of the law making the non-appropriation.

i. The Department's decision as to whether sufficient appropriations or authorizations are available shall be final. Grantee hereby waives any rights to assert an impairment of contract claim against the State of New Mexico in the event of Early Termination of this Agreement.

b. As used herein, "non-appropriate" or "non-appropriation" includes the following actions by the New Mexico Legislature:

i. Deauthorization, reauthorization, or revocation of a prior authorization.

C. Grant Disbursements in the Event of Early Termination. In the event of Early Termination, the Department's sole and absolute obligation to reimburse the Grantee is expressly conditioned upon the limitations set forth in Article II above.

D. Notice. Either Party may terminate this Agreement prior to the Reversion Date by providing the other Party with a minimum of fifteen (15) days advance written notice of the Early Termination. Grantee hereby waives any rights to assert an impairment of contract claim against the State of New Mexico in the event of Early Termination of this Agreement by the Department.

VI. SUSPENSION OF NEW OR FURTHER OBLIGATIONS

A. Department, in its sole and absolute discretion, may provide written notice to Grantee to suspend entering into further obligations. Upon the receipt of such written notice by the Grantee:

a. Grantee shall immediately suspend entering into new or further written obligations with third parties;

b. Department will suspend the issuance of any new or further Notice of Obligation under this Agreement; and

c. Department may direct the Grantee to implement a corrective action plan in accordance with Article VI (D) herein.

B. In the event of Suspension of this Agreement, the Department's sole and absolute obligation to reimburse the Grantee is expressly conditioned upon the limitations set forth in Article II herein.

C. A suspension of new or further obligations under this Agreement shall remain in effect unless or until the date the Grantee receives written notice given by the Department informing the Grantee that the Suspension has been lifted or that the Agreement has been Early Terminated in accordance with Article V herein. If the Suspension is lifted, the Department will consider further requests for a Notice of Obligation.

D. Corrective Action Plan in the Event of Suspension. Where the Department, in its sole and absolute discretion, directs Grantee to suspend entering into new or further written obligations

with third parties pursuant to Article VI(A), the Department may, but is not obligated to, require the Grantee to develop and implement a written corrective action plan to remedy the grounds for the Suspension.

- a. Such a corrective action plan must be approved by the Department and be signed by the Grantee.
- b. Failure to sign a corrective action plan or meet the terms and deadlines set forth in the signed corrective action plan is hereby deemed a violation of the terms of this Agreement for purposes of Early Termination, Article V(A)(c).
- c. A corrective action plan shall be in addition to, and not in lieu of, any other equitable or legal remedy authorized hereunder or at law, including but not limited to Early Termination.

VII. AMENDMENTS

Unless expressly stated otherwise herein, this Agreement shall not be altered, changed, or amended except by an instrument in writing duly executed by both parties hereto with the same formalities as this agreement.

VIII. REPORTING

A. Database Reporting

- a. Grantee shall provide the Department with quarterly reports of Project activity, entering the required Project information directly into a database required by the Department.
- b. Additionally, Grantee shall certify on each Request for Payment form, attached hereto as **Exhibit A** and incorporated herein, that all information provided in the database is true and accurate, updates to the database have been maintained, and all Project activity complies with applicable law and the terms of this Agreement.
- c. Grantee hereby acknowledges that failure to perform and/or certify updates to the database will jeopardize the reimbursement of funds. The Department shall give Grantee a minimum of fourteen (14) days' advance written notice of any changes to the information the Grantee is required to report.
- d. At the Department's discretion, all reports required hereunder may be directed to and facilitated through an electronic database.
- e. Quarterly reports shall be due on the last day of the month, that is, 30 days prior to the end of the quarter following the execution of this Agreement by the Department and ending during the quarter of the submission of the final request for reimbursement for the Project, or the following quarter.

B. Requests for Additional Information/Project Inspection

During the term of this Agreement and during the period of time during which the Grantee must maintain records pursuant to Article VIII, the Department may:

- i. request such additional information regarding the Project as it deems necessary; and
- ii. conduct, at reasonable times and upon reasonable notice, onsite inspections of the Project.

Grantee shall respond to such requests for additional information within a reasonable period of time, as established by the Department.

B. Requests for Additional Information/Project Inspection

- a. During the term of this Agreement and the Record Retention Period, the Department may:
 - i. Request additional information regarding the Project as it deems necessary and
 - ii. Conduct on-site inspections of the Project at reasonable times and upon reasonable notice.
- b. Grantee shall respond to such requests for additional information within the time established by the Department.

IX. REQUEST FOR PAYMENT PROCEDURES

A. Grantee shall request payment by submitting the form attached hereto as **Exhibit A. Payment requests are subject to the following procedures:**

- a. Each Request for Payment must be in accordance with the Project Budget and contain proof of payment by the Grantee or liabilities incurred by the Grantee.
 - i. Proof of payment must demonstrate the validity of an expenditure or liabilities incurred by Grantee.
 - ii. However, Grantee may be reimbursed for unpaid liabilities only if the Department, in its sole and absolute discretion, agrees to do so and in accordance with any special conditions imposed by the Department.
 - iii. The Grantee shall make payment to those contractors or vendors within five (5) business days from the date of receiving reimbursement from the Department or in a shorter period than the Department may prescribe in writing.
 - iv. The Department reserves the right to make such payments directly to the contractors or vendors as a special condition under this Agreement.
 - v. The Grantee is required to certify to the Department proof of payment to the third-party contractor or vendor within five (5) business days from the date the Department reimburses the Grantee.

B. Until the Project is fully planned, designed, and all necessary procurements identified in the Project Budget are completed, Grantee's reimbursements will be limited to the planning, design, and procurement costs outlined in the Project Budget. Once the planning, designing, and procuring stages are complete, the Grantee must obligate at least ten percent (10%) of the Adjusted Appropriation Amount within one (1) year and must have utilized at least eighty-five percent (85%) of the Adjusted Appropriation Amount six (6) months before the reversion date.

C. Deadlines. Grantee shall submit requests for Payments to the Department on the earlier of:

- a. Immediately as Grantee receives them, but at a maximum of thirty (30) days from when Grantee incurred the expenditure or liability; or
- b. Twenty (20) days from the date of Early Termination or Reversion Date for expenditures or liabilities incurred before the Early Termination date or Reversion Date.

D. Grantee's failure to abide by the requirements set forth in Article II and Article IX herein may result in the denial of its Request for Payment. Department reserves the right to reject a payment request for the Project unless and until it is satisfied that the expenditures or liabilities are for permissible purposes within the meaning of the Project Description, identified within the Project Budget, and that the Grantee is otherwise in compliance with this Agreement.

- a. Department's authority to reject any Request for Payment is in addition to, and not in lieu of, any other legal or equitable remedy available to the Department under this Agreement, at law, or in equity.

X. PROJECT CONDITIONS AND RESTRICTIONS

A. The following general conditions and restrictions shall apply to the Project:

- a. The Project's funds must be spent in accordance with all applicable state laws, regulations, policies, and guidelines, including, but not limited to, the State Procurement Code.
- b. The Project's expenditures and liabilities must be accounted for in accordance with the State's Model Accounting Practices, as amended from time to time.
- c. The Project must be implemented in accordance with the New Mexico Public Works Minimum Wage Act, Section 13-4-10 through 13-4-17 NMSA 1978, as applicable.
- d. The Project must provide a public benefit above and beyond any incidental benefit to private entities in accordance with applicable law, including, but not limited to, Article IX, Section 14 of the Constitution of the State of New Mexico.
- e. Without prior written approval from the Department and State Board of Finance, for the useful life of any asset purchased under this Agreement, Grantee shall not convert any property acquired, built, renovated, repaired, designed, or developed with Project funds to uses other than those specified in the Project Description.
 - i. In addition to other remedies available at law or in equity, any disposal or conversion of property acquired, built, renovated, repaired, designed, or developed with Project funds without the Department's and the Board of Finance's express written approval will trigger the Department's right to reimbursement from Grantee of the Appropriated Amount, transfer proceeds from any disposition of property to the State, or otherwise provide consideration to the State for the Appropriated Amounts.
- f. Grantee shall comply with all applicable federal and state laws, rules, and regulations pertaining to civil rights and equal employment opportunity.
 - i. In accordance with all such laws, rules, and regulations, the Grantee agrees to assure that no person shall, on the grounds of race, color, national origin, sex, sexual preference, age, or handicap, be excluded from participation in the Project, use of the Project, employment with Grantee, or otherwise be denied benefits/subject to discrimination for any activity performed under this Agreement.
- g. Where the Department, in its sole and absolute discretion, determines Grantee has failed to comply with the above conditions and restriction, Grantee agrees to take appropriate steps to correct any deficiencies immediately. The Grantee's failure to implement such appropriate steps within a reasonable time, but no longer than thirty (30) days after

notice from the Department, constitutes a breach of this Agreement and grounds for Early Termination.

XI. REPRESENTATIONS AND WARRANTIES

A. Reliance by Department.

- a. Grantee expressly acknowledges that the Department relies on the representations and warranties made by Grantee in this Agreement. Grantee acknowledges that such representations and warranties are a material inducement for the Department to enter into this Agreement and provide the Appropriated Amount.
- b. Grantee shall ensure all representations and warranties provided herein are true, accurate, and complete as of the date of the Effective Date and shall remain so throughout the Term of this Agreement. Grantee is responsible for promptly notifying the Department in writing of any changes or inaccuracies in the representations and warranties contained herein.

B. Grantee hereby represents and warrants the following:

- a. Grantee has taken all necessary steps to attain the legal authority to receive and expend the Project's funds.
- b. Grantee has duly authorized this Agreement, and the person executing it has authority to do so. Once executed by Grantee, this Agreement shall constitute a binding obligation of Grantee, enforceable according to its terms.
- c. Grantee's obligations hereunder do not conflict with any law, ordinance, or resolution applicable to Grantee, Grantee's charter (if applicable), or any judgment or decree to which Grantee is subject.
- d. Grantee has independently confirmed that the Project Description, including, but not limited to, the Appropriated Amount and Reversion Date, is consistent with the underlying appropriation in law.
- e. Grantee's governing body has duly adopted or passed as an official act a resolution, motion, or similar action authorizing the person identified as the official representative of the Grantee to sign and submit Requests for Payment on behalf of Grantee.
- f. Grantee will abide by New Mexico laws regarding conflicts of interest, governmental conduct, and whistleblower protection.
 - i. Grantee agrees explicitly none of its officers or employees or its designees or agents, no member of the governing body, and no other public official of Grantee who exercises any function or responsibility with respect to this Agreement, shall have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for the Project.
 - ii. Further, Grantee will require all of its contractors to incorporate the language set forth in this paragraph prohibiting conflicts of interest in all subcontracts.
- g. No funds have been paid or will be paid, by or on behalf of the Grantee, to any person for influencing or attempting to influence an officer or employee of the State, any agency, or body in connection with the awarding of any Third Party Obligation.
 - i. Grantee will require certifying language prohibiting lobbying to be included in the award documents for all subawards, including subcontracts, loans, and cooperative agreements.

C. **Consequences of False or Misleading Representations.** If any representation or warranty made by Grantee is found to be false or misleading, the Department shall have the right to exercise any or all of the following remedies:

- a. **Termination of Agreement:** Department may terminate this Agreement immediately upon written notice to the Grantee.
- b. **Repayment of Grant Funds:** Grantee shall repay all Appropriated Amounts disbursed under this Agreement, upon demand by the Department.
- c. **Other Remedies:** Department may pursue any other remedies available at law or in equity.

D. **Survival of Representations and Warranties.** The representations and warranties made by the Grantee shall survive the Early Termination or expiration of this Agreement.

XII. PROJECT RECORDS

- A. Grantee shall be strictly accountable for receipts and disbursements relating to the Project's funds. The Grantee shall follow generally accepted accounting principles and the State's Model Accounting Practices and, if feasible, maintain a separate bank account or fund with a separate organizational code to ensure separate budgeting and accounting of the funds.
- B. For six (6) years following the Project's completion ("**Record Retention Period**"), Grantee shall maintain all Project-related records, including, but not limited to, all financial records, requests for proposals, invitations to bid, selection and award criteria, contracts and subcontracts, advertisements, minutes of pertinent meetings, as well as records sufficient to fully account for the amount and disposition of the Appropriated Amount from all sources budgeted for the Project, the purpose for which such funds were used, and such other records as the Department may prescribe.
- C. Grantee shall make all Project records available to the Department, the Department's Independent Public Accountant, and the New Mexico State Auditor upon request. With respect to the funds that are the subject of this Agreement, if the State Auditor or the Department finds any funds were improperly expended, Grantee shall be required to reimburse the State all amounts found to be improperly expended.

XIII. IMPROPERLY REIMBURSED FUNDS

If the Department determines part or all of the Appropriation Amount was improperly reimbursed to Grantee, including but not limited to funds reimbursed to Grantee based upon fraud, mismanagement, misrepresentation, misuse, violation of law by the Grantee, after ten (10) days' notice to Grantee and the opportunity to return such funds to the Department, the Department may offset any funds due to Grantee from the State, until the Appropriation Amount is fully repaid.

XIV. LIABILITY

Neither Party shall be responsible for liability incurred as a result of the other Party's acts or omissions in connection with this Agreement. Any liability incurred in connection with this Agreement is subject to

Immunities and limitations of the New Mexico Tort Claims Act.

XV. SCOPE OF AGREEMENT

This Agreement constitutes the entire and exclusive agreement between the Parties concerning the subject matter hereof. The Agreement supersedes all prior or contemporaneous agreements, understandings, discussions, communications, and representations, written or verbal.

XVI. REQUIRED NON-APPROPRIATIONS CLAUSE

A. Grantee acknowledges and agrees to include a "non-appropriations" clause in all contracts between it and other parties that are (i) funded in whole or part by funds made available under this Agreement and (ii) entered into after the effective date of this Agreement that states:

- a. "The terms of this Agreement are contingent upon sufficient appropriations and authorization being made by the Legislature of the State of New Mexico ("**Legislature**") for the performance of this Agreement.
- b. If the Legislature does not make sufficient appropriations and authorization, City of Truth or Consequences may immediately terminate this Agreement by giving Contractor written notice of such termination.
- c. The City of Truth or Consequences's decision as to whether sufficient appropriations are available shall be final and accepted by the Contractor. Contractor hereby waives any rights to assert an impairment of contract claim against the City of Truth or Consequences or the State of New Mexico in the event of immediate or early termination of this Agreement by the City of Truth or Consequences or the State Department of Finance and Administration."

XVII. REQUIRED TERMINATION CLAUSE

A. Grantee acknowledges and agrees to include the following termination clause in all contracts that are (i) funded in whole or part by funds made available under this Agreement and (ii) entered into after the effective date of this Agreement:

- a. "This contract is funded in whole or in part by funds made available by the State of New Mexico ("**State**"). Should the State terminate its Agreement with the City of Truth or Consequences, the City of Truth or Consequences may terminate this contract immediately by providing Contractor written notice of such termination.
- b. In the event of termination pursuant to this paragraph, the City of Truth or Consequences's only liability to Contractor shall be for goods and services delivered and accepted prior to the termination date."

XVIII. COMPLIANCE WITH UNIFORM FUNDING CRITERIA

A. Throughout the term of this Agreement, Grantee shall:

- a. Submit all reports of annual audits and agreed-upon procedures required by § 12-6-3(A)-(B), NMSA 1978 by the due dates established in § 2.2.2 NMAC, reports of which must be a

public record pursuant to § 12-6-5(A), NMSA 1978 within forty-five (45) days of delivery to the State Auditor;

- b. Have a duly adopted budget for the current fiscal year approved by its budgetary oversight agency (if any);
- c. Timely submit all required financial reports to its budgetary oversight agency (if any); and
- d. Use accounting methods and procedures consistent with Generally Accepted Accounting Principles and the State's Model Accounting Principles to expend the Appropriated Amount in accordance with applicable law and account for and safeguard Project funds and assets acquired with Project funds.

B. In the event Grantee fails to comply with the requirements of subparagraph A of this Article XVIII, Department may take one or more of the following actions:

- a. Suspend new or further obligations pursuant to Article VI(A) of this Agreement;
- b. Require the Grantee to develop and implement a written corrective action plan pursuant to Article VI(D) of this Agreement to remedy the non-compliance;
- c. Impose special conditions to address the non-compliance by giving Grantee notice of such special conditions in accordance with Article III of this Agreement;
 - i. The Parties agree that any special conditions imposed to address non-compliance shall be incorporated into this Agreement, through **Exhibit C**, upon notice to Grantee, without need for formal amendment of this Agreement;
 - ii. Special conditions shall be binding and effective on the date that notice is deemed to have been given pursuant to Article III or
- d. Terminate this Agreement pursuant to Article V(A) of this Agreement.

XIX. SEVERANCE TAX AND GENERAL OBLIGATION BONDS

A. Grantee acknowledges and agrees that the underlying appropriation for the Project may originate from the issuance of tax-exempt severance tax bonds or general obligation bonds by the State. Proceeds from such bonds are administered by the New Mexico State Board of Finance ("SBOF"), an entity separate and distinct from the Department.

a. Grantee acknowledges and agrees:

- i. It is Grantee's responsibility to determine through SBOF what (if any) conditions are currently imposed on the Project;
- ii. Department's failure to inform Grantee of an SBOF-imposed condition does not affect the validity or enforceability of the condition;
- iii. The SBOF may in the future impose further or different conditions upon the Project;
- iv. All SBOF conditions are attached to the Project and Appropriation Amount without the need for formal amendment of this Agreement;
- v. All applicable SBOF conditions must be satisfied before the SBOF will release to the Department funds subject to the condition(s) and
- vi. The Department's obligation to reimburse Grantee from the Project is expressly contingent upon the satisfaction of the then-current SBOF conditions.

B. Grantee acknowledges and agrees SBOF may, at its sole and absolute discretion, require reimbursement or remove eligibility for bond proceeds for the Project if the Project doesn't

proceed sufficiently.

- a. Grantee must comply with the requirement to encumber five percent (5%) of Project funds within six months of bond issuance as certified by Grantee in the Bond Questionnaire and Certification documents submitted to the SBOF.
 - b. Failure to comply may result in the reassignment of the bond proceeds. Upon reassignment of bond proceeds, this Agreement will be suspended until the entity has demonstrated readiness as determined by the SBOF and the Department.
- C. Grantee acknowledges and agrees that this Agreement is subject to the SBOF's Bond Project Disbursements rule, § 2.61.6, NMAC, as may be amended from time to time or re-codified.

XX. GENERAL PROVISIONS

- A. **Assignment:** Grantee's rights and obligations under this Agreement are personal and may not be transferred or assigned without the prior written consent of the State. Any attempt at assignment or transfer without such consent shall be void. Any assignment or transfer of Grantee's rights and obligations approved by the State shall be subject to the provisions of this Agreement.
- B. **Subcontractors:** Grantee shall not enter any subgrant or subcontract in connection with its obligations under this Agreement without the prior written approval of the State. Upon request, Grantee shall submit to the Department a copy of each such subgrant or subcontract.
- C. **Binding Effect:** Except as otherwise provided, all provisions of this Agreement, including the benefits and burdens, shall extend to and be binding upon the Parties' respective successors and assigns.
- D. **Authority:** Each Party represents and warrants to the other that the execution and delivery of this Agreement and the performance of such Party's obligations have been duly authorized.
- E. **Captions and References:** The captions and headings in this Agreement are for the convenience of reference only and shall not be used to interpret, define, or limit its provisions. All references in this Agreement to sections (whether spelled out or using the § symbol), subsections, exhibits, or other attachments are references to sections, subsections, exhibits, or other attachments contained herein or incorporated as a part hereof, unless otherwise noted.
- F. **Counterparts:** This Agreement may be executed in multiple, identical, original counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute the same agreement.
- G. **Digital Signatures:** If any signatory signs this agreement using a digital signature in accordance with the State Policies regarding the use of digital signatures, then any agreement or consent to use digital signatures within the electronic system through which that signatory signed shall be incorporated into this Agreement by reference.
- H. **Modification:** Except as otherwise provided in this Agreement, any modification to this Agreement shall only be effective if agreed to in a formal amendment, properly executed and approved in accordance with applicable New Mexico law and State fiscal policies and rules.

Modifications permitted under this Agreement, other than Agreement amendments, shall conform to the policies issued by the State.

- I. **Statutes, Regulations, Fiscal Rules, and Other Authority:** Any reference in this Agreement to a statute, regulation, policy, or other authority shall be interpreted to refer to such authority then current, as may have been changed or amended after the Effective Date of this Agreement.
- J. **External Terms and Conditions:** Notwithstanding anything to the contrary herein, the State shall not be subject to any provision included in any terms, conditions, or agreements appearing on Grantee's or a subcontractor's website or any provision incorporated into any click-through or online agreements related to the Work unless that provision is specifically referenced in this Agreement.
- K. **Severability:** The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect, provided that the Parties can continue to perform their obligations under this Agreement in accordance with its intent.
- L. **Survival of Certain Agreement Terms:** Any provision of this Agreement that imposes an obligation on a Party after the termination or expiration of this Agreement shall survive the termination or expiration of this Agreement and shall be enforceable by the other Party.
- M. **Third Party Beneficiaries:** Except for the Parties' respective successors and assigns described in this Agreement, it does not and is not intended to confer any rights or remedies upon any person or entity other than the Parties. Enforcement of this Agreement and all rights and obligations hereunder are reserved solely to the Parties. Any services or benefits that third parties receive as a result of this Agreement are incidental to this Agreement and do not create any rights for such third parties.
- N. **Waiver:** A Party's failure or delay in exercising any right, power, or privilege under this Agreement, whether explicit or by lack of enforcement, shall not operate as a waiver, nor shall any single or partial exercise of any right, power, or privilege preclude any other or further exercise of such right, power, or privilege.
- O. **Standard and Manner of Performance:** Grantee shall perform its obligations under this Agreement in accordance with the highest standards of care, skill, and diligence in Grantee's industry, trade, or profession.
- P. **Licenses, Permits, and Other Authorizations:** Grantee shall secure, prior to the Effective Date, and maintain at all times during the term of this Agreement, at its sole expense, all licenses, certifications, permits, and other authorizations required to perform its obligations under this Agreement and shall ensure that all employees, agents, and subcontractors secure and maintain at all times during the term of their employment, agency or subcontractor, all license, certifications, permits and other authorizations required to perform their obligations in relation to this Agreement.
- Q. **Publicity:** Any Publicity regarding the subject matter of this Agreement may not be released without prior written approval from the Department. For purposes of this agreement, "**Publicity**"

means notices, informational pamphlets, press releases, email responses, research, reports, signs, and similar public notices prepared by or for the Grantee or jointly with others.

- a. Grantee shall obtain written approval prior to issuing any press release or making any public announcement regarding this agreement. Grantee agrees to obtain approval of the Department in advance with respect to all Public Relations, all communications with media, or all communications with any other member of the public with respect to this agreement, except to acknowledge that an agreement does exist.
- b. For purposes of this agreement, "Public Relations" includes community relations and means those activities dedicated to maintaining the Department's image or maintaining or promoting understanding and favorable relations with the community or public at large or any segment of the public.
- c. Violations of either Article XX (Q)(a) or (b) shall constitute a material Breach of Agreement.

R. Data Sharing: The State intends to secure and collate specific data generated by Grantee under this Agreement to use in support of the State's organizational, policy-making, and management of public resource functions. State, in accordance with Exhibit E, attached hereto and incorporated herein by reference, reserves the right to require Grantee and/or its subcontractors to provide specific data relevant to the above-listed functions. Data provided by Grantee may be incorporated into existing or future developed State integrated analysis tools or databases, including but not limited to geographic information system (GIS) networks and databases accessible by the public. Dissemination of data collected may include historical data and projections based on such historical data.

- a. To the extent any data transferred as part of this Agreement is legally determined to be the property of Subrecipient or its subcontractors, Subrecipient and/or its subcontractors grants State a nonexclusive, fully paid-up right and license to reproduce, use, distribute, do derivative works based on, and archive data transferred as part of this Agreement.

S. Venue and Choice of Law: This Agreement shall be governed by and construed in accordance with the laws of the State of New Mexico, without regard to any conflict of law provisions. Any legal suit, action, or proceeding arising out of or related to this Agreement shall be instituted exclusively in the district courts located in Santa Fe, New Mexico. The Parties hereby irrevocably submit to the exclusive jurisdiction and venue of such courts in any such suit, action, or proceeding. The Parties waive any objection to the laying of the venue of any such suit, action, or proceeding in the district courts of Santa Fe, New Mexico, and irrevocably waive and agree not to plead or claim in any such court that any such suit, action, or proceeding brought in any such court has been brought in an inconvenient forum.

[SIGNATURE PAGE AND EXHIBITS FOLLOW]
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IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the Department's date of execution.

APPROVED BY DEPARTMENT:

Cabinet Secretary, Wayne Propst:

Signature

Date

Chief Financial Officer, Mackie Romero:

Signature

Date

Local Government Division Director, Cecilia Mavrommatis:

Signature

Date

AS TO LEGAL FORM AND SUFFICIENCY

General Counsel's Office:

Signature

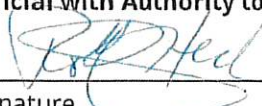
(Print Name)

(Title)

APPROVED BY GRANTEE:

City of Truth or Consequences
Entity Name

Official with Authority to Bind Grantee:


Signature

Rolf Hechler
(Print Name)

Mayor
(Title)

8-13-2025
Date

Fiscal Officer or Chief Financial Officer:

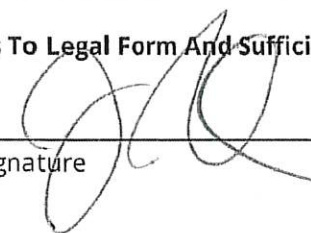

Signature

Jocelyn Holguin
(Print Name)

Finance Director
(Title)

8-13-2025
Date

As To Legal Form And Sufficiency


Signature

Jaime Rubin
(Print Name)

Attorney
(Title)

8-13-2025
Date

EXHIBIT A
Request for Payment Form and Certification

STATE OF NEW MEXICO GRANT APPROPRIATION Request for Payment Form Exhibit A			
I. Grantee Information (Must match your DFA Substitute WI-9 Form)		II. Payment Computation	
A.	Grantee:	A.	Payment Request No. _____
B.	Address: _____ (Complete Mailing, including date, if applicable)	B.	Grant Amount: \$ 0.00
	City, State, Zip: _____	C.	AIFF Amount (if Applicable): \$ 0.00
C.	Contact Name/Phone #: _____	D.	Funds Requested to Date: \$ 0.00
D.	Grant No: _____	E.	Amount Requested this Payment: _____
E.	Project Title: _____	F.	Reversion Amount (if applicable): \$ 0.00
F.	Grant Expiration Date: _____	G.	Grant Balance: \$ 0.00
		H.	☐ Final Request for Payment (if applicable)
III. Fiscal Year : <u>2024 July 1, 2025 June 30, 2026</u> (The State of NM Fiscal Year is July 1, 20XX through June 30, 20XX of the following year)			
IV. Certifications			
☐ I hereby certify that all conditions and requirements for Payments outlined in the Agreement have been met, including but not limited to: a. Submission and approval of a Project Budget as per Article IV, Section A of the Agreement. b. Compliance with the Project Budget and expenditure of funds in accordance with the State Procurement Code and the State's Model Accounting Practices. c. Submission of supporting documentation as required by the Agreement. d. Maintenance of all necessary records and documentation as stipulated in the Agreement.			
☐ I attest that the information provided is correct; expenditures are properly documented and valid or actual receipts, and that the activity fully complies with Article IX, Sec. 14 of the New Mexico Constitution, known as the "anti-donation" clause.			
☐ I hereby certify that all representations and warranties made in the Agreement remain true, accurate, and complete as of the date of this request, and will continue to be so throughout the term of the Agreement. I acknowledge that these representations and warranties are a material inducement for the Department to approve this pay request.			
Grantee Fiscal Officer or Fiscal Agent (if applicable)		Grantee Representative	
Printed Name: _____		Printed Name: _____	
Date: _____		Date: _____	
(State Agency Use Only)			
Vendor Code: _____		Fund No.: _____	PO # _____
		Loc No.: _____	
I certify that the State Agency financial and vendor file information agree with the above submitted information.			
ASD Officer _____		Division Grant Manager _____	
Date _____		Date _____	

Revised 7/2025

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EXHIBIT B
Notice of Department's Obligation Form

NOTICE OF OBLIGATION TO REIMBURSE GRANTEE
EXHIBIT B

Notice of Obligation to Reimburse Grantee # _____

DATE: _____

TO: Department Representative: _____ Grant Manager

FROM: Grantee Entity: _____

Grantee Official Representative: _____

SUBJECT: Notice of Obligation to Reimburse Grantee

Grant Number: _____

Grant Termination Date: _____

As the designated representative of the Department for Grant Agreement number _____ entered into between Grantee and the Department, I certify that the Grantee has submitted to the Department the following third party obligation executed, in writing, by the third party's authorized representative:

Vendor or Contractor: _____

Third Party Obligation Amount: _____

Vendor or Contractor: _____

Third Party Obligation Amount: _____

I certify that the State is issuing this Notice of Obligation to Reimburse Grantee for permissible purposes within the scope of the project description, subject to all the terms and conditions of the above referenced Grant Agreement.

Grant Amount (Minus AIPP if applicable): _____

The Amount of this Notice of Obligation: _____

The Total Amount of all Previously Issued Notices of Obligation: _____

The Total Amount of all Notices of Obligation to Date: \$ 0.00

Note: Contract amounts may exceed the total grant amount, but the invoices paid by the grant will not exceed the grant amount.

Department Rep. Approver: _____

Title: Grant Manager

Signature: _____

Date: _____

1 Administrative and/or Indirect Cost – generally, the legislation authorizing the issuance of bonds prohibits the use of its proceeds for indirect expenses (e.g. penalty fees or damages other than pay for work performed, attorney fees, and administrative fees). Such use of bond proceeds shall not be allowed unless specifically authorized by statute.

Revised 7/2025

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EXHIBIT C

Special Conditions (If Fiscal Agent Required or Anti Donations Issues Exist)

OPTIONAL EXHIBIT C SPECIAL CONDITIONS

The capital outlay oversight requires grantees' accounting methods and procedures, including their internal control framework, to be scrutinized, so as to safeguard State capital outlay appropriations and assets acquired with such appropriations.

This Capital Outlay Special Grant Condition(s) **Exhibit C** is necessary pursuant to § 6-3b-1 et seq., NMSA 1978 (Public Finance Accountability Act) and MAPS Fin 9.2, due to the Grantees' material weaknesses, significant deficiencies, or findings that raised concerns as to the ability to expend grant funds in accordance with applicable law in the organization's FY[20XX] audit. The Special Conditions identified below apply to the authorized agent, [insert the Grantee or Fiscal Agent name].

Procurement - All purchases or contracts the Grantee enters that shall use funding from the Department capital appropriations grant must be approved by the Department prior to the initiation of implementing purchasing documents. The Grantee shall receive such prior approval via official correspondence from the Department, which may be through letter or email. The Grantee shall submit the following to the Department in pursuit of prior approval: purchasing policies and procedures, CFO certification, documentation of management and program approval, policies and procedures governing purchasing and contracting, a copy of the current procurement and contracting policies, and documentation regarding informing staff responsible for purchasing and contracting on such policies and procedures.

Budget - Provide documentation of approval of your current budget from DFA Local Government or other authoritative agency. Provide policies and procedures on who is responsible for and how annual budgets (expenditures and revenue) are established, monitored and adjusted. Provide a corrective action plan on how budget issues identified in your audit will be/have been addressed. Also include documentation on how staff responsible for budgeting is informed on budget policies and procedures.

Capital Assets - Provide a complete list of inventory including inventory control numbers and current location. Provide policies and procedures on capital assets and inventory and specify how the proposed purchased items will be included, tagged, and tracked in capital asset inventory. Also include documentation on how staff responsible for capital assets is informed on capital asset policies and procedures.

Travel and Per Diem - Provide policies and procedures on travel and per diem. Also include how staff who travel and those responsible for travel reimbursement are informed on travel and per diem policies and procedures.

Timely Audits - Provide policies and procedures on annual audits. Provide documentation on how and who is responsible for insuring that annual audits are completed timely. Also include documentation on how staff responsible for the annual audit is informed on audit policies and procedures.

Cash Management - policies and procedures on cash management of federal funds. Provide procedures used to draw and disburse federal funds. Provide procedures to reconcile draw amounts, deposits and disbursements; and to prepare federal cash reporting documents to ensure compliance with federal regulations.

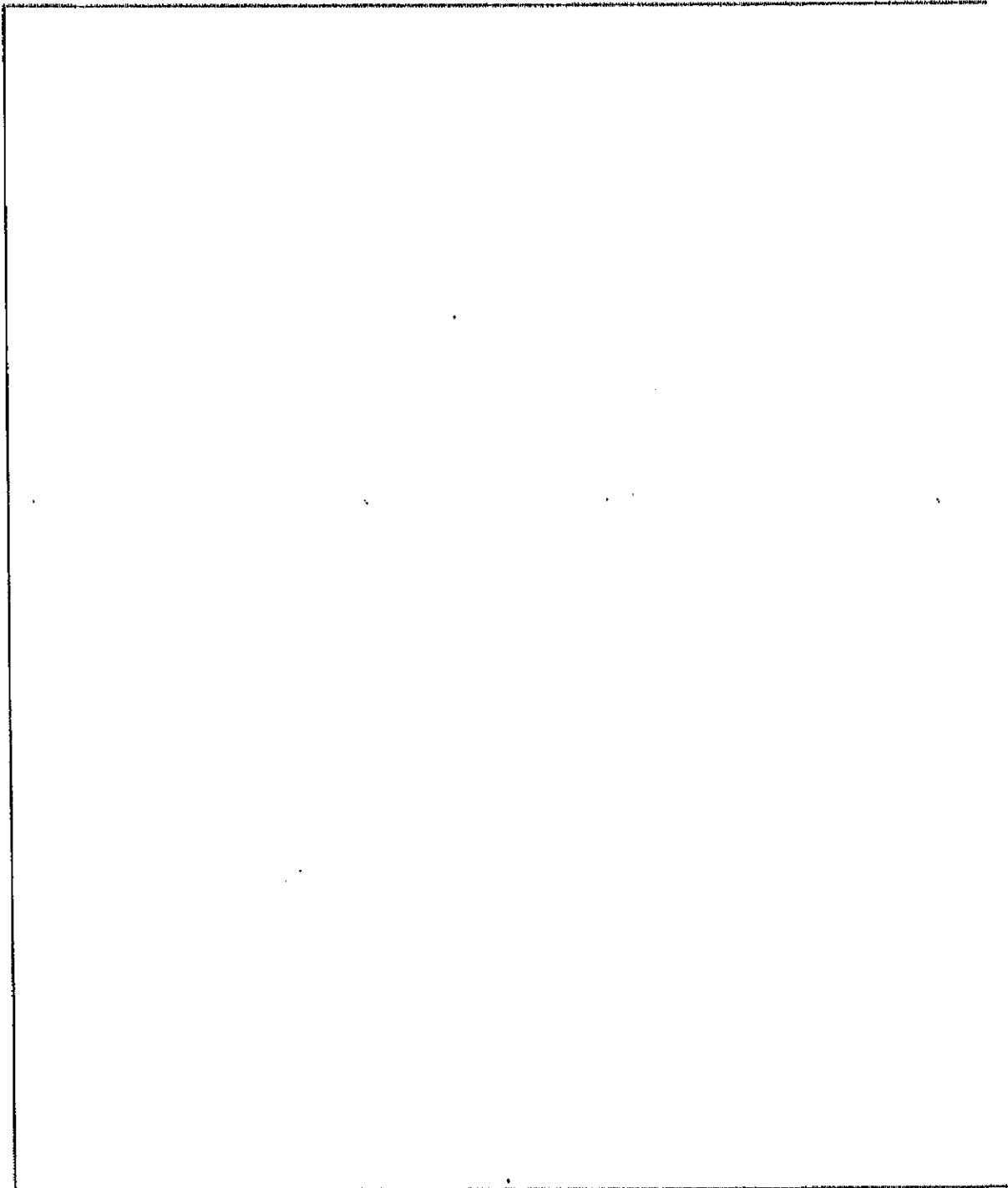
The <Grantee> was required to, and has provided sufficient documentation regarding [insert specific names of the Special Condition(s)], as referenced in the <Grantee>'s [20XX] Audit file. Therefore, the criteria to enter into this agreement have been met.

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EXHIBIT D

Project Budget Worksheet *

***(Provided separately when grant agreement Issued to Grantee)**



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EXHIBIT E
Data Sharing Provisions

Exhibit E
Data Sharing Provisions for New Mexico Capital Outlay Agreements

I. Introduction:

This Data Sharing Provisions Exhibit ("Exhibit") is incorporated into the New Mexico Capital Outlay Agreements ("Agreements") between the State of New Mexico ("State") and [Insert Partner Name] ("Partner"). This Exhibit outlines the terms and conditions under which data will be shared between the Parties to ensure compliance with New Mexico state laws and regulations, focusing on data privacy, security, and compliance.

II. Definitions:

- a. **Authorized User:** An employee, agent, assign, representative, independent contractor, or other person or entity authorized by Partner or State to access, use, or disclose information through this exhibit.
- b. **Confidential Information:** All data or information shared in confidence, with the expectation that it will not be disclosed in an identifiable form. This includes data that is exempt from public disclosure under the New Mexico Inspection of Public Records Act (§ 14-2-1 et seq. NMSA 1978) or other relevant laws.
- c. **Data Storage:** Electronic media that hold recorded information.
- d. **Data Transmission:** The process of moving information over a network from its source to one or more destinations.
- e. **Direct Identifier:** Records or data containing personal identifiers such as names, addresses, and social security numbers.
- f. **Disclosure:** Permission to access, release, transfer, or otherwise communicate confidential information by any means to any third party, except as authorized by the Party that controls the record.
- g. **Encryption:** Involves using algorithms to encode data, rendering it unreadable without a specific key. It may be necessary during data transmission and/or storage.
- h. **Information:** Any data, figures, statistics, or other facts provided or learned about someone or something, including Confidential Information, that may be legally transmitted under this Exhibit.
- i. **Limited Dataset:** A data file that omits Direct Identifiers.
- j. **Protected Personally Identifiable Information:** Sensitive personal details such as social security numbers and financial account numbers, with specific exclusions as outlined in the Agreements.

III. Purpose:

The purpose of this exhibit is to promote transparency, facilitate information sharing between the parties, support better policy and decision-making, and enhance public services through collaborative

data analysis from various sources.

IV. Use of Information:

- a. Use of Information obtained or created under this exhibit shall be strictly limited to the purposes stated herein and in the agreements. The parties agree not to sell Information to third parties or use it for commercial, solicitation, or political purposes.
- b. Each Party shall serve as the custodian of the Information and comply with all conditions for its use, including security measures to prevent unauthorized access.
- c. The Parties shall follow all relevant federal and state laws and regulations governing the use of such Information.

V. Safeguarding Information:

- a. Confidentiality: Access to Confidential Information shall be limited to the minimum necessary to accomplish the purposes of this Exhibit. Authorized Users must adhere to the confidentiality requirements.
- b. Security: Security practices shall comply with the requirements of the New Mexico Department of Information Technology Act and related regulations. The Parties agree to notify each other within three business days of any suspected or actual security breach.
- c. Information Storage and Transmission: Data Storage and Transmission shall take place on an encrypted server with appropriate security controls.

VI. Re-Disclosure of Information:

The Parties agree not to disclose Information except as required by law or with prior written approval of the other Party. If there is a public records request, the Party receiving it shall notify the other Party within three business days.

VII. Ownership of Information:

Legal title to Information shall remain with the provider. The Partner grants the State a royalty-free, non-exclusive, non-transferable license to use the Information in furtherance of the purposes outlined in this Exhibit.



CITY OF TRUTH OR CONSEQUENCES

AGENDA REQUEST FORM

MEETING DATE: September 24, 2025

Agenda Item #: D.2

SUBJECT: Discussion/Action - Publication of Ordinance No. 772 G.O. Bond

DEPARTMENT: Community Development

DATE SUBMITTED: September 19, 2025

SUBMITTED BY: Traci Alvarez

WHO WILL PRESENT THE ITEM: Chris Muirhead/Mark Valenzuela

Summary/Background: The proposed Bond Ordinance authorizes the issuance of general obligation bonds in the par amount of \$790,000. The general obligation bonds were approved at an election on November 8, 2022 in the total amount of \$3,000,000. The City previously issued the first series of general obligation bonds related to the \$3,000,000 approved amount in 2023 & 2024 in the amount of \$790,000 each. The debt service is paid through the collection of ad valorem property taxes. The bond proceeds will be used for improvements to streets and water/wastewater system.

Recommendation:

This is the first reading of the Bond Ordinance and Commission action to approve publishing notice of meeting and consideration of the Bond Ordinance at the 2nd meeting in October.

Attachments:

- Bond Ordinance 772
-

Fiscal Impact (Finance): TBD

[Click here to enter text.](#)

Legal Review (City Attorney): Yes

Approved For Submittal By: ☐ Department Director

Reviewed by: ☐ City Clerk ☐ Finance ☐ Legal ☐ Other: [Click here to enter text.](#)

Final Approval: ☐ City Manager

CITY CLERK'S USE ONLY - COMMISSION ACTION TAKEN

Resolution No. [Click here to enter text.](#) Ordinance No. -

Continued To: - Referred To: -

☐ Approved ☐ Denied ☐ Other: -

File Name: CC agendas 9-24-25

City of Truth or Consequences, NM

September 24, 2025

General Obligation Bond Program

Mark Valenzuela

Managing Principal

505-910-1081

mark@bosqueadvisorsllc.com

Nathaniel Gomez-Valenzuela

Analyst

505-910-1125

nathaniel@bosqueadvisorsllc.com





Original Finance Plan - \$3 million voter approved

- Series 2023: \$790,000
- Series 2024: \$790,000
- Series 2025: \$790,000 – Projected
- Series 2026: \$630,000 – Projected

Current General Obligation Debt

Total Existing Principal: \$ 1,325,000
 Total Existing Interest: 238,658
 Total Payments To Date: \$ 1,563,658

City of Truth or Consequences - Long Term Bond Program								
Number of Years Calendar Year		Revenue for Debt		2022 Election: \$3 Million			Total Debt Service	Excess Revenue
		Mill Levy	Property Tax Revenue	Existing Debt Payments	Series 2025	Series 2026		
0	2024	4.535	555,941	288,974	-	-	288,974	266,967
1	2025	3.500	429,061	280,643	-	-	280,643	148,418
2	2026	3.500	429,061	87,628	404,500	-	492,128	(63,067)
3	2027	3.500	429,061	80,930	56,250	376,500	513,680	(84,619)
4	2028	3.500	429,061	99,385	54,500	39,250	193,135	235,926
5	2029	3.500	429,061	102,387	52,750	38,000	193,137	235,924
6	2030	3.500	429,061	100,228	51,000	36,750	187,978	241,084
7	2031	3.500	429,061	98,063	49,250	35,500	182,813	246,249
8	2032	3.500	429,061	95,889	47,500	34,250	177,639	251,423
9	2033	3.500	429,061	103,693	45,750	33,000	182,443	246,618
10	2034	3.500	429,061	101,118	44,000	31,750	176,868	252,194
11	2035	3.500	429,061	98,370	42,250	30,500	171,120	257,941
12	2036	3.500	429,061	101,196	40,500	29,250	170,946	258,116
13	2037	3.500	429,061	49,784	28,750	18,000	96,534	332,528
14	2038	3.500	429,061	53,123	27,500	17,250	97,873	331,188
15	2039	3.500	429,061	56,218	26,250	16,500	98,968	330,093
16	2040	3.500	429,061	55,000	-	15,750	70,750	358,311
17	2041	3.500	429,061	-	-	-	-	429,061
18	2042	3.500	429,061	-	-	-	-	429,061
19	2043	3.500	429,061	-	-	-	-	429,061
20	2044	3.500	429,061	-	-	-	-	429,061
21	2045	3.500	429,061	-	-	-	-	429,061
22	2046	3.500	429,061	-	-	-	-	429,061
23	2047	3.500	429,061	-	-	-	-	429,061
24	2048	3.500	429,061	-	-	-	-	429,061
			\$ 10,853,416	\$ 1,852,631	\$ 970,750	\$ 752,250	\$ 3,575,631	\$ 7,277,785

*Preliminary, subject to changing market conditions.



City of Truth or Consequences, NM - Series 2025 General Obligation Bonds
\$790,000

Finance Calendar - (Preliminary, Subject to Change)

Date Due	Item or purpose	Notes
Tuesday, February 11, 2025	Discuss plan of finance	City, Bond Advisor
Wednesday, February 26, 2025	DRAFT NMFA Application due for April 2025 Board Meeting	Bond Advisor
Thursday, February 27, 2025	Finalize plan of finance to align with capital projects schedule	City, Bond Advisor
Wednesday, March 26, 2025	Presentation to Commission - Plan for remaining GO Bonds	City, Bond Advisor
Wednesday, September 24, 2025	City Commission public hearing on Bond Ordinance with Delegated Authority to City Manager	Bond Counsel, Bond Advisor
Thursday, September 25, 2025	Submit Bond Ordinance to Newspaper	Bond Counsel
Friday, September 26, 2025	Publish Bond Ordinance Adoption in Newspaper	<i>Sentinel</i>
Tuesday, October 7, 2025	Submit signed application to NMFA and other information	Bond Advisor
Thursday, October 23, 2025	NMFA distributes loan summary, preliminary debt schedule (DSS), credit assessment	
Friday, November 14, 2025	Submit credit package to NMFA Staff	Bond Advisor
Friday, November 14, 2025	Request Bond Capacity Certificate	Bond Advisor
Monday, November 17, 2025	Distribute DRAFT Closing Documents	Bond Counsel
Monday, November 17, 2025	Distribute DRAFT Closing Instructions	Bond Advisor
Monday, November 17, 2025	Review DRAFT Bond Purchase Agreement	ALL
Tuesday, November 25, 2025	30-day Limitation of Action Period Expires	
Monday, December 1, 2025	Finalize structure and terms with NMFA Staff	City, Bond Advisor, NMFA
Thursday, December 11, 2025	NMFA Board Meeting to Approve Loan Application	City, Bond Advisor
Friday, December 12, 2025	Sets Final Interest Rates, Finalize DSS, Bond Purchase Agreement	City, Bond Advisor, NMFA
Monday, December 15, 2025	Final Sales Certificate and Bond Ordinance	Bond Advisor, Bond Counsel
Monday, December 15, 2025	Comments on closing documents and closing instructions due	All
Wednesday, December 17, 2025	Pre-closing, document signing	
Thursday, December 18, 2025	Documents delivered to NMFA Attorneys, NM Department of Justice	
Monday, January 5, 2026	Distribute Final Closing Instructions and Requisitions	Bond Counsel
Thursday, January 8, 2026	DFA Local Government Division submits approval	Bond Advisor
Friday, January 9, 2026	Close Transaction	Group

Bosque Advisors, LLC
Municipal Finance & Policy Advisors
New Mexico Public Finance
Albuquerque
(505) 532-2701

Bosque Advisors, LLC, is a municipal advisor firm, registered with the Securities and Exchange Commission and with the Municipal Securities Rulemaking Board. This report was prepared from data believed to be reliable but not guaranteed by us without further verification or investigation, and does not purport to be complete. It is not to be considered as an offer to sell or a solicitation of an offer to buy the securities of the entities covered by this report. Opinions expressed are subject to change without notice.

CITY OF TRUTH OR CONSEQUENCES

The City Commission of the City of Truth or Consequences, New Mexico, met in regular session in full conformity with law and the rules and regulations of the City Commission at the City Commission Chambers, 405 West Third Street, Truth or Consequences, New Mexico, being the regular meeting place of the City Commission, on the _____ day of October, 2025, at the hour of 9:00 a.m. Upon roll call, the following members, which constitute a quorum of the City Commission, were found to be present:

Present:

Absent:

Thereupon, there was officially filed with the Mayor, each Commissioner and the City Clerk-Treasurer a copy of a proposed bond ordinance in final form.

CITY OF TRUTH OR CONSEQUENCES, NEW MEXICO
ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF CITY OF TRUTH OR CONSEQUENCES, NEW MEXICO, GENERAL OBLIGATION BONDS, SERIES 2025, IN THE PRINCIPAL AMOUNT OF \$790,000, PAYABLE FROM AD VALOREM TAXES LEVIED ON ALL TAXABLE PROPERTY WITHIN THE CITY, LEVIED WITHOUT LIMIT AS TO RATE OR AMOUNT; PROVIDING FOR THE FORM, TERMS AND CONDITIONS OF THE BONDS, THE MANNER OF THEIR EXECUTION, AND THE METHOD OF, AND SECURITY FOR, PAYMENT; PROVIDING FOR THE AWARD AND SALE OF THE BONDS TO THE PURCHASER AND THE PRICE TO BE PAID BY THE PURCHASER FOR THE BONDS; AND PROVIDING FOR OTHER DETAILS CONCERNING THE BONDS.

WHEREAS, at a general obligation bond election duly called and held for the City of Truth or Consequences, New Mexico, (the "City") on the 8th day of November, 2022, the electors of the City authorized the City Commission (the "Commission") to contract bonded indebtedness on behalf of the City and upon the credit thereof by issuing general obligation bonds of the City to secure funds for the following purpose (the "Project") in the following amount:

<u>Purposes:</u>	<u>Amount Authorized At Election</u>	<u>Amount Previously Issued</u>	<u>Amount To Be Issued</u>
Laying off, opening, constructing, repairing, and otherwise improving municipal alleys, streets, public roads and bridges, or any combination thereof	\$1,000,000	\$540,000	\$270,000
Enlarging, improving or extending the City's water and wastewater system	\$2,000,000	\$1,040,000	\$520,000

WHEREAS, the Commission has determined and does hereby determine that it is necessary and in the best interest of the City and the inhabitants thereof that the \$790,000 general obligation bonds authorized at the election (the "Bonds") be issued at this time; and

WHEREAS, the Commission has determined and hereby does determine to enter into a Bond Purchase Agreement and sell the Bonds to the New Mexico Finance Authority ("Finance Authority"); and

WHEREAS, the Commission has determined and does hereby determine that the Bonds shall be issued at this time under the authority of the New Mexico Constitution and applicable law as hereinafter set forth, and desires to fix the form and details of the Bonds and to provide for the levy of taxes for the payment of the principal of and interest on the Bonds; and

WHEREAS, the net effective interest rate on the Bonds is not more than ten percent (10%) a year; and

WHEREAS, no action or suit has been commenced by any person or corporation contesting the validity of any of the proceedings directed toward the issuance and sale of the Bonds heretofore taken by the Commission and the officers of the City.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF CITY TRUTH OR CONSEQUENCES, NEW MEXICO AS FOLLOWS:

Section 1. All actions heretofore taken by the Commission and the officers and employees of the City directed toward the issuance and sale of the Bonds to secure funds for the purposes stated above be, and the same hereby are, ratified, approved and confirmed, including the sale of the Bonds in the amount of \$790,000 to the New Mexico Finance Authority pursuant to the Bond Purchase Agreement which is hereby approved. The Mayor is authorized to complete and modify the Bond Purchase Agreement consistent with this Ordinance.

Section 2.

A. In order to provide funds for the Project, the Commission, on behalf of the City and upon the full faith and credit thereof, shall issue the City's general obligation bonds maturing and bearing interest as follows:

<u>Amounts Maturing</u>	<u>Years Maturing (August 1)</u>	<u>Interest Rate (Per Annum)</u>
\$ 210,000	2026	%
30,000	2027	
30,000	2028	
30,000	2029	
35,000	2030	
35,000	2031	
35,000	2032	
35,000	2033	
35,000	2034	
35,000	2035	
35,000	2036	
40,000	2037	
45,000	2038	
50,000	2039	
24,000	2040	

<u>Amounts</u> <u>Maturing</u>	<u>Years Maturing</u> <u>(August 1)</u>	<u>Interest Rate</u> <u>(Per Annum)</u>
31,000	2041	
55,000	2042	%

B. The Bonds shall be dated the date of delivery (herein the "Series Date"), will be issued in one series and shall consist of bonds numbered consecutively from R-1 upward, issuable in the denomination of \$5,000 each or integral multiples thereof (provided that no individual bond will be issued for more than one maturity); shall bear interest from the Series Date to maturity at the rates per annum set forth above for the Bonds, payable to the registered owner thereof, or registered assigns, on February 1, 2026, and semiannually thereafter on February 1 and August 1 in each year in which the Bonds are outstanding and shall mature on August 1 of each year set forth above.

C. The Bonds maturing on and after August 1, 2036 are callable on and after November __, 2035, or on any date thereafter, in whole or in part, at the option of the City at par plus accrued interest, if any, to the date of redemption.

D. The principal of and interest on the Bonds due at maturity shall be payable to the registered owner thereof as shown on the registration books kept by the City Finance Director as "registrar/paying agent" (such registrar/paying agent and any successor thereto, the "Registrar/Paying Agent") for the Bonds, upon maturity and upon presentation and surrender thereof at the principal office of the Registrar/Paying Agent. If any Bond shall not be paid upon such presentation and surrender at or after maturity, it shall continue to draw interest at the rate borne by said Bond until the principal thereof is paid in full. Payment of interest on the Bonds (other than at maturity) shall be made by check or draft mailed by the Registrar/Paying Agent (or by such other arrangement as may be mutually agreed to by the Registrar/Paying Agent and such registered owner), on or before each interest payment date (or, if such interest payment date is not a business day, on or before the next succeeding business day), to the registered owner thereof as of the close of business on the Record Date (defined below) at his address as it appears on the registration books kept by the Registrar/Paying Agent. All such payments shall be made in lawful money of the United States of America. The term "Record Date" as used herein with respect to any interest payment date shall mean the 15th day of the month preceding the interest payment date. The person in whose name any Bond is registered at the close of business on any Record Date with respect to any interest payment date shall be entitled to receive the interest payable thereon on such interest payment date notwithstanding any transfer or exchange thereof subsequent to such Record Date and prior to such interest payment date; but interest on any Bond which is not timely paid or duly provided for shall cease to be payable as provided above and shall be payable to the person in whose name such Bond is registered at the close of business on a special record date (the "Special Record Date") fixed by the Registrar/Paying Agent for the payment of any such overdue interest. The Special Record Date shall be fixed by the Registrar/Paying Agent whenever moneys become available for payment of overdue interest, and notice of any such Special Record Date shall be given not less than ten days

prior thereto, by first-class mail, to the registered owners of the Bonds as of the fifth day preceding the mailing of such notice by the Registrar/Paying Agent, stating the Special Record Date and the date fixed for the payment of overdue interest.

E. Notice of redemption of the Bonds will be given by the Registrar/Paying Agent by sending a copy of such notice by first-class, postage prepaid mail not less than 30 days prior to the redemption date to the address shown as of the fifth day prior to the mailing of notice on the registration books by the Registrar/Paying Agent. The City shall give the Registrar/Paying Agent notice of the Bonds to be called for redemption at least 15 days prior to the date that the Registrar/Paying Agent is required to give owners notice of redemption specifying the Bonds and the principal amount to be called for redemption and the applicable redemption dates. The Registrar/Paying Agent's failure to give such notice to the registered owner of any Bond, or any defect therein, shall not affect the validity of the proceedings for the redemption of any Bonds for which proper notice was given. The notice will specify the number or numbers and maturity date or dates of the Bonds to be redeemed (if less than all are to be redeemed) the principal amount of any Bond to be redeemed in part, the date fixed for redemption, and that on such redemption date there will become due and payable upon each Bond or part thereof to be redeemed at the office of the Registrar/Paying Agent the principal amount thereof to be redeemed plus accrued interest, if any, to the redemption date and that from and after such date interest will cease to accrue on the principal amount redeemed. Such notice may be a conditional notice of redemption insofar as the money or securities necessary to pay the redemption price of the Bonds are not required to be on deposit with the Registrar/Paying Agent prior to the giving of notice of optional redemption of the Bonds. If notice is given in the manner provided above, the Bond or Bonds or part thereof called for redemption will become due and payable on the redemption date designated and if an amount of money sufficient to redeem all Bonds called for redemption is on deposit with the Registrar/Paying Agent on the redemption date, the Bonds or part thereof to be redeemed shall be deemed to be not outstanding and will cease to bear or accrue interest from and after such redemption date. Upon presentation of a Bond to be redeemed at the office of the Registrar/Paying Agent on or after the redemption date, the Registrar/Paying Agent will pay such Bond, or portion thereof called for redemption.

Section 3. The Bonds shall constitute the general obligation debt of the City, payable from general ad valorem taxes in amounts sufficient to meet the semi-annual payments of interest and annual payments of principal on the Bonds maturing in each year. The full faith and credit of the City shall be, and hereby is, irrevocably pledged to the payment of the principal of and interest on the Bonds.

Section 4. The Bonds shall bear the facsimile or manual signature of the Mayor and shall be attested by the facsimile or manual signature of the City Clerk-Treasurer and shall bear the facsimile or original seal of the City. The Bonds shall be authenticated by the manual signature of an authorized officer of the Registrar/Paying Agent. The Bonds bearing the signatures or facsimile signatures of the officers in office at the time of the signing thereof shall be the valid and binding obligations of the City, notwithstanding that before the delivery of the Bonds and payment therefor, or before the

issuance thereof upon transfer or exchange, any or all of the persons whose signatures appear on the Bonds shall have ceased to fill their respective offices. The Mayor and City Clerk-Treasurer may, by the execution of a signature certificate pertaining to the Bonds, adopt as and for their respective signatures the facsimiles thereof appearing on the Bonds; and, at the time of the execution of the signature certificate, the Mayor and City Clerk-Treasurer may each adopt as and for his or her facsimile signature the facsimile signature of his or her predecessor in office in the event that such facsimile signature appears upon any of the Bonds. If facsimile signatures are to appear on the Bonds, the Mayor and City Clerk-Treasurer, pursuant to Sections 6-9-1 through 6-9-6, inclusive, NMSA 1978, shall each forthwith file his or her manual signature, certified by him or her under oath, with the Secretary of State of New Mexico, provided that such filing shall not be necessary for any officer where any previous filing shall have application to the Bonds.

No Bond shall be valid or obligatory for any purpose unless the certificate of authentication, substantially in the form hereinafter provided, has been duly executed by the Registrar/Paying Agent. The Registrar/Paying Agent's certificate of authentication shall be deemed to have been duly executed by it if manually signed by an authorized officer of the Registrar/Paying Agent, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder.

Section 5.

A. Books for the registration and transfer of the Bonds shall be kept by the Registrar/Paying Agent, which is hereby appointed by the City as registrar and as paying agent for the Bonds. Upon the surrender for transfer of any Bond at the principal office of the Registrar/Paying Agent, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing, the Registrar/Paying Agent shall authenticate and deliver not more than three business days after receipt of the Bond to be transferred in the name of the transferee or transferees a new Bond or Bonds in fully registered form of the same aggregate principal amount of authorized denominations, and of the same maturity, interest rate and series, bearing a number or numbers not contemporaneously outstanding. Bonds may be exchanged at the principal office of the Registrar/Paying Agent for an equal aggregate principal amount of Bonds of other authorized denominations, and of the same maturity, series and interest rate. The Registrar/Paying Agent shall authenticate and deliver not more than three business days after receipt of the Bond to be exchanged a Bond or Bonds which the registered owner making the exchange is entitled to receive, bearing a number or numbers not contemporaneously outstanding. Exchanges and transfers of Bonds as herein provided shall be without charge to the owner or any transferee, but the Registrar/Paying Agent may require the payment or reimbursement by the owner of any Bond requesting exchange or transfer of any transfer fee, tax or other governmental charge required to be paid with respect to such exchange or transfer. The Registrar/Paying Agent shall close the registration books fifteen days prior to each interest payment date for change of name or address of the registered owners. Transfers shall be permitted within fifteen days prior to each interest payment date but such transfer will not include transfer of interest payable on such interest payment date.

B. The person in whose name any Bond shall be registered on the registration books kept by the Registrar/Paying Agent, shall be deemed and regarded as the absolute owner thereof for the purpose of making payment thereof and for all other purposes except as may otherwise be provided in this ordinance with respect to payment of interest; and payment of or on account of either principal or interest on any Bond shall be made only to or upon the written order of the registered owner thereof or his legal representative, but such registration may be changed upon transfer of such Bond in the manner and subject to the conditions and limitations provided herein. All such payments shall be valid and effectual to discharge the liability upon such Bond to the extent of the sum or sums so paid.

C. If any Bond shall be lost, stolen, destroyed or mutilated, the Registrar/Paying Agent shall, upon receipt of the mutilated Bond and such evidence, information or indemnity relating thereto as it may reasonably require and as may be required by law, authenticate and deliver a replacement Bond or Bonds of a like aggregate principal amount of authorized denominations, and of the same maturity, interest rate and series, bearing a number or numbers not contemporaneously outstanding. If such lost, stolen, destroyed or mutilated Bond shall have matured, the Registrar/Paying Agent may pay such Bond in lieu of replacement.

D. Bonds which are reissued upon transfer, exchange or other replacement shall bear interest from the most recent interest payment date to which interest has been fully paid or provided for in full or, if no interest has been paid, from the Series Date.

E. The officers of the City are authorized to deliver to the Registrar/Paying Agent fully executed but unauthenticated Bonds in such quantities as may be convenient to be held in custody by the Registrar/Paying Agent pending use as herein provided.

F. Whenever any Bond shall be surrendered to the Registrar/Paying Agent upon payment thereof, or to the Registrar/Paying Agent for transfer, exchange or replacement as provided herein, such Bond shall be promptly canceled by the Registrar/Paying Agent, and counterparts of a certificate of such cancellation shall be furnished by the Registrar/Paying Agent to the City.

Section 6. If the Registrar/Paying Agent initially appointed hereunder shall resign, or if the City shall reasonably determine that said Registrar/Paying Agent has become incapable of fulfilling its duties hereunder, the City may, upon notice mailed to each registered owner of Bonds at the address last shown on the registration books, appoint a successor registrar/paying agent. Every such successor registrar/paying agent shall be a bank or trust company located in and in good standing in the United States and having shareholders' equity (e.g., capital stock, surplus and undivided profits), however denominated, of not less than \$10,000,000.

Section 7. Subject to the registration provisions hereof, the Bonds hereby authorized shall be fully negotiable and shall have all the qualities of negotiable paper,

and the registered owner or owners thereof shall possess all rights enjoyed by the holders of negotiable instruments under the provisions of the Uniform Commercial Code.

Section 8. The Bonds shall be in substantially the following form:

[Form of Bond]

REGISTERED

REGISTERED

NO. R-__

\$_____

UNITED STATES OF AMERICA
STATE OF NEW MEXICO
CITY OF TRUTH OR CONSEQUENCES
SIERRA COUNTY, NEW MEXICO
GENERAL OBLIGATION BONDS
SERIES 2025

Registered Owner: _____

Principal Amount: _____ DOLLARS

Interest Rate

Maturity Date

Series Date

_____% per annum _____ 1, _____, 2025

The City Commission (the "Commission") of the City of Truth or Consequences, New Mexico (the "City"), on the faith, credit and behalf of the City, for value received, hereby promises to pay to the registered owner named above, or registered assigns, the principal amount hereof on the Maturity Date and to pay interest on the principal amount at the Interest Rate on February 1, 2026, and thereafter on February 1 and August 1 of each year (the "Interest Payment Date") from the Series Date to its maturity. The principal of the bonds of the series of which this is one (the "Bonds") and interest due at maturity shall be payable to the registered owner thereof as shown on the registration books kept by the City Finance Director as "registrar/paying agent" (such registrar/paying agent and any successor thereto, the "Registrar/Paying Agent") for the Bonds, upon maturity and upon presentation and surrender thereof at the principal office of the Registrar/Paying Agent. If any Bond shall not be paid upon such presentation and surrender at or after maturity, it shall continue to draw interest at the rate borne by said Bond until the principal thereof is paid in full. Payment of interest on the Bonds (other than at maturity) shall be made by check or draft mailed by the Registrar/Paying Agent (or by such other arrangement as may be mutually agreed to by the Registrar/Paying Agent and such registered owner), on or before each Interest Payment Date (or, if such Interest Payment Date is not a business day, on or before the next succeeding business day), to the registered owner thereof as of the close of business on the Record Date (defined below) at his address as it appears on the registration books kept by the

Registrar/Paying Agent. All such payments shall be made in lawful money of the United States of America. The term "Record Date" as used herein with respect to any Interest Payment Date shall mean the 15th day of the month preceding the Interest Payment Date. The person in whose name any Bond is registered at the close of business on any Record Date with respect to any Interest Payment Date shall be entitled to receive the interest payable thereon on such Interest Payment Date notwithstanding any transfer or exchange thereof subsequent to such Record Date and prior to such Interest Payment Date; but interest on any Bond which is not timely paid or duly provided for shall cease to be payable as provided above and shall be payable to the person in whose name such Bond is registered at the close of business on a special record date (the "Special Record Date") fixed by the Registrar/Paying Agent for the payment of any such overdue interest. The Special Record Date shall be fixed by the Registrar/Paying Agent whenever moneys become available for payment of overdue interest, and notice of any such Special Record Date shall be given not less than ten days prior thereto, by first-class mail, to the registered owners of the Bonds as of the fifth day preceding the mailing of such notice by the Registrar/Paying Agent, stating the Special Record Date and the date fixed for the payment of overdue interest.

The Bonds are fully registered and are issuable in denominations of \$5,000 and any integral multiple thereof (provided that no individual bond may be issued for more than one maturity).

The series of Bonds of which this bond is one is limited to the total principal amount of \$790,000 of like tenor except as to number, denomination, maturity date, and interest rate, issued by the City for the purposes of providing funds to (i) lay off, open, construct, repair, and otherwise improve municipal alleys, streets, public roads and bridges, or any combination thereof, (ii) enlarge, improve or extend the City's water and wastewater system, and (iii) pay the costs of issuance of the Bonds. The Bonds are issued under the authority of and in full conformity with the Constitution and laws of the State of New Mexico (particularly Sections 3-30-1 through 3-30-9 NMSA 1978, the provisions of Sections 6-15-1 through 6-15-22 NMSA 1978, and acts amendatory and supplemental thereto), and pursuant to an ordinance of the Commission duly adopted on October __, 2025 (the "Bond Ordinance").

The Bonds maturing on and after August 1, 2036 are callable on and after November __, 2035, or on any date thereafter, in whole or in part, at the option of the City at par plus accrued interest, if any, to the date of redemption.

Notice of redemption of the Bonds will be given by the Registrar/Paying Agent by sending a copy of such notice by first-class, postage prepaid mail not less than 30 days prior to the redemption date to the address shown as of the fifth day prior to the mailing of notice on the registration books by the Registrar/Paying Agent. The City shall give the Registrar/Paying Agent notice of the Bonds to be called for redemption at least 15 days prior to the date that the Registrar/Paying Agent is required to give owners notice of redemption specifying the Bonds and the principal amount to be called for redemption and the applicable redemption dates. The Registrar/Paying Agent's failure to give such notice to the registered owner of any Bond, or any defect therein, shall not affect the

validity of the proceedings for the redemption of any Bonds for which proper notice was given. The notice will specify the number or numbers and maturity date or dates of the Bonds to be redeemed (if less than all are to be redeemed) the principal amount of any Bond to be redeemed in part, the date fixed for redemption, and that on such redemption date there will become and be due and payable upon each Bond or part thereof to be redeemed at the office of the Registrar/Paying Agent the principal amount thereof to be redeemed plus accrued interest, if any, to the redemption date and that from and after such date interest will cease to accrue on the principal amount redeemed. Such notice may be a conditional notice of redemption insofar as the money or securities necessary to pay the redemption price of the Bonds are not required to be on deposit with the Registrar/Paying Agent prior to the giving of notice of optional redemption of the Bonds. If notice is given in the manner provided above, the Bond or Bonds or part thereof called for redemption will become due and payable on the redemption date designated and if an amount of money sufficient to redeem all Bonds called for redemption is on deposit with the Registrar/Paying Agent on the redemption date, the Bonds or part thereof to be redeemed shall be deemed to be not outstanding and will cease to bear or accrue interest from and after such redemption date. Upon presentation of a Bond to be redeemed at the office of the Registrar/Paying Agent on or after the redemption date, the Registrar/Paying Agent will pay such Bond, or portion thereof called for redemption.

The Registrar/Paying Agent will maintain the books of the City for the registration of ownership of the Bonds. Upon the surrender for transfer of any Bond at the principal office of the Registrar/Paying Agent, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing, the Registrar/Paying Agent shall authenticate and deliver not more than three business days after receipt of the Bond to be transferred in the name of the transferee or transferees a new Bond or Bonds in fully registered form of the same aggregate principal amount of authorized denominations, and of the same maturity, interest rate and series, bearing a number or numbers not contemporaneously outstanding. Bonds may be exchanged at the principal office of the Registrar/Paying Agent for an equal aggregate principal amount of Bonds of other authorized denominations, and of the same maturity, series and interest rate. The Registrar/Paying Agent shall authenticate and deliver not more than three business days after receipt of the Bond to be exchanged a Bond or Bonds which the registered owner making the exchange is entitled to receive, bearing a number or numbers not contemporaneously outstanding. Exchanges and transfers of Bonds as herein provided shall be without charge to the owner or any transferee, but the Registrar/Paying Agent may require the payment or reimbursement by the owner of any Bond requesting exchange or transfer of any transfer fee, tax or other governmental charge required to be paid with respect to such exchange or transfer. The Registrar/Paying Agent shall close the registration books fifteen days prior to each Interest Payment Date for change of name or address of the registered owners. Transfers shall be permitted within fifteen days prior to each Interest Payment Date but such transfer will not include transfer of interest payable on such Interest Payment Date.

The person in whose name any Bond shall be registered on the registration books kept by the Registrar/Paying Agent, shall be deemed and regarded as the absolute owner thereof for the purpose of making payment thereof and for all other purposes except as

may otherwise be provided with respect to payment of interest; and payment of or on account of either principal or interest on any Bond shall be made only to or upon the written order of the registered owner thereof or his legal representative, but such registration may be changed upon transfer of such Bond in the manner and subject to the conditions and limitations provided herein. All such payments shall be valid and effectual to discharge the liability upon such Bond to the extent of the sum or sums so paid.

If any Bond shall be lost, stolen, destroyed or mutilated, the Registrar/Paying Agent shall, upon receipt of the mutilated Bond and such evidence, information or indemnity relating thereto as it may reasonably require and as may be required by law, authenticate and deliver a replacement Bond or Bonds of a like aggregate principal amount of authorized denominations, and of the same maturity, interest rate and series, bearing a number or numbers not contemporaneously outstanding. If such lost, stolen, destroyed or mutilated Bond shall have matured, the Registrar/Paying Agent may pay such Bond in lieu of replacement.

For the punctual payment of the principal of and interest on this bond as aforesaid and for the levy and collection of taxes in accordance with the statutes authorizing the issuance of this bond, the full faith and credit of the City is hereby irrevocably pledged. The Commission has, by the Bond Ordinance, ordered the creation of an interest and sinking fund for the payment of the Bonds. Such fund is to be held in trust for the benefit of the owner or owners of the Bonds.

It is hereby certified, recited and warranted that all the requirements of law have been complied with by the proper officials of the City in the issuance of this bond; that the total indebtedness of the City, including that of this bond, does not exceed any limit of indebtedness prescribed by the Constitution or laws of the State of New Mexico; that provision has been made for the levy and collection of annual taxes sufficient to pay the principal of and the interest on this bond when the same become due. This bond shall not be valid or obligatory for any purpose until the Registrar/Paying Agent shall have manually signed the certificate of authentication hereon.

IN TESTIMONY WHEREOF, the City Commission of the City of Truth or Consequences, New Mexico, constituting the governing board of the City, has caused the seal of the City to be hereto affixed and this bond to be signed and executed with the facsimile or manual signature of the Mayor and subscribed and attested with the facsimile or manual signature of the City Clerk-Treasurer, all as of the Series Date.

CITY OF TRUTH OR CONSEQUENCES,
NEW MEXICO

Mayor

[City Seal]

ATTEST:

By _____
City Clerk-Treasurer

[Form of Certificate of Authentication]

CERTIFICATE OF AUTHENTICATION

This bond is one of the Bonds described in the Bond Ordinance and has been duly registered on the registration books kept by the undersigned as Registrar/Paying Agent for the Bonds.

Date of Authentication and Registration: _____, 2025

CITY OF TRUTH OR CONSEQUENCES,
NEW MEXICO

Finance Director, as Registrar/Paying Agent

[End of Form of Certificate of Authentication]

[Form of Assignment]

ASSIGNMENT

For value received, the undersigned sells, assigns and transfers unto _____ whose social security or tax identification number is _____ the within bond and irrevocably constitutes and appoints _____ attorney to transfer such bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed: _____

NOTE: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatsoever.

[End of Form of Assignment]

[End of Form of Bond]

Section 9. When the Bonds have been duly executed and authenticated, they shall be delivered to the lawful purchaser thereof named in Section 1 of this Ordinance. The funds realized from the sale of the Bonds shall be applied solely to (i) lay off, open, construct, repair, and otherwise improve municipal alleys, streets, public roads and bridges, or any combination thereof, (ii) enlarge, improve or extend the City's water and wastewater system, and (iii) pay the costs of issuance of the Bonds. The purchaser of the Bonds shall in no manner be responsible for the application of or disposal by the City, or any of its officers, of any of the funds derived from the sale thereof.

Section 10. There shall be levied on all taxable property within the City, at the time and in the manner provided by law, in addition to all other taxes, direct annual ad valorem taxes sufficient to pay the principal of and interest accruing on the Bonds promptly as the same shall become due. This Ordinance is hereby declared to be the certificate of the Commission, as to the amount of taxes necessary to be levied for the purposes herein stated and said taxes shall be certified, levied and extended upon the tax rolls and collected in the same manner, at the same time and subject to the same penalties as general state and City taxes are certified, levied and collected. The taxes, when collected, shall be kept by the City in the City's interest and sinking fund for the City's general obligation bonds to be used solely for the purpose of paying the principal of and interest on the City's general obligation bonds as the same become due or mature; provided that nothing herein contained shall be so construed as to prevent the application of any other funds belonging to the City and available for that purpose, to the payment of the Bonds or the interest thereon, as the same become due and upon such payment the levy or levies of tax provided for in this Section may thereupon to that extent be diminished. If the taxes herein provided for shall not be levied or collected in time to pay the interest on or principal of the Bonds as the same become due or mature, then such interest or principal shall be paid from any other funds belonging to the City, which funds may be reimbursed from the taxes herein provided for when the same are collected.

Section 11. The Mayor, City Manager, City Clerk-Treasurer and other officers of the City be and they hereby are authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Ordinance, including without limiting the generality of the foregoing, the deposit of the proceeds of the Bonds into an acquisition fund held by the Finance Authority for payment of the costs of the Project and the costs of issuance of the Bonds, the printing of the Bonds, accounting and verification fees, and the execution of such certificates as may be required by the Finance Authority relating to the signing of the Bonds, the tenure and identity of City officials, the receipt of the purchase price of the Bonds from the purchasers and the absence of litigation, pending or threatened, if in accordance with the facts, affecting the validity thereof and the absence and existence of factors affecting the exclusion of interest on the Bonds from gross income for federal income tax purposes.

Section 12. The City covenants that it will restrict the use of the proceeds of the Bonds in such manner and to such extent, if any, as may be necessary so that the Bonds will not constitute arbitrage bonds under Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"). The Mayor, City Clerk-Treasurer, City Manager and any other officer of the City having responsibility for the issuance of the

Bonds shall give an appropriate certificate of the City, for inclusion in the transcript of proceedings for the Bonds, setting forth the reasonable expectations of the City regarding the amount and use of all the proceeds of the Bonds, the facts, circumstances and estimates on which they are based, and other facts and circumstances relevant to the tax treatment of interest on the Bonds.

The City covenants that it (a) will take or cause to be taken such actions which may be required of it for the interest on the Bonds to be and remain excluded from gross income for federal income tax purposes, and (b) will not take or permit to be taken any actions which would adversely affect that exclusion, and that it, or persons acting for it, will, among other acts of compliance, (i) apply the proceeds of the Bonds to the governmental purpose of the borrowing, (ii) restrict the yield, as required, on investment property acquired with those proceeds, (iii) make timely rebate payments, if required, to the federal government, (iv) maintain books and records and make calculations and reports, and (v) refrain from certain uses of proceeds, all in such manner and to the extent necessary to assure such exclusion of that interest under the Code. The Mayor and City Clerk-Treasurer and other appropriate officers are hereby authorized and directed to take any and all actions, make calculations and rebate payments, and make or give reports and certifications, as may be appropriate to assure such exclusion of that interest.

Section 13. Any Bond and the interest thereon shall be deemed to be paid, retired, and no longer outstanding (a "Defeased Bond") hereunder when payment of the principal of such Bond, plus interest thereon to the due date (whether such due date be by reason of maturity, upon redemption, or other) either (i) shall have been made or caused to be made in accordance with the terms thereof (including the giving of any required notice of redemption), or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to a qualified depository for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Government Obligations which mature as to principal and interest in such amounts and at such times as will ensure the availability, without reinvestment, of sufficient money to provide for such payment (as verified by a certified or registered public accountant), and when proper arrangements have been made by the City with a qualified depository for the payment of its services until all Defeased Bonds shall have become due and payable. At such time as a Bond shall be deemed to be a Defeased Bond hereunder, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of the ad valorem taxes herein levied and pledged as provided in this Ordinance, and such principal and interest shall be payable solely from such money or Government Obligations.

Any moneys so deposited with the qualified depository may, at the written direction of the City, also be invested in Government Obligations, maturing in the amounts and times required to make payments when due on the Defeased Bonds, and all income from such Government Obligations received by the qualified depository which is not required for the payment of the Defeased Bonds and interest thereon, with respect to which such money has been so deposited, shall be turned over to the City for deposit in the interest and sinking fund for payment of principal and interest on the Bonds. The term "Government Obligations" means direct obligations of the United States of

America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America which may be United States Treasury Obligations such as its State and Local Government Series, which may be in book-entry form.

Section 14. Moneys in any fund not immediately needed may be invested as provided by state law and applicable federal statutes and regulations, provided that the Commission and the City hereby covenant to the purchasers and the holders of the Bonds from time to time that the City will make no use of the proceeds of the Bonds or any funds reasonably expected to be used to pay the principal of or interest on the Bonds which will cause the Bonds to be arbitrage bonds within the meaning of Section 148 of the Code, as amended, or which would adversely affect the tax status of interest on the Bonds under the Code. This covenant is for the benefit of the purchasers and the holders of the Bonds from time to time.

Section 15. After any of the Bonds have been issued, this Ordinance shall constitute a contract between the City and the holder or holders of the Bonds and shall be and remain irrevocable and unalterable until the Bonds and the interest thereon shall have been fully paid, satisfied and discharged, defeased or until such payment has been duly provided.

Section 16. 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 17. The title and a general summary of the subject matter contained in this Ordinance shall be published in substantially the following form:

(Form of Summary of Ordinance for Publication)

CITY OF TRUTH OR CONSEQUENCES, NEW MEXICO
NOTICE OF ADOPTION OF ORDINANCE

Notice is hereby given of the title and of a general summary of the subject matter contained in an Ordinance (the "Ordinance") duly adopted and approved by the City Commission of the City of Truth or Consequences, New Mexico, on October __, 2025. Complete copies of the Ordinance are available for public inspection during the normal and regular business hours of the City Clerk-Treasurer, 505 Sims Street, Truth or Consequences, New Mexico. The title of the Ordinance is:

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF
CITY OF TRUTH OR CONSEQUENCES, NEW MEXICO, GENERAL
OBLIGATION BONDS, SERIES 2025, IN THE PRINCIPAL AMOUNT
OF \$790,000, PAYABLE FROM AD VALOREM TAXES LEVIED ON
ALL TAXABLE PROPERTY WITHIN THE CITY, LEVIED WITHOUT
LIMIT AS TO RATE OR AMOUNT; PROVIDING FOR THE FORM,

TERMS AND CONDITIONS OF THE BONDS, THE MANNER OF THEIR EXECUTION, AND THE METHOD OF, AND SECURITY FOR, PAYMENT; PROVIDING FOR THE AWARD AND SALE OF THE BONDS TO THE PURCHASER AND THE PRICE TO BE PAID BY THE PURCHASER FOR THE BONDS; AND PROVIDING FOR OTHER DETAILS CONCERNING THE BONDS.

The Ordinance directs and authorizes the issuance of the City of Truth or Consequences, New Mexico, General Obligation Bonds, Series 2025 in the aggregate principal amount of \$790,000; approves the sale of the bonds to the New Mexico Finance Authority pursuant to a bond purchase agreement; provides for the form of the bonds; provides for levy of taxes to pay the principal of and interest on the bonds; makes certain covenants with the bond purchaser; and provides other details concerning the bonds. This notice constitutes compliance with Section 6-14-6, NMSA 1978.

[End Form of Notice]

Section 18. All acts and resolutions in conflict with this ordinance are hereby rescinded, annulled and repealed.

[Signature Page Follows]

PASSED, APPROVED, AND ADOPTED THIS ____ DAY OF OCTOBER, 2025.

CITY OF TRUTH OR CONSEQUENCES,
NEW MEXICO

MAYOR

[SEAL]

ATTEST:

CLERK-TREASURER

Commissioner _____ then moved adoption of the foregoing ordinance, duly seconded by Commissioner _____. The motion to adopt said ordinance, as amended, upon being put to a vote, was passed and adopted on the following recorded vote:

Those Voting Aye:

Those Absent:

_____ () Commissioner having voted in favor of said motion, the motion to suspend the rules was thereupon declared by the Mayor to have passed.

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

Dated this _____ day of October, 2025.

CITY OF TRUTH OR CONSEQUENCES,
NEW MEXICO

MAYOR

[SEAL]

ATTEST:

CLERK-TREASURER



CITY OF TRUTH OR CONSEQUENCES

AGENDA REQUEST FORM

MEETING DATE: September 24, 2025

Agenda Item #: E.1

SUBJECT: Engagement Agreement for Municipal Advisory Services between the City of Truth or Consequences and Bosque Advisors, LLC

DEPARTMENT: City Manager's Office

DATE SUBMITTED: September 12, 2025

SUBMITTED BY: Traci Alvarez

WHO WILL PRESENT THE ITEM: Mark Valenzuela – Bosque Advisors/Gary Whithead – City Manager

Summary/Background:

To engage and retain Bosque Advisors, LLC, in its capacity as an independent registered municipal advisory firm, to provide certain municipal advisory services to the Issuer, including but not limited to the preparation of supporting data, bond market information, assistance in obtaining bond ratings, and assistance in investor negotiations, regarding various Issuer projects ("Projects") which may result from time to time in the issuance of bonds, notes, refunding bonds and/or the use of other financial instruments ("Transactions").

Recommendation:

Approve Engagement Agreement

Attachments:

- Engagement Agreement
- -

Fiscal Impact (Finance): Choose an item.

[Click here to enter text.](#)

Legal Review (City Attorney): Yes

[Click here to enter text.](#)

Approved For Submittal By: ☒ Department Director

Reviewed by: ☐ City Clerk ☐ Finance ☐ Legal ☐ Other: [Click here to enter text.](#)

Final Approval: ☐ City Manager

CITY CLERK'S USE ONLY - COMMISSION ACTION TAKEN

Resolution No. [Click here to enter text.](#) Ordinance No. [Click here to enter text.](#)

Continued To: [Click here to enter a date.](#) Referred To: [Click here to enter text.](#)

☐ Approved ☐ Denied ☐ Other: [Click here to enter text.](#)

File Name: CC agendas 9-24-25

ENGAGEMENT AGREEMENT

FOR

MUNICIPAL ADVISORY SERVICES

This Engagement Agreement for Municipal Advisory Services ("Agreement") is made this 12st day of September 2025, by and between the City of Truth or Consequences New Mexico ("Issuer") located at 505 Sims, Truth or Consequences, NM 87901, and Bosque Advisors, LLC, located at 2305 Renard Place SE, Suite 220, Albuquerque, New Mexico, 87106.

PURPOSE: The Issuer deems it in its best interest to engage and retain Bosque Advisors, LLC, in its capacity as an independent registered municipal advisory firm, to provide certain municipal advisory services to the Issuer, including but not limited to the preparation of supporting data, bond market information, assistance in obtaining bond ratings, and assistance in investor negotiations, regarding various Issuer projects ("Projects") which may result from time to time in the issuance of bonds, notes, refunding bonds and/or the use of other financial instruments ("Transactions").

CONSIDERATION: Consideration for this Agreement includes the services, compensation, and mutual exchange of promises of the parties specified herein.

SPECIFIC PROVISIONS: The provisions of the above "Purpose" section are material and binding terms of this Agreement.

MUNICIPAL ADVISORY SERVICES

1. Bosque Advisors, LLC's Obligations, Scope of Services and Limitations on Scope of Services. Bosque Advisors, LLC shall provide the Issuer with the following municipal advisory services for or related to any Transactions (collectively, the "Scope of Services"), subject to the limitations set forth herein:
 - A. Will work with the Issuer, and others as directed by the Issuer, concerning the legal and financial issues associated with any Transactions.
 - B. Will attend meetings and be available to the Issuer, and its other agents, for consultation and conference at times and places mutually agreed upon.
 - C. Will assist the Issuer in the preparation, coordination and distribution of printed matter for or related to any Transactions to acquaint the Issuer's population with the benefits and financial considerations of any Transactions.
 - D. Will prepare financial information and schedules necessary to acquaint the Issuer with the benefits of the various forms of debt financing for any Transactions.
 - E. Will assist in the preparation of a credit presentation for bond rating agencies and bond insurance companies, if any.
 - F. Will assist in the collection of information and the preparation of the documents necessary to accomplish any Transactions including any related contracts, agreements or other documents related

to offering securities either for purchase or sale, all of which shall be appropriately executed and satisfactory to the Issuer.

- G. Will prepare requests, schedules, and applications to ensure the Issuer may engage state governmental programs, including legislative or executive agency authorizations, for debt financing or grant participation.
 - H. Municipal Securities Rulemaking Board ("MSRB") Rule G-42 requires that Bosque Advisors, LLC, when acting as Issuer's municipal advisor, make a reasonable inquiry as to the facts that are relevant to Issuer's determination whether to proceed with a course of action, or that form the basis for any advice (recommendations) provided by Bosque Advisors, LLC to Issuer regarding any municipal financial product or the issuance of municipal securities. Rule G-42 also requires that Bosque Advisors, LLC undertake a reasonable investigation to determine that it is not basing any such advice (recommendation) on materially inaccurate or incomplete information. Bosque Advisors, LLC is also required under Rule G-42 to use reasonable diligence to know the essential facts about Issuer and the authority of each person acting on Issuer's behalf.
 - I. MSRB Rule G-42 requires that Bosque Advisors, LLC provide Issuer with disclosures of (i) material conflicts of interest, and (ii) of information regarding certain legal events and disciplinary history. Those disclosures are provided in Bosque Advisors, LLC's Municipal Advisory Disclosure Statement delivered to Issuer prior to or together with this Agreement.
 - J. It is expressly understood and agreed that, under this Agreement, Bosque Advisors, LLC is acting as a municipal advisor and fiduciary to the Issuer for or related to any Transactions.
 - K. It is expressly understood and agreed that the Scope of Services does not include tax, legal, accounting or engineering advice with respect to any Transaction or in connection with any opinion or certificate rendered by counsel or any other person at closing and does not include review or advice on any feasibility study.
 - L. The Scope of Services may be changed only by written amendment or supplement to this Agreement. The parties agree to promptly amend or supplement the Scope of Services described above to reflect any material changes or additions to the Scope of Services.
2. Issuer's Obligations. The Issuer's obligations shall include the following, subject to the limitations set forth herein:
- A. Retain Bosque Advisors, LLC as its municipal advisor for and related to any Transactions.
 - B. Cooperate with Bosque Advisors, LLC in the proper development of any Transactions and provide all pertinent, accurate and complete information needed to allow Bosque Advisors, LLC to (i) fulfill its duties under Rule G-42, (ii) provide the Issuer with informed advice, and (iii) support any desired Transactions on behalf of the Issuer.
 - C. To the extent Issuer seeks to have Bosque Advisors, LLC provide advice with regard to any recommendation made to Issuer by a third party, Issuer agrees that it will provide Bosque Advisors, LLC with written direction to do so, as well as any information Issuer has received from such third party relating to its recommendation.

- D. Issuer agrees to observe and comply with the limitations on Bosque Advisors, LLC's Scope of Services described above.
- E. Will retain a nationally recognized firm of bond attorneys and utilize the services of the Issuer's attorney for and related to any Transactions.
- F. Will pay for all costs of legal advice, printed matter, advertising, bond ratings, bond insurance premium, required audits and other professional services for and related to any Transactions.
- G. Reimburse Bosque Advisors, LLC for all reasonable costs and expenses incurred by Bosque Advisors, LLC that are related to the Transactions, including but not limited to reasonable travel expenses to meet with the Issuer, or rating agencies, if any.
- H. Pay Bosque Advisors, LLC an advisory fee of as shown on the attached Fee Proposal and according to the schedule.

GENERAL TERMS

- 3. Choice of Law. This Agreement shall be construed and given effect in accordance with the laws of the state of New Mexico.
- 4. Entire Agreement. This instrument contains the entire agreement between the parties relating to the rights herein granted and obligations herein assumed. Any oral or written representations or modifications concerning this Agreement shall be of no force or effect except for a subsequent modification in writing signed by all parties.
- 5. Term. The term of this Agreement shall be effective as of September 12, 2025 and shall remain in effect thereafter for a period of one year from the date of execution, except as terminated earlier pursuant to the provisions below.
- 6. Termination. Either party shall have the right to terminate this Agreement in full for any reason by providing written notice to the other party at least thirty (30) days prior to the stated termination date. In the event of any violation or default of the terms of this Agreement by Bosque Advisors, LLC, the Issuer shall provide written notice to Bosque Advisors, LLC of any such violation or default, and Bosque Advisors, LLC shall have thirty (30) days to cure such default. If Bosque Advisors, LLC is not able to cure the default to the Issuer's satisfaction by the end of such cure period, the Issuer thereafter shall have the right to immediately terminate this Agreement. At the termination of this Agreement, in any such manner, the Issuer shall reimburse Bosque Advisors, LLC such reasonable costs and expenses incurred to the date of such termination, and shall pay Bosque Advisors, LLC such compensation earned to the date of such termination, which payment shall be in full satisfaction of all claims against the Issuer under this Agreement.
- 7. Authority. Each of the undersigned representatives of the respective parties represents and warrants that he or she has full legal authority to execute this Agreement on behalf of that respective party. In addition, the Issuer further represents and warrants that unless the Issuer provides written notice to Bosque Advisors, LLC to the contrary, any officer of the Issuer has the authority (i) to act on behalf of the Issuer, (ii) to request or direct on behalf of the Issuer that Bosque Advisors, LLC take or refrain from taking certain actions within the Scope of Services under this Agreement, and (iii) to sign any documents on behalf of the Issuer.

Bosque Advisors, LLC

City of Truth or Consequences, NM

8. Execution. This Agreement may be executed in multiple counterparts and together such counterparts will be deemed an original.

IN WITNESS WHEREOF, the parties here have executed this Agreement the day and year first above written.

AGREED TO AND ACCEPTED:

Bosque Advisors, LLC

DATE:

Mark Valenzuela

September 12, 2025

Title of Person: Managing Principal

City of Truth or Consequences, New Mexico

Rolf Hechler

Title of Person: Mayor

September 24, 2025

Bosque Advisors Appendix. Fee Schedule Supporting Municipal Advisory Engagement

City of Truth or Consequences, NM - Base Fee Schedule^{1,2}

Type of Bonds/Loans	Size of debt issuance			
	\$0 to \$2 million	Over \$2 million to \$4 million	Over \$4 million to \$6 million	Over \$6 million
General Obligation Bonds (property tax) or refunding of existing debt type	\$ 17,500.00	\$ 25,000.00	\$ 32,500.00	\$ 40,000.00
Tax-Backed Obligations (1.2 times GO bonds), which included gross receipts tax debt obligations or refunding of existing debt type	\$ 22,750.00	\$ 32,500.00	\$ 42,250.00	\$ 52,000.00
Revenue Bonds (1.4 times GO bonds) includes enterprise revenues or refunding of existing debt type	\$ 24,500.00	\$ 35,000.00	\$ 45,500.00	\$ 56,000.00

¹ Base fees do not include gross receipts tax.

² Pursuant to the NM Procurement Code (Chapter 13), Bosque Advisors, LLC fees will not exceed \$60,000.00 during one fiscal year.

**Form of
DISCLOSURE STATEMENT
OF
MUNICIPAL ADVISOR**

DISCLOSURE STATEMENT OF MUNICIPAL ADVISOR

This Disclosure Statement is provided by Bosque Advisors, LLC ("Municipal Advisor") to the City of Truth or Consequences, New Mexico (the "Client") in connection with a municipal advisory engagement. This Disclosure Statement provides information regarding conflicts of interest and legal or disciplinary events of Municipal Advisor required to be disclosed to Client pursuant to MSRB Rule G-42(b) and (c)(ii).

PART A – Disclosures of Conflicts of Interest

MSRB Rule G-42 requires that municipal advisors provide to their client's disclosures relating to any actual or potential material conflicts of interest, including certain categories of potential conflicts of interest identified in Rule G-42, if applicable.

Material Conflicts of Interest – The Municipal Advisor makes the disclosures set forth below with respect to material conflicts of interest in connection with the Scope of Services under this RFQ, together with explanations of how the Municipal Advisor addresses or intends to manage or mitigate each conflict.

General Mitigations – As general mitigations of Municipal Advisor's with respect to all of the conflicts disclosed below, the Municipal Advisor mitigates such conflicts through its adherence to its fiduciary duty to the Client, which includes a duty of loyalty to the Client in performing all municipal advisory activities for the Client. This duty of loyalty obliges the Municipal Advisor to deal honestly and with the utmost good faith with the Client and to act in the Client's best interests without regard to the Municipal Advisor's financial or other interests. Furthermore, the Municipal Advisor's municipal advisory supervisory structure provides strong safeguards against individual representatives of the Municipal Advisor potentially departing from their regulatory duties due to personal interests. The list of disclosures below represents potential areas for conflicts of interest, and if applicable, the process Municipal Advisor provides mitigation of such conflict:

- i. **Affiliate Conflict.** Municipal Advisor does not own any interest or receive benefit from affiliates who may conduct business with Client.
- ii. **Payments to Be Retained.** Municipal Advisor does not and will not pay a solicitor municipal advisor registered under the Securities Exchange Act (the "Solicitor"), to solicit Clients on its behalf.
- iii. **Payments from Third Parties for Recommendations.** Municipal Advisor does not solicit and will not accept payment from a third-party to recommend the Recommended Third-Party to Client to provide any services to Client.
- iv. **Fee-Splitting Arrangements.** Municipal Advisor does not split fees, and we have no agreements to do so for the Client municipal advisory business.
- v. **Compensation-Based Conflicts.** The fees due under this potential Agreement will be based on the size of the Issue and the payment of such fees shall be contingent upon the delivery of the Issuance of Bonds or debt obligation. While this form of compensation is customary, this may present a conflict because it could create an incentive for the Municipal Advisor to recommend unnecessary financings or financings that are disadvantageous to the Client, or to advise the Client to increase the size of the issue. This conflict of interest is mitigated by the general mitigations described above. Additionally, the Municipal Advisor will provide the Client with a full assessment of financing alternatives with associated fees to provide the Client relevant information to make an informed decision.
- vi. **Other Municipal Advisor Relationships.** Municipal Advisor serves a wide variety of other clients that may from time to time have interests that could have a direct or indirect impact on the interests of Client. None of these other engagements or relationships would impair Municipal Advisor's ability to fulfill its regulatory duties to Client. Municipal Advisor will communicate with Client if other engaged clients are pursuing transactions within a similar timeframe.

- vii. [Broker-Dealer and Investment Advisory Business](#). Municipal Advisor is NOT a broker-dealer or investment advisory firm.
- viii. [Secondary Market Transactions in Client's Securities](#). Municipal Advisor is NOT a broker/dealer and will not take a principal position in securities, including securities of Client, and therefore Municipal Advisor will not have interests in conflict with those of Client.
- ix. [Municipal Advisor Also Advising Conduit Borrower](#). Municipal Advisor does not represent any conduit borrower with respect to an Issue under this Agreement.

PART B – Disclosures of Information Regarding Legal Events and Disciplinary History

MSRB Rule G-42 requires that municipal advisors provide to their client's certain disclosures of legal or disciplinary events material to its client's evaluation of the municipal advisor or the integrity of the municipal advisor's management or advisory personnel. Accordingly, Municipal Advisor sets out below required disclosures and related information in connection with such disclosures.

- i. [Material Legal or Disciplinary Event](#). There are no legal or disciplinary events that are material to the Municipal Advisor or the integrity of Municipal Advisor's management or advisory personnel disclosed, or that should be disclosed, on any Form MA or Form MA-I filed with the Securities and Exchange Commission (SEC).
- ii. [How to Access Form MA and Form MA-I Filings](#). Municipal Advisor's most recent Form MA and each most recent Form MA-I filed with the SEC are available on the SEC's EDGAR system at <http://www.sec.gov/edgar/browse/?CIK=1878457>.
- iii. [Most Recent Change in Legal or Disciplinary Event Disclosure](#). Municipal Advisor has not made any material legal or disciplinary event disclosures on Form MA or any Form MA-I filed with the SEC.

PART C – Future Supplemental Disclosures

As required by MSRB Rule G-42, this Disclosure Statement may be supplemented or amended, from time to time as needed, to reflect changed circumstances resulting in new conflicts of interest or changes in the conflicts of interest described above, or to provide updated information with regard to any legal or disciplinary events of Municipal Advisor. Municipal Advisor will provide Client with any such supplement or amendment as it becomes available throughout the term of the Agreement.

PART D – Consumer Protections

As a fiduciary to clients, Bosque Advisors, LLC is required to provide disclosures to the Issuer. The federal Securities and Exchange Commission (SEC) requires certain disclosures to clients, submitted concurrently with an engagement. The firm, Bosque Advisors, LLC, is registered with both the Municipal Securities Rulemaking Board (MSRB) and the SEC. The website for each entity is provided below: www.msrb.org and www.sec.gov.

The MSRB provides a municipal advisory client brochure to describe municipal entity protections and remedies including information on how to file a complaint with the appropriate regulatory authority.

Dated: September 12, 2025



CITY OF TRUTH OR CONSEQUENCES

AGENDA REQUEST FORM

MEETING DATE: September 24, 2025

Agenda Item #: E.2

SUBJECT: Discussion/Action: Modrall Sperling Proposal Letter for Bond Counsel Services – 2025 General Obligation Bonds

DEPARTMENT: City Manager's Office

DATE SUBMITTED: September 12, 2025

SUBMITTED BY: Traci Alvarez

WHO WILL PRESENT THE ITEM: Chris Muirhead – Modrall Sperling/Gary Whithead – City Manager

Summary/Background:

Bond Counsel Services for preparation of required bond documentation and coordination with City Commission and Staff as it relates to General Obligation Bonds, Series 2025

Recommendation:

Approve Proposal Letter

Attachments:

- Proposal Letter
- -

Fiscal Impact (Finance): Choose an item.

[Click here to enter text.](#)

Legal Review (City Attorney): Yes

[Click here to enter text.](#)

Approved For Submittal By: ☒ Department Director

Reviewed by: ☐ City Clerk ☐ Finance ☐ Legal ☐ Other: [Click here to enter text.](#)

Final Approval: ☐ City Manager

CITY CLERK'S USE ONLY - COMMISSION ACTION TAKEN

Resolution No. [Click here to enter text.](#) Ordinance No. [Click here to enter text.](#)

Continued To: [Click here to enter a date.](#) Referred To: [Click here to enter text.](#)

☐ Approved ☐ Denied ☐ Other: [Click here to enter text.](#)

File Name: CC agendas 9-24-25



MODRALL SPERLING

L A W Y E R S

September 17, 2025

Chris Muirhead
505.848.1800
cpm@modrall.com

Gary Whitehead, City Manager
City of Truth or Consequences, New Mexico
500 Sims Street
Truth or Consequences, New Mexico 87901

Re: *City of Truth or Consequences, New Mexico General Obligation Bonds, Series 2025*

Dear Mr. Whitehead:

This letter is our formal proposal to provide bond counsel services to the City of Truth or Consequences in connection with its General Obligation Bonds, Series 2025 in the proposed amount of \$790,000 (the "Bonds"). The proceeds of the Bonds are expected to fund improvements for streets and the water and wastewater system.

I will be the lawyer primarily responsible for the work on the Bonds, and will be your primary contact person. Other attorneys and legal assistants may be assigned to assist where necessary to take advantage of available expertise.

I will prepare the required bond documentation for the issuance of the Bonds, coordinate publications, assist with identifying eligible projects to be financed, attend City Commission meetings and coordinate with City staff and the City's municipal advisor on other matters related to the Bonds.

My firm's bond counsel fee will be \$20,000, plus gross receipts taxes and out-of-pocket costs. Our representation of the City will result in the firm incurring costs or expenses on behalf of the City for publications, delivery charges, and travel. Those charges will be included in our billing statement for reimbursement. We will provide a billing statement after the Bonds are issued – no interim bills will be sent. If the Bonds are not issued, my firm will not charge any fee for services, but will charge for out-of-pocket expenses.

Please review this letter, and if you have any questions or comments concerning our representation of the City of Truth or Consequences as bond counsel, please contact me. If this proposal is acceptable, please indicate your agreement to its terms by signing below.

Modrall Sperling
Roehl Harris & Sisk P.A.
500 Fourth Street NW
Suite 1000
Albuquerque,
New Mexico 87102

PO Box 2168
Albuquerque,
New Mexico 87103-2168

Tel: 505.848.1800
www.modrall.com

Gary Whitehead
Manager, City of Truth or Consequences
September 17, 2025
Page 2

Thank you for this opportunity to provide bond counsel services to the City of Truth or Consequences.

Sincerely,

A handwritten signature in black ink, appearing to read "CM", is written over a horizontal line.

Chris Muirhead

ACCEPTED AND AGREED TO:

By: _____
Gary Whitehead
Manager, City of Truth or Consequences

DATE: _____



CITY OF TRUTH OR CONSEQUENCES

AGENDA REQUEST FORM

MEETING DATE: September 24, 2025

Agenda Item #: E.3

SUBJECT: APPROVING SPAY AND NEUTER GRANT FROM NM VETERINARY BOARD

DEPARTMENT: ANIMAL SHELTER

DATE SUBMITTED: September 12, 2025

SUBMITTED BY: TARA MANNING

WHO WILL PRESENT THE ITEM: TARA MANNING, ANIMAL SHELTER SUPERVISOR

Summary/Background:

RECEIVED A GRANT FOR THE NM VETERINARY BOARD TO PAY FOR SPAYS AND NEUTERS IN THE AMOUNT OF \$40,000.

Recommendation:

APPROVE GRANT.

Attachments:

- SERVICE AGREEMENT LETTER
- AWARD LETTER

Fiscal Impact (Finance): Choose an item.

[Click here to enter text.](#)

Legal Review (City Attorney): Choose an item.

Approved For Submittal By: ☐ Department Director

Reviewed by: ☐ City Clerk ☐ Finance ☐ Legal ☐ Other: [Click here to enter text.](#)

Final Approval: ☐ City Manager

CITY CLERK'S USE ONLY - COMMISSION ACTION TAKEN

Resolution No. [Click here to enter text.](#) Ordinance No. -

Continued To: - Referred To: -

☐ Approved ☐ Denied ☐ Other: -

File Name: CC agendas 9-24-25

State of New Mexico
Board of Veterinary Medicine

MICHELLE LUJÁN GRISHAM
Governor



Lawrence D. Young, DVM
Chair

Deborah L. Schenk
Executive Director and CFO

Tara Manning

Truth or Consequences Animal Shelter
505 Sims St.
Truth or Consequences NM 87901

Dear Ms. Manning,

By formal motion at a meeting of the Board held on August 27, 2025, the Board of Veterinary Medicine has selected your organization for funding from the Animal Care and Facility Fund in the amount of \$40,000.00. Attached is the Spay and Neuter Services Agreement for your review and signature.

To accept the funds, you must be a State of New Mexico recognized vendor; therefore, a W-9 form must be completed according to the instructions and returned via email to martha.rivera@bvm.nm.gov. Please include a voided check for ACH or direct deposit of the funds.

Please note that the funds being awarded are from the passage of SB57. This bill will sunset (expire) in 2026, unless renewed during the 2026 legislative session. If you feel this source of funding should continue, please reach out to your representatives to voice your support.

Please give the Board office a call at the number listed below should you have questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Deborah L. Schenk".

Deborah L. Schenk
Executive Director and CFO

7301 Jefferson Street, N.E., Suite H
Albuquerque, NM 87109-4363

Telephone 505.553.7021



www.bvm.nm.gov

State of New Mexico
Board of Veterinary Medicine

MICHELLE LUJÁN GRISHAM
Governor



Lawrence D. Young, DVM
Chair

Deborah L. Schenk
Executive Director and CFO

SPAY/NEUTER SERVICES AGREEMENT

The conditions to be met in acceptance of funds are as follows:

1. Funds are to be expended within 12 months of the date of the check.
2. Funds must be spent in accordance with the grant proposal submitted and any conditions specified in the award letter.
3. Funds not expended must be returned to the NM Board of Veterinary Medicine (NMBVM) in the form of a check within 30 days after the 12-month period has expired.
4. Reports are vital to the success of the program. Two reports are to be submitted to the NMBVM, one at 6 months post award and a final report due at the end of the 12-month period. Reports are to include project progress, number of procedures done for both dogs and cats, funds spent, and funds remaining.
5. The final report will be submitted to the NMBVM no later than 30 days after the 12-month period, setting out a detailed accounting of expenditures associated with spay/neuter programs provided using Animal Care and Facility Fund funding. The final number of procedures completed will also be included in the final report.
6. Receipts and invoices must be submitted as supporting documents for the report.
7. Recipients must comply with a state audit of funds should one occur.

Failure to comply with these terms may jeopardize future funding consideration.

The Agreement must be returned bearing the signature and emailed to catherine.hernandez@bvm.nm.gov. Please make a copy of the signed agreement for your records.

Congratulations! Your hard work in providing services to homeless, unwanted, and lost domestic animals is appreciated by the Board and the citizens of New Mexico.

By accepting the funds, recipients agree to the stipulations as set forth above.

By: _____
Printed name, title, and name of organization.

Signature: _____ Date: _____





CITY OF TRUTH OR CONSEQUENCES

AGENDA REQUEST FORM

MEETING DATE: September 24, 2025

Agenda Item #: E.4

SUBJECT: Discussion/Action – Capital Outlay Process and Project Selection

DEPARTMENT: Community Development

DATE SUBMITTED: September 18, 2025

SUBMITTED BY: Traci Alvarez

WHO WILL PRESENT THE ITEM: Traci Alvarez – Assistant City Manager/Gary Whitehead – City Manager

Summary/Background:

City Commission reviewed and ranked ICIP projects at the meeting on 6-11-2025 and approved Resolution 57 24/25 accepting the final ICIP Project list at the meeting on 6-24-2025. Capital Outlay Project Presentations will be presented to a legislative forum by the Mayor and City Manager in late October with potential follow-up meetings during the legislative session.

Top 5 projects are:

1. Wastewater Treatment Plant Upgrades
2. Lee Belle Johnson Facility Improvements
3. Marie Street Improvements
4. 10MVA Substation Power Transformer Replacement
5. Community Multi-Purpose Center

Recommendation:

Discuss/Review/Approve Capital Outlay Process and Presentation of Projects

Attachments:

- 2027-2031 ICIP
- Meeting Minutes from the City Commission Meeting 6-11-2025 discussing and ranking projects
- Resolution 57 24/25 Accepting the completed 2027-2031 ICIP Project Summary

Fiscal Impact (Finance): Choose an item.

[Click here to enter text.](#)

Legal Review (City Attorney): Choose an item.

[Click here to enter text.](#)

Approved For Submittal By: ☐ Department Director

Reviewed by: ☐ City Clerk ☐ Finance ☐ Legal ☐ Other: [Click here to enter text.](#)

Final Approval: ☐ City Manager

CITY CLERK'S USE ONLY - COMMISSION ACTION TAKEN

Resolution No. [Click here to enter text.](#) Ordinance No. -

Continued To: - Referred To: -

☐ Approved ☐ Denied ☐ Other: -

File Name: CC agendas 9-24-25

Infrastructure Capital Improvement Plan FY 2027-2031

Truth or Consequences Project Summary

ID	Year	Rank	Project Title	Category	Funded to date	2027	2028	2029	2030	2031	Total Project Cost	Amount Not Yet Funded	Phases?
38614	2027	001	Wastewater Treatment Plant Upgrades	Water - Wastewater	0	1,000,000	1,664,060	3,000,000	3,000,000	0	8,664,060	8,664,060	Yes
40372	2027	002	Lee Belle Johnson Facility Improvements	Facilities - Other	35,000	300,000	100,000	1,565,000	0	0	2,000,000	1,965,000	Yes
38540	2027	003	Marie Street Improvements	Transportation - Highways/Roads/Bridges	0	500,000	3,000,000	0	0	0	3,500,000	3,500,000	Yes
40370	2027	004	10MVA Substation Power Transformer Replacement	Other - Utilities (publicly owned)	0	1,000,000	2,000,000	0	0	0	3,000,000	3,000,000	No
41576	2027	005	Community Multi-Purpose Center	Economic Development	0	500,000	1,000,000	5,250,000	0	0	6,750,000	6,750,000	Yes
38617	2027	006	Armijo Park Effluent Water Reuse Improvements	Water - Wastewater	0	1,750,000	225,000	0	0	0	1,975,000	1,975,000	Yes
41580	2027	007	Recycling & SW Collection Center Improvements	Facilities - Administrative Facilities	0	300,000	1,200,000	0	0	0	1,500,000	1,500,000	Yes
40367	2028	001	Clancy Lift Station Force Main Improvements	Water - Wastewater	0	0	1,500,000	0	0	0	1,500,000	1,500,000	No
42977	2028	002	Sewer Vacuum System Replacement	Water - Wastewater	0	0	100,000	300,000	2,300,000	2,300,000	5,000,000	5,000,000	Yes
38571	2028	003	Smith, Silver and E 9th Street Improvements	Transportation - Highways/Roads/Bridges	212,910	0	95,000	0	0	0	307,910	95,000	No
42984	2028	004	Electric Car Charging Station	Transportation - Other	0	0	2,444,900	0	0	0	2,444,900	2,444,900	Yes
38613	2028	005	Water Meter Replacement & Housing Improvements	Water - Other	750,000	0	750,000	0	0	0	1,500,000	750,000	Yes
38574	2029	001	Veater Street Improvements	Transportation -	0	0	0	200,000	2,300,000	0	2,500,000	2,500,000	Yes

Infrastructure Capital Improvement Plan FY 2027-2031

				Highways/Roads/Bridges									
38609	2029	002	Waterline Extension for Village of Williamsburg	Water - Water Supply	0	0	0	500,000	0	0	500,000	500,000	No
43832	2029	003	Ralph Edwards Park Trail Enhancement	Transportation - Bike/Pedestrian/Equestrian	0	0	0	15,000	335,000	0	350,000	350,000	Yes
40368	2029	004	Golf Course Facility Improvements	Facilities - Other	0	0	0	250,000	0	0	250,000	250,000	Yes
40377	2030	001	Rio Grande Vehicular Bridge Crossing and Utilities	Transportation - Highways/Roads/Bridges	0	0	0	0	4,400,575	0	4,400,575	4,400,575	Yes
40378	2030	002	Rio Grande Footbridge Crossing	Transportation - Bike/Pedestrian/Equestrian	0	0	0	0	1,265,000	0	1,265,000	1,265,000	Yes
43896	2030	003	Spaceport Visitor Center	Facilities - Other	0	0	0	0	0	0	0	0	No
33002	2031	001	Water Infrastructure and Fire Hydrant Replacement	Water - Water Supply	64,890,000	0	0	0	0	46,390,000	111,280,000	46,390,000	Yes

Number of projects:	20												
	Funded to date:	Year 1:	Year 2:	Year 3:	Year 4:	Year 5:	Total Project Cost:	Total Not Yet Funded:					
Grand Totals	65,887,912	5,350,000	14,078,960	11,080,000	13,600,575	48,690,000	158,687,440	92,799,536					

9. Discussion/Action: Review, Approve and/or Allocate Funds to the Sierra County Arts Council for Artists of Sierra County Studio Tour Nov 1 & 2, 2025.

City Clerk Torres: This application was submitted to our Lodgers Tax Board by the Sierra County Arts Council for Artists of Sierra County Studio Tour Nov 1 & 2, 2025. The applicant requested \$6,910, and the board only approved \$5,710. The board did not approve the \$1,200 request for a passport book as it will be handed out at the event, and it was determined to not put heads in beds.

Mayor Pro-Tem Forrister made a motion to approve the Sierra County Arts Council for Artists of Sierra County Studio Tour Nov 1 & 2, 2025 agreement in the amount of \$5,710. Commissioner Hoepfner seconded the motion. Roll call was taken by the Clerk-Treasurer. Motion carried unanimously.

10. Discussion/Action: State of NM Dept. of Economic Development Capital Appropriation Grant Agreement MainStreet Foch Street Project.

Assistant City Manager Alvarez: This actually came before you back in April. You guys did the resolution to support for MainStreet to submit their application. The application was approved and granted for the additional \$910,000 that will hopefully get us to completion on this project. This is just the grant agreement they have sent out for execution. We are requesting approval, the project has gone to bid, and we are currently in the negotiation phase right now. So we are seeing a little bit of the light at the end of the tunnel.

Commissioner Fahl made a motion to approve the State of NM Dept. of Economic Development Capital Appropriation Grant Agreement MainStreet Foch Street Project. Commissioner Hoepfner seconded the motion. Roll call was taken by the Clerk-Treasurer. Motion carried unanimously.

11. Discussion/Action: 2027-2031 Infrastructure Capital Improvement Plan Project Recommendation and Ranking.

City Manager Whitehead: Let me start by thanking Yvette, from the South-Central Council of Government, who you got to meet today. We are members of the council and pay a fee. So, it's really wonderful to have Jay and Yvette in the room, they are also working with us on SJOA, we're just bringing this along and it's very helpful for Traci to be able to hand this off. So thank you, Yvette, nicely done. The ICIP, over the last few

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years, has gotten very lengthy. The process to add projects is time-consuming, so what I wanted to do was simplify the issue. The primary function for us on the ICIP is, when we request capital outlay from the state of New Mexico, our legislators, the governor, want to see that the items are in a top 5 priority. That is the most important part. If we're going there and asking for funds, they just want to see our top 5. They really don't want to see a list of 40 items. We have an obligation at home to listen to the citizens and understand. So, everything that was presented today needs to become part of the ICIP. We can add all of those items, that's important. The second part, I think one of the presenters today said, "What's happening with this particular project?", well that's part of the ICIP. Once you receive funding, Traci and the staff now has an obligation to tell the state that "we've spent this much, this is what's going on.", and once it takes a position we have to keep it alive, that's the living part of the document. **What we're looking for today, is from each of you, your individual top 5, and then potentially for you to settle in on the top 5 priorities to focus on, as we go to capital outlay and request from the governor.** That doesn't mean that they won't also be on the Safe Streets 4 All, they could be part of that or another federal program, we would need to be able to say that they were included, even if there are 6, 7, 8, 9, or 30. It doesn't matter, but for what we do with the state, we definitely need your top 5. That's really what's left in the presentation today is for you guys to settle on what you want us to put in. Once we have it, then Yvette will clean up the rest of the document and bring us forward a final ICIP to adopt and submit to DFA. Then we will know what we are doing going forward. I will stand for questions and certainly help with your discussion.

Mayor Hechler: Here's how I'd like to try to approach this. I think what we should do is pick the low hanging fruit first. Those items on our capital improvements plan that we know we all want. We should talk about it first. For instance, for me it's wastewater and the treatment plant. We've dealt with water issues for the last few years, and we received \$50 - \$60 million to deal with that. The next logical turn for me is wastewater because whatever comes in has to go out. So, I'd like to see wastewater issues, and the preliminary report falls into that, I'd like to see wastewater as one of our top 5, and probably our number 1, as far as the next step where we'd like to go. If we agree on that, that would knock out one of the 5, then we can listen to one of your pet projects, and figure that one out.

Commissioner Fahl: We'll let you pick one. There's four of us here, so we all get to pick one.

Mayor Pro-Tem Forrister: I just want to go back before we start that. Gary laid that out, and unfortunately, I think you might be a little wrong; because I went through this process a little bit and what happens is yes, we might pick our top 5, what we think are very important and what our city needs, but they are these big huge projects. Every time I have gone to our legislators for a presentation, the feedback I get from there time and time again is, "Don't come to us with something that costs \$10 million, because we don't have that money.", our legislators want to fund something entirely, is what I've been told time and time again, that is shovel-ready and ready to go. So, yes, our top 5 needs to be our top 5 priority, but when we go to our legislators, they don't want us to come with

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something that is a huge project, they like the projects that are maybe \$1.5 million that they can fund entirely. So, I want to keep that in mind, because they have told us time and time again not to come to them with those big projects. Just another thing to think about, that maybe our top 5 is not what we are presenting to them.

Commissioner Fahl: Because the top 5, is maybe where we'd need legislative. The wastewater wasn't through our legislators. They supported us, but they can't get legislative a whole special thing, it wasn't out of their pocket.

Mayor Pro-Tem Forrister: Correct.

Mayor Hechler: I think both are true, and I will let Gary chime in, but I think our top 5, if they're going to be the top dollar ones, that's what opens the door to Colonias, the Water Trust Board, and some of these big operations. That's how we got \$20 million, because we weren't one of the top 5. So, I think we have to be very aware of that, but you're right. The rest of the ICIP, we should have those other projects on there because our senator might be able to give us \$1 million, our representatives might be able to give us \$500,000, and we have to have those little projects on the side ready to talk about. But those things aren't going to be one of our top 5, right, Gary?

City Manager Whitehead: The way DFA and the way the legislative body has asked, like it or not, they've said that if we come to them, walk into their room and say, "I want funding for this...", they will say, "Was it on your top 5?" and we say, "No, we just thought of it.", they will say, "We're not going to look at that.". So, that's the challenge with this, is that we kind of have to think about what we really want to work on, and how we can go ask. Last year, we asked the governor's office for \$4 million for the wastewater treatment plant, we asked the legislators for 4 different projects that weren't that same project, and we ended up with \$1 million; because you are right, they really don't want to fund a project and have it be on the books for many years. It is definitely a balancing act, so we have to be thoughtful and say, if we're going to do wastewater, we may not get the whole \$5 million. But we might get \$500 from the legislators, we might get \$1 million, so it is a balancing act. It's hard to pick, but if it's outside the top 5 and we didn't ask DFA, and they only allow us to put 5 submissions in, you're not going to get another project added later. Or if you do get it, you will get a lecture, and I was in on one of those lectures.

Mayor Pro-Tem Forrister: I think when we go to our senator and our representative, we can pick something that maybe is not in our top 5 to present to them that they would like to fund in a whole. Then again, our representative and our senators were very instrumental in helping us get more money funded in our big projects, because they knew how dire our water system was. So, it is a balancing act. Just to keep that in mind when we go present to them.

Mayor Hechler: Well, let's just knock that one out. Are we okay with the water/wastewater issues as one of the top 5?

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Unanimous: Yes.

Mayor Hechler: I'll open up the floor now for discussion.

Commissioner Fahl: I think that yes, we all need infrastructure, but we also need to think about quality-of-life things for our community too.

Mayor Pro-Tem Forrister: And they're different pots of money; everybody needs to understand that.

Commissioner Fahl: So maybe we do 3 big infrastructures, and 2 quality-of-life. The one I am passionate about the Lee Belle Johnson Center being on the top 5. Actually, last year, we found sources of money, we were too late to tie into that, but if we have that, it is a quality-of-life, and it is important to our Main Street development. So, if we get it in there, and I don't care what number it is; but if we can move it from 10 up to the top 5. And maybe there are others, as Traci said, you can't get money for swimming pools, so we can call it another name. You can be pretty creative about what you call things.

Mayor Hechler: What is the vision for that?

Commissioner Fahl: I want to fix it.

Mayor Hechler: But what is it going to be after it's fixed?

Commissioner Fahl: Well Geronimo Scenic Byway needs to go back there, it's right in downtown. They get so much business, and they promote everybody so it's not just about them. Maybe if we don't do the spaceport there, if we actually do a spaceport, we need to promote that through here.

Mayor Pro-Tem Forrister: We need infrastructure, we need quality-of-life, and we need tourism on our top 5.

Mayor Hechler: I agree with you with Lee Belle. That's one of my top 5. I have a different vision, the vision I have is the community theater, reinventing that. We have a huge underground group of musicians in this community, and I can see us having concerts downtown.

Commissioner Fahl: Well it has a stage.

Mayor Hechler: Yeah, that's a stage.

Commissioner Fahl: So, you could have part of it for that, and still part of it for the visitor's center. That's another way to bring them back together.

Mayor Hechler: So, if it's going to cost between \$5 - \$7 million. I understand that Gina Kelley applied for a grant, that's what the grant was going to cost was 5-7, it had a 20%

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match. So, we will have to ask for a substantial amount of money. It'll be funded somewhere else for the most part, but then a 20% match might be \$1 million. But we can either go with our legislature with that, or we can go to our Lodger's tax, we could even do a bond on that if we need to.

Commissioner Fahl: I think that building means so much to our history of our community, and we need to save it. The longer those old buildings sit empty, the worse they're going to get. So, the longer we keep putting off doing work there, the more it will cost us to fix it.

Mayor Hechler: Do we all agree that the Lee Belle Johnson should be on the list?

Unanimous: Yes.

Commissioner Hoeppner: I know there's still a lot of work to be done, but I'm here for the Rio Grande, because when we are putting everything in place, and when we are ready to start the project like the earlier comment that was about the driving and walking bridge. We are talking about multiple bridges along the Rio Grande to get over, but I think a walking bridge at Rotary Park should be a priority for the town, to get foot traffic over safely to the other side first, and then we can go on while we are developing. So, I would like to put the Rio Grande Foot Bridge in the top 5, and it is not the more expensive option.

Commissioner Fahl: Well and actually, Carl Colonias implied to us that he can help us fund that.

Commissioner Hoeppner: So, we have multiple funding sources already.

Commissioner Fahl: So, just to talk about the foot bridge, there's been a lot of back and forth about UTV's. When that was originally designed, the planning group said, "Well maybe we would have it for UTV's for emergency access because it takes so long to get around." And that was the only reason we were going to do that, because UTV's have all kinds of access. When the river's not on, they can get across it, they can get everywhere over there. This was just more for a different group of people, but when we first said that, that was the recommendation of the police chief at the time. That would have been a lot more expensive to have it that big, because then you'll have to have those security barriers in front of it, so that not everybody is going across. Since then, we've had a change in the Sheriff and the police chief, who both say that "If there was an incident over there, they would have to go back to wherever their vehicles were housed, load the 4-wheeler on the trailer, and drive it over there, and by the time they get there, you could already have driven around anyways." So, there's no sense in doing that. We, as the group and the committee that put that all together. We wanted to stay on just a foot bridge, and I know that we all know we need a vehicular bridge. I don't know where you'd put a vehicular bridge, but we need it for emergency response, if nothing else. It's not about the developer or anybody. I have friends and people that I dearly love that died over there from a heart attack because emergency services

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couldn't get over there. So, I know we all need one, and that's going to need a lot of time to develop that. When we're talking about tourism, with the trends of what's going on out there, that's what people want, and what it would cost to install it, will come back to us, just like what Bruce was saying about what tourism can do. If it's on the top 5, that's another quality-of-life item, but I think there are funding sources, rather than us having it on the top 5 because I think we can get grants for that. We've talked about that we wouldn't even have to go out for design, but we could partner with the forest services, the BLM, national parks service, they all have foot bridges already designed. So, we could just partner with them and all we'd have to do for engineering, because that would be half of the cost, is modify that pre-existing design. So then maybe it wouldn't be as expensive as what we initially thought.

Mayor Pro-Tem Forrister: And where is the Bureau of Reclamation in all of this?

Commissioner Fahl: We had talked about putting the foot bridge where they put the dirt dam, but they said no because they intend to put a permanent structure there, which is a big change forward for them. But they didn't have the money for that, so they said, "No, we don't want the bridge over that because we're just going to put it over there." We've located where we want it to be, John Masterson has mapped that all out, and after we secure the property, we will talk to Mitch and figure out how we're going to get over there, but it would still be in that same area. Then, you can really turn Rotary Park into this wildlife jewel. I mean, the birding industry is billions of dollars, so that area has lots of recreation and tourism opportunities. I think it's going to be a great thing for the community, whether it's in the top 5 and it's a capital outlay, or we get it from these other funding sources, I don't know. So, I don't know where you would place that.

Mayor Pro-Tem Forrister: So, I'm probably one of the big pushers, I would like to see it be combined into one, a vehicle bridge and a walking bridge, but I am hearing what you're saying, that it doesn't necessarily need to be in our top 5?

Commissioner Fahl: I don't know, because where would Capital Outlay go, it's in Williamsburg's top 10.

Mayor Pro-Tem Forrister: They don't have to put infrastructure in there.

Commissioner Fahl: Well yeah they are going to build one.

City Manager Whitehead: If I can, let me add a twist to this conversation. I will be travelling with the Parks Department to Farmington at the end of the month, on an invitation from Carl Colonias. Farmington has installed a thing called a Surf Generator on their river. I've seen a picture of it, don't know what it is, but it has the ability to close the river, to change the flow of the river, they are considering it the biggest tourism event on a New Mexico river ever, they're the first ones to do it. Carl Colonias, through the trails grant, is really instrumental and feels like it could be something that would help the BLR, so we're going to go look at it. Adding river improvements, or river crossing, if that becomes one of our top 5 to focus on, that's the concept, it could be part of it.

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There could be other items, it doesn't mean that we're not going to apply, that's a grant program. I just want to reiterate that it doesn't mean you won't work on those projects, I don't know if the Bureau of Reclamation will look at a project like this.

Commissioner Fahl: I don't know if it should be in the top 5, Ingo. I don't think we're ready for that yet.

Mayor Hechler: I think it needs to be on the ICIP. I want to identify more projects that affect more people most of the time. That will have an effect on some people some of the time; tourism, some business, but it won't affect most of the people most of the time. What's going to affect most of the people most of the time are city-wide drainage improvements, or city-wide road improvements. I think those items need to be in the top 5 first. That doesn't mean we don't have a place for them. That's one of those items you talk to the center and say, "Hey, can I have \$750,000 to put a foot bridge in?", I think that's where that would fit in.

Commissioner Hoeppner: Then I want to change mine. I am always pushing for an indoor pool, and we all know, over and over, there's no money, there's no grants, there is nothing. So, when we are asking the legislator for money to start planning and developing a covered indoor pool, then I would like to see that added to the list.

Mayor Pro-Tem Forrister: I thought a recreation facility was on our ICIP. Isn't it?

Commissioner Fahl: We don't have any planning. Can't it just be planning? Is that something we can put on there, is, planning for that?

Assistant City Manager Alvarez: And when we identify the funding within the ICIP, you have to break down environmental funds, planning, design, construction, and equipment. So, the short answer is yes, we can have it broken down like that and you can apply for just planning, or plan & design and combine those, which is what we kind of did with the wastewater treatment plant upgrades that were on here. That being said, we all hear from different legislators, and they don't necessarily like to fund a planning document, that's not a visual thing.

Commissioner Fahl: They can't stand in front of it and get a picture.

Assistant City Manager Alvarez: I think there's two sides to that, you could keep the recreational facility, the multi-generational facility on there somewhere, because that is very eligible for potential planning funds through the grant system, so it has to be identified. The potential of just a swimming pool alone receiving money from our legislators is a possibility, the only aspect of that is we don't know is where we would put it. I think where our pool is located was an issue, trying to build. I think it's possible.

Mayor Hechler: It's possible. It's a little more convoluted than that because, with the hospital's first teaching plan, they have identified in 2029 a multipurpose center with a swimming pool that would have public access. That doesn't mean it will happen, but it's

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identified in their strategic plan. So, it sounds to me like we need to get together with the hospital or other folks. This doesn't just affect our community, it affects the region, so it's going to be a regional center, if there's going to be one, not just a swimming pool. It needs to have a weight room in it, it needs to have exercise equipment and things like that, it needs to be a multi-generational center. We've got to sell this thing to the county, the city of Williamsburg, and the City of Elephant Butte, and we all need to participate in it. Something on a grand scale. I don't mind that idea either, but that's the way I would look at it. I actually have it written here as a community multipurpose center, which we have later on in the list, so that's important.

Commissioner Fahl: What about the Vacuum System?

Mayor Hechler: That's going to identify all that stuff. I'd like to propose that we deal with, well, city-wide drainage improvement, is that still going to be an issue?

City Manager Whitehead: Mayor, I think if we're discussing the drainage plan that we just had that would change those, what I think, are small water events that cause the pooling in the middle of downtown, that's probably the biggest focus. I still think those are smaller projects that we need to deal with internally, we need to find ways to move that water out and solve it. So, it's a good one, it's fine to put on the list, but I do think some of that is internal, but it could be that we ask for half a million dollars to fund a project like that, that could definitely be a capital outlay request.

Mayor Hechler: City-wide road improvements, did we deal with that today with that safety plan or do we need to do something else?

City Manager Whitehead: Again, we could add an individual road as I brought up, I still think Marie Street really needs to be fixed. And it could be a road that we applied for, you know, we do the safety study, we try that as a secondary corridor, and certainly through capital outlay, we could pick up some funding to do.

Mayor Pro-Tem Forrister: So I'm hearing that you would like Marie Street to be in our top 5?

City Manager Whitehead: I think Marie Street definitely, as a main feeder, a main collector for our community, you know, it accesses so many roads, I don't think it has received the attention it needs, it has a dam that goes across it, I think it is time to start thinking about how we can get that road improved as a priority.

Mayor Pro-Tem Forrister: I think that's a good idea. I would like to entertain, and maybe not in our top 5, what Bruce presented today on trying to start our Spaceport Visitor's Center. I think we don't have to identify where it goes, but if we could put \$200,000 in to figure out a plan and start that ball rolling. Spaceport is such a big draw and Cruces gets it, but if we had something off the freeway that's bringing people into our community, that would filter through this community, not just right there, they could go

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downtown. I think tourism, quality-of-life, and infrastructure are all three big things we need to be going after.

Mayor Hechler: So, a couple thoughts, I've always thought that T or C should be the southern of Spaceport and Las Cruces should be the northern area. We don't get our fair share of what they generate. We are on with Spaceport with our taxes until 2029. We can make a decision then of whether or not we are going to continue to support spaceport with our tax dollars, but we can't make a decision before then, but we need to start thinking about putting the Spaceport Center here because we're so close to it. A couple of other things have to happen too, Virgin Galactic is thinking about putting a training center at Champagne Hills, with the success of their Delta rockets this year, if they're getting those things built, and they get them started moving at the Spaceport, that's going to happen and that will give us a lot more clout that we need to try and get that Spaceport Center here. I think because we have a lot more happening. So, I think it definitely could be on the list, I just don't know if it's great timing for it or not, but we should move forward. Do we want it as one of our top 5?

Mayor Pro-Tem Forrister: It can be a phased plan where our first year, we are just going after planning and talking about it. Again, if we're not in agreement that it needs to be in the top 5, I'm fine with that. I do want to add it to one of our things and kind of get that ball rolling.

Commissioner Fahl: Yeah, we need to get the ball rolling.

Mayor Pro-Tem Forrister: And maybe get ahead of it if that training center does take off.

Mayor Hechler: What are we giving up if we put it as one of our top 5? What would you recommend?

Commissioner Fahl: I wanted to ask, somebody brought up Well #8, which isn't on here, it's Well #2. I think in our infrastructure process we need to talk about our water availability. So, we have 3 or 4 wells that pump less than 400 gallons per minute, and he wanted to retrofit one of those, well why if you only get 200 gallons per minute, we need to get a new well. We have the water rights with those wells, we could transfer over because we know we can't get new water rights, and I don't know if that's where you would put that on our ICIP list, or not? If we start thinking about expanding, so we will get this Love's, and maybe we're getting other things, we don't have enough water when we're looking down the road, so we need a better more reliable source of water that pumps more than 400 gallons per minute. I think two of them pump 600-800 gallons per minute.

Mayor Hechler: We're getting one on Cook Street.

City Manager Whitehead: Currently under any of the projects, there's no rehabbing to the particular wells. We're getting into the storage tank, but we've not examined any

CITY COMMISSION JUNE 11, 2025 REGULAR MEETING MINUTES

deficiencies, it feels like we are moving enough water through the system with the 5 wells we have active at this point.

Mayor Hechler: What's going to change a little bit too, is when we start replacing all these water lines, and reducing all the loss that we have, that's going to allow us to recover a little better, but it doesn't solve the problem.

Commissioner Fahl: We have projected growth, and those wells do not pump enough water for when we start growing. We need to get a new well that pumps at least 600 gallons per minute. He has Water Well #2 improvements, she said 8 but it's 2. I don't know if that's in the top 5, because if you're saying we're good for now, it better be on the list for long-term.

City Manager Whitehead: Certainly.

Mayor Pro-Tem Forrister: What are some of the admin's ideas.

City Manager Whitehead: I'll let Traci talk about Her's, and I would also like to have you guys talk about and consider the third transformer. Bo has presented that, and we think it's a project we should consider. We have one transformer that's new, and we have one that's old but working well. The vision would be to put a third one online, and then we can take the second one offline, rehab it, then we'd have redundancy, we'd have backup, so that's a project on the infrastructure side, we really haven't talked about on the electrical side. We are doing well enough with electric that we could potentially match, but we could start working on some grants too. That's about a \$2 million project to bring that on board.

Mayor Pro-Tem Forrister: We really did give Bo that push, that we want to make sure our electric system stays up to par and we are doing what we need to do. So, if he's coming to us saying we need that, then maybe that's something we should look at.

City Manager Whitehead: Traci's got some ideas on effluent. I'll let her talk about that.

Commissioner Mitchell: We need to have it split; infrastructure, tourism, recreation, quality-of-life, I think if we don't maintain the infrastructure for the city, for our roads and so forth, then we won't have any quality-of-life ones. I don't have anything specific, I am all for Lee Belle Johnson, the recreational facility, and dam maintenance, whether it's Marie Street or Cantrell or whatnot. I don't have an agenda to push anything forward, I'm in agreement with you all.

Mayor Pro-Tem Forrister: A couple years ago, that's all we had on there, was water. We weren't even looking at anything. I think we are in a good place where we can put a few more things on the list. I think Traci had something to add.

Assistant City Manager Alvarez: Thank you. I really support the electric transformer because, as you know, it's very difficult to find grant funds for our electric department.

CITY COMMISSION JUNE 11, 2025 REGULAR MEETING MINUTES

It's a municipal electric department and there's just not a lot out there. I think that would definitely be a really good source of request for funding for electric. The other thing I'd really like the commission to consider are affluent water reuse. Like you said, servicing the water, if we could extend our affluent water from the golf course, all the way up to our cemetery, we could be watering our cemetery with affluent water instead of fresh water. It doesn't necessarily have to be in the top 5 priority, but I definitely think we need to consider improvements to our affluent, at the Armijo Parks side, which would then improve the affluent that's going to the golf course. We definitely need some assistance with the golf course, and then a potential extension for affluent. I do get a lot of calls from residents that would potentially be interested in affluent water use. Something to think about. The other item I had noted on here I'd like to make sure is added into the ICIP somewhere is the recycling and solid waste collection center expansion. That's something we will have to think about doing if they go from a collection center to a transfer station, that facility is going to have to grow. It's not necessarily a top 5 but it's something we need to add somewhere within the ICIP. Other than that, my priority was the wastewater and the Lee Belle Johnson. The last thing I want is for Lee Belle to turn out like the armory, it's sitting and it's a great building in the downtown area. That was my thought process.

Mayor Hechler: I think #5 was Armijo Park and wastewater. That was on mine. So, we have Wastewater, Lee Belle, Marie Street, Electric Transformer, which one do we want to make #5?

Commissioner Hoepfner: I would maybe put the recycling center, like you said, we have to start. By putting it in the top 5, it would show that we know what is coming.

Commissioner Fahl: Didn't you say that there's a permitting process we have to start first? You don't need capital improvement money for that.

City Manager Whitehead: With the recycling center, we are really in a good spot because we are going to pay off the loan this year. We have agreed that we have some time, we are starting to get close to the tipping point. We have started moving that money based on the Park Hill Study, so over the next 5 years, we will put away about \$1.2 million, and in 5 years, we will be ready to apply for the next loan to borrow \$5 million. So, I think that one's not necessarily a capital outlay, but it definitely will require some planning. We might have to pay for it, but it is one that if we went to the legislature with it, they're not crazy about planning, it's not what they really want to do, so I don't think it would need to be in the top 5. It is on the list and it's important, but it's in a good spot, we should be able to have 5 years of no payments and put some money away, then planning and looking at what we need to do there.

Mayor Pro-Tem Forrister: What would be your recommendation?

City Manager Whitehead: I am torn between the affluent and the rec center. I think it might be time to consider the recreation center. It's been a long time coming.

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Mayor Pro-Tem Forrister: Mine's one of those, the multi-generational family center, whatever we called it.

City Manager Whitehead: We are trying really hard to spend the bond money efficiently and tell a good story. That will come back up in a couple of years, and maybe we are in the driver's seat to say, "Let us have that money back one more cycle, for \$3 million and build something like that.", that's been what Traci & I & the crew have been talking about a bit. The rec center could be a good one for us to start trying to raise some capital to do something in the next couple of years.

Mayor Hechler: Make a Spaceport Rec Center?

Mayor Pro-Tem Forrister: Yeah, let's do it all in one, one ginormous thing. I do want to make sure that we get Spaceport on our ICIP, like I said, I don't know if it necessarily needs to be in our top 5, but it would be nice to go and get some of that planning money.

Mayor Hechler: As we knock off one of these others, it will make it up to the top 5. I think that's how it will work, so let's make sure the Spaceport Center is in the top 10, at least, or higher. As we cycle through, once we knock off some of these other ones, it'll move up. Once we get Lee Belle Johnson done, maybe we can get something to take the spot next year.

Commissioner Fahl: Then we have 5, right?

City Manager Whitehead: Water/Wastewater, Lee Belle Johnson, Marie Street, Transformers, and Rec Center.

Commissioner Fahl: Sounds good. Are you good with that, Destiny?

Commissioner Mitchell: I'm good with that.

Assistant City Manager Alvarez: When we come back to you guys, it'll be the next commission meeting, where we will have the final draft, you will notice a good portion of the projects that are on the 2026-2030, may not be, or probably won't be, on the next one. We will try and shorten it by some of these priorities, but you will still see water on there. It may be the last one in 2031, but I need to leave it on there so I can tell a story of where our funding is currently. I have to continue to report on that. You'll see a couple of items on there that I know there is potential funding for, like the expansion for the solid waste facility. We're in a great spot financially, but there is some great money out there that I could apply for, for grants, but if it's not listed somewhere on the ICIP, I can't. So, you'll see some things on there and hopefully we will bring you back a good list, we will have your top 5, your mentions within the top 10, and some projects in there that if you have questions about, definitely just check with us.

Mayor Pro-Tem Forrister moved to approve the following top 5 ICIP items.

1. Wastewater Treatment Plant Upgrades
2. Lee Belle Johnson Facility Improvements
3. Marie Street
4. Electric Transformers
5. Recreational Center

Commissioner Hoeppner seconded the motion. Roll call was taken by the Clerk-Treasurer. Motion carried unanimously.

J. EXECUTIVE SESSION:

1. Threatened & Pending Litigation (Sean Barnes vs. City of T or C) pursuant to 10-15-1(H.7).
2. Threatened & Pending Litigation (Rachel Higgins vs. City of T or C) pursuant to 10-15-1(H.7).

Mayor Hechler recused himself from Threatened & Pending Litigation (Sean Barnes vs. City of T or C) pursuant to 10-15-1(H.7).

Commissioner Fahl made a motion to go into executive session at 12:53 p.m. to discuss Threatened & Pending Litigation (Sean Barnes vs. City of T or C) pursuant to 10-15-1(H.7) and Threatened & Pending Litigation (Rachel Higgins vs. City of T or C) pursuant to 10-15-1(H.7). Commissioner Hoeppner seconded the motion. Roll call vote was taken by the Clerk-Treasurer. Motion carried unanimously.

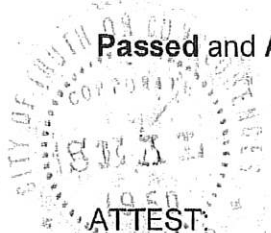
Mayor Pro-Tem Forrister reconvened the meeting in open session at 1:21 p.m.

Mayor Pro-Tem Forrister certified that only matters pertaining to Threatened & Pending Litigation (Sean Barnes vs. City of T or C) pursuant to 10-15-1(H.7) and Threatened & Pending Litigation (Rachel Higgins vs. City of T or C) pursuant to 10-15-1(H.7) was discussed in Executive Session and no action was taken in executive session.

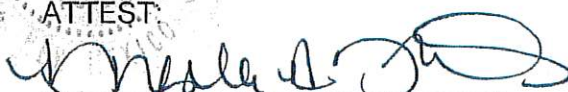
K. ADJOURNMENT:

Mayor Hechler adjourned the meeting at 1:22 p.m.

Passed and Approved this 9th day of July, 2025.



ATTEST


Angela A. Torres, CMC, City Clerk


Rolf Hechler, Mayor

County, Municipality/Tribal Government/Special District
of

City of Truth or Consequences

COUNTY OF Sierra

Resolution No. 57 24/25

A RESOLUTION

ADOPTING THE FY 2027-2031 INFRASTRUCTURE CAPITAL IMPROVEMENT PLAN (ICIP)

WHEREAS, the City of Truth or Consequences of Sierra County recognizes that the financing of public capital projects has become a major concern in New Mexico and nationally; and

WHEREAS, in times of scarce resources, it is necessary to find new financing mechanisms and maximize the use of existing resources; and

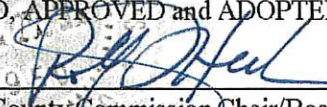
WHEREAS, systematic capital improvements planning is an effective tool for communities to define their development needs, establish priorities and pursue concrete actions and strategies to achieve necessary project development; and

WHEREAS, this process contributes to local and regional efforts in project identification and selection in short and long range capital planning efforts.

NOW, THEREFORE, BE IT RESOLVED BY THE City of Truth or Consequences that:

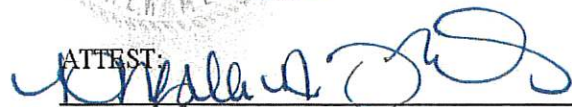
1. The county/municipality/tribal government/special district has adopted the attached FY 2027-2031 Infrastructure Capital Improvement Plan, and
2. It is intended that the Plan be a working document and is the first of many steps toward improving rational, long-range capital planning and budgeting for New Mexico's infrastructure.
3. This Resolution supersedes Resolution No. 06/24/25.

PASSED, APPROVED and ADOPTED by the governing body at its meeting of June 25, 2025



Mayor/County Commission Chair/Board Chair

ATTEST:



Municipal/County Clerk/Other Testator



CITY OF TRUTH OR CONSEQUENCES

AGENDA REQUEST FORM

MEETING DATE: September 24, 2025

Agenda Item #: E.5

SUBJECT: Discussion/Action: Trails + Grant MOU between the City of Truth or Consequences and Sierra County.

DEPARTMENT: Community Services

DATE SUBMITTED: September 18, 2025

SUBMITTED BY: O.J. Hechler

WHO WILL PRESENT THE ITEM: O.J. Hechler, Community Service Director

Summary/Background: The City is applying for FY26 Trails+ Grant. In this application the City is applying for a riverwalk trail along the Rio Grande at Ralph Edwards Park and a feasibility study of a river surf wave at Rotary Park. The City and County will support these projects per the attached MOU.

Recommendation:

Approve MOU

Attachments:

- Memorandum of Understanding

Fiscal Impact (Finance): N/A

\$0.00

Legal Review (City Attorney): N/A

[Click here to enter text.](#)

Approved For Submittal By: ☒ Department Director

Reviewed by: ☐ City Clerk ☐ Finance ☐ Legal ☐ Other: [Click here to enter text.](#)

Final Approval: ☐ City Manager

CITY CLERK'S USE ONLY - COMMISSION ACTION TAKEN

Resolution No. - Ordinance No. -

Continued To: - Referred To: -

☐ Approved ☐ Denied ☐ Other: -

File Name: CC Agendas 9-24-25

Memorandum of Understanding

City of Truth or Consequences

AND

Sierra County

This document describes the agreed-upon responsibilities and expectations between the City of Truth or Consequences (Lead Organization) and Sierra County (Partner) for the successful completion of a Riverwalk Trail along the Rio Grande, located in Ralph Edwards Park in Truth or Consequences, New Mexico, and the completion of a feasibility study for a river surf wave in the Rio Grande, located at Rotary Park, in Truth or Consequences, New Mexico. The purpose of these projects is to expand access to the outdoors, offer recreational opportunities to promote healthy lifestyles, support economic growth and job creation, and promote New Mexico's natural and cultural resources.

The City of Truth or Consequences is partnering with Sierra County on this project. The project holds special significance because it advances specific goals and projects identified in the Truth or Consequences Master Plan (2014) and the Turtleback Trails Network Concept Plan (2023)

RESPONSIBILITIES AND EXPECTATIONS

For this project the City of Truth or Consequences serves as the "lead" organization. As the lead organization, the City is responsible for the following:

- Ensuring the program activities and finances of the Riverwalk Trail and the River Surf Wave Feasibility Study (The Project) are in compliance with local, state, and federal regulations and requirements
- Managing construction of the trail in accordance with all local, state, and federal standards
- Managing completion of the feasibility study in accordance with professional engineering standards
- Distributing and accounting for all grant funds
- Keeping the County updated on progress and important milestones
- Designating a point of contact for communications regarding the project
- Reporting the required activities and accomplishments to the New Mexico Outdoor Recreation Division (ORD)

Under this Agreement, Sierra County agrees to:

- Promote the completed projects through social media channels and other marketing efforts
- Attend and participate in any opening or celebratory events, such as a ribbon-cutting ceremony
- Be available for technical assistance as needed
- Designate a point of contact for communications regarding The Project
- Reach out to countywide groups and organizations that would have an interest in The Project, such as outdoor groups, youth clubs, and local Chambers of Commerce

TIME PERIOD

This Memorandum of Understanding shall remain in place from the date funds are awarded through project completion (estimated to be 1 year).

TERMINATION

This Agreement may be terminated in whole or in part by either party without cause. Written notice of termination shall be given in writing to both the City of Truth or Consequences and Sierra County and shall be sent via certified or registered mail with return receipt requested. Failure to honor any of the obligations stated above may also result in the termination of this Agreement.

Signatures of authorized agency representatives:



CITY OF TRUTH OR CONSEQUENCES

AGENDA REQUEST FORM

MEETING DATE: September 24, 2025

Agenda Item #: E.6

SUBJECT: 3rd amendment to the Sierra Vista Hospital Joint Powers Agreement
DEPARTMENT: City Clerk's Office
DATE SUBMITTED: September 19, 2025
SUBMITTED BY: Angela A. Torres, Clerk-Treasurer
WHO WILL PRESENT THE ITEM: City Attorney Rubin

Summary/Background:

Review and approval of the 3rd amendment to the Sierra Vista Hospital JPA.

Recommendation:

Approval of proposed JPA.

Attachments:

- Joint Powers Agreement

Fiscal Impact (Finance): N/A

\$0.00

Legal Review (City Attorney): Yes

Yes.

Approved For Submittal By: ☐ Department Director

Reviewed by: ☒ City Clerk ☐ Finance ☒ Legal ☐ Other: Click here to enter text.

Final Approval: ☒ City Manager

CITY CLERK'S USE ONLY - COMMISSION ACTION TAKEN

Resolution No. - Ordinance No. -

Continued To: - Referred To: -

☐ Approved ☐ Denied ☐ Other: -

File Name: CC Agendas 9-24-25

THIRD AMENDMENT TO THE SIERRA VISTA HOSPITAL JOINT POWERS AGREEMENT

This **THIRD AMENDMENT TO THE JOINT POWERS AGREEMENT** (this "Amendment") is made and entered into by and among the COUNTY OF SIERRA, the CITY OF TRUTH OR CONSEQUENCES, and the VILLAGE OF WILLIAMSBURG (together, the "Remaining Participants"), and the CITY OF ELEPHANT BUTTE ("Elephant Butte"),

3collectively referred to as the "Parties." This Amendment modifies the Joint Powers Agreement dated May 14, 1998, as amended and restated July 15, 2009, May 23, 2016, and May 1, 2023 (the "Agreement").

RECITALS

WHEREAS, Elephant Butte joined the Agreement as a Participant pursuant to the 2009 Amendment and has since pledged certain gross receipts tax revenues to support the operations of Sierra Vista Hospital ("Hospital") ~~and through~~ –the repayment of loans from the New Mexico Finance Authority ("NMFA"), including the 2016 and 2018 Loans;

WHEREAS, Elephant Butte formally notified the Remaining Participants on May 30, 2025, of its intent to withdraw from the Agreement pursuant to Section 15 of the Agreement;

WHEREAS, the Remaining Participants accept the withdrawal of Elephant Butte, provided that Elephant Butte continues to meet its existing financial commitments;

NOW, THEREFORE, the Parties agree as follows:

SECTION 1. Withdrawal of the City of Elephant Butte and Governance Restructuring

Elephant Butte shall be withdrawn as a Participant in the Agreement, effective as of August 28, 2025. From and after that date, Elephant Butte shall no longer be deemed a Participant for purposes of governance, appointment of members to the Sierra Vista Hospital Joint Powers Commission ("JPC"), appointment of members to the Sierra Vista Hospital Governing Board, or participation in future actions, amendments, or agreements under the Agreement.

Effective as of the withdrawal date, the governance structure of the Hospital shall be reconstituted as follows:

1. Joint Powers Commission: The JPC shall be comprised of five (5) members.
 - o The City of Truth or Consequences shall appoint two (2) members.
 - o The County of Sierra shall appoint two (2) members.
 - o The Village of Williamsburg shall appoint one (1) member.
2. Governing Board: The Governing Board of Sierra Vista Hospital shall likewise be restructured to include five (5) voting members, appointed using the same proportional representation as the JPC:
 - o Two (2) members appointed by the City of Truth or Consequences;
 - o Two (2) members appointed by the County of Sierra; and

- o One (1) member appointed by the Village of Williamsburg.

All references in the Agreement to the composition, authority, and operation of the JPC and the Governing Board shall be interpreted and applied consistent with this revised governance structure.

SECTION 2. Continued Financial Obligations

Notwithstanding its withdrawal, Elephant Butte shall remain obligated to:

1. Contribute the 0.125% of its Municipal Gross Receipts Tax and the 0.0625% of its Municipal Infrastructure Gross Receipts Tax as pledged in Ordinance 175 authorizing the execution of the Agreement and pledging the aforementioned revenues throughout the duration of the 2016 and 2018 Loans; ~~Continue dedicating the 0.125% Municipal Gross Receipts Tax and the 0.0625% Municipal Infrastructure Gross Receipts Tax pledged under Sections 7.3(d)(1) and (2) of the Agreement;~~
2. Ensure uninterrupted remittance of these pledged revenues to the Governmental Unit or NMFA for the repayment of the 2016 and 2018 Loans, until those loans are repaid, defeased, or otherwise discharged;
3. Comply with all terms of the NMFA intercept agreements and related financial documents in effect as of the effective date.
4. Share responsibility for all liabilities, obligations, and commitments incurred under the Agreement or related to the Hospital through the effective date of withdrawal, August 28, 2025, subject to such limitations as may be provided in the Agreement, the New Mexico Tort Claims Act, the New Mexico Civil Rights Act, and as otherwise provided by law, with the exception of Future Financial Commitments as set forth in Section 3 below.

SECTION 3. Limitation on Future Financial Commitments

Elephant Butte shall not be a party to, nor bound by, any future amendment to the Agreement, or any separate agreement, ordinance, or resolution entered into by the Remaining Participants that imposes any new or increased financial commitment for Hospital operations, capital improvements, or debt repayment beyond those existing as of the effective date of this its withdrawal. Amendment.

SECTION 4. Property Ownership and Waiver of Future Interest

~~As a condition of withdrawal, To ensure a seamless transition,~~ Elephant Butte voluntarily and expressly waives and relinquishes any and all right, title, or interest, legal, equitable, or beneficial, in:

1. Any real property, facility, improvements, fixtures, equipment, accounts, or assets owned, leased, or managed by the Joint Powers Commission or the Hospital as of the effective date;
2. Any future ownership interest, right to proceeds, or participation in decisions regarding sale, lease, reorganization, or transfer of the Hospital or its assets;
3. Any right to compensation, reimbursement, or accounting related to Hospital assets or investments made prior to the effective date.

Nothing in this section shall affect Elephant Butte's obligation to continue making pledged GRT payments under Section 2.

SECTION 5. Reapportionment of Participant Interest

Upon the withdrawal of Elephant Butte, all references in the Agreement to proportional interests shall be reapportioned among the Remaining Participants. Elephant Butte's former fifteen percent (15%) interest shall be reapportioned among the Remaining Participants in proportion to their original ownership interests under the Agreement. Based on those original interests, the revised proportional interests shall be:

- County of Sierra: 47.06%
- City of Truth or Consequences: 47.06%
- Village of Williamsburg: 5.88%

SECTION 6. Ratification and Approval

6.1 Except as expressly amended herein, the Agreement remains in full force and effect.

6.2 This Amendment shall be submitted to the New Mexico Department of Finance and Administration for approval in accordance with NMSA 1978, Section 11-1-3 (1983).

6.3 This Amendment may be executed in counterparts, each of which shall be deemed an original.

IN WITNESS WHEREOF, the Parties have caused this Third Amendment to be executed by their duly authorized representatives as of the dates set forth below.

RESOLVED, ADOPTED, AND PASSED on this ____ day of August, 2025.

BOARD OF COUNTY COMMISSIONERS

Travis Day, Chairman
Commissioner District 1

James E. Paxon, Vice Chairman
Commissioner District 2

ATTEST:

Hank Hopkins
Commissioner District 3

Shelly K. Trujillo
Sierra County Clerk