

**AGREEMENT BETWEEN SANTA FE COUNTY AND
STELZNER, WINTER, WARBURTON, FLORES & DAWES PA,
FOR LEGAL SERVICES PERTAINING TO A REGIONAL UTILITY AUTHORITY**

This Agreement is entered into this 14th day of May, 2026, between **Santa Fe County**, a political subdivision of the state of New Mexico (the “County”), and **Stelzner, Winter, Warburton, Flores & Dawes PA**, 1401 Central Ave NW a, Albuquerque, NM 87104 (the “Contractor”).

Background

WHEREAS, the County of Santa Fe (“County”) and the City of Santa Fe (“City”) have expressed a mutual interest in exploring the creation of a unified regional water and wastewater utility authority pursuant to the Regional Water System Resiliency Act, NMSA 1978 §§ 62-20-1 through 62-20-7 (“Act”); and

WHEREAS, under the Act, two or more public utilities providing water or wastewater services may serve as founding entities for a regional utility authority, which constitutes a political subdivision of the state per NMSA 1978 §§ 62-20-2(B), (F); 62-20-3(A), (B); and

WHEREAS, the Water Policy Advisory Committee (“WPAC”) has recommended that the Board of County Commissioners advance legal, financial, governance, and operational analysis necessary to evaluate the feasibility of such an authority; and

WHEREAS, pursuant to NMSA 1978, Section 13-1-125. Small purchases, the County is procuring the services of the Contractor to provide legal services necessary to prepare the preliminary legal research and interparty coordination required to produce a final, executable Memorandum of Agreement (MOA) between the County and the City; and

WHEREAS, the County requires the services of the Contractor, and the Contractor is willing to provide these services and both parties wish to enter into this Agreement.

NOW THEREFORE, the parties agree as follows:

Agreement

1. **CONTRACTOR’S SERVICES**

Task 1 — Kickoff and Statutory Framework Analysis

The Contractor shall conduct an initial consultation with the County Attorney and designated County staff, and shall prepare a written legal memorandum or comparable work product addressing the following:

- The Act’s requirements and procedures for authority formation, including the public hearing, resolution, articles of incorporation, bylaws, and Secretary of State filing requirements under NMSA 1978 §§ 62-20-3 and 62-20-4;

- The mandatory content of the articles of incorporation under NMSA 1978 § 62-20-4, including the required service area description, principal office, and initial board composition;
- The Act's requirements governing asset, liability, and water rights transfers from founding entities to the authority under NMSA 1978 §§ 62-20-3(G) and 62-20-7, including compliance liability schedules and the change-of-ownership filing obligations with the State Engineer;
- The governance structure of an authority under the Act, including the board of directors' framework, electoral district requirements, quorum and voting rules, non-delegable powers, and budget approval process under NMSA 1978 §§ 62-20-5 and 62-20-6;
- The exemption of an authority from Public Utility Act jurisdiction and Public Regulation Commission oversight under NMSA 1978 § 62-20-5(D), and any other applicable regulatory implications; and
- Key unresolved legal, financial, governance, and operational questions that the joint analysis contemplated by the MOA should be designed to address.
- The Contractor shall draw upon its institutional experience with the Albuquerque Bernalillo County Water Utility Authority (ABCWUA), established by special legislation in 2003, to identify relevant structural and operational precedents and to flag issues the ABCWUA experience suggests are likely to arise in the formation process.

Task 2 — Coordination with the City of Santa Fe

The Contractor shall, in coordination with and under the direction of the County Attorney, communicate with legal counsel and designated staff for the City of Santa Fe to:

- Identify each party's priorities, constraints, and concerns relevant to the broader authority formation analysis;
- Reach a working understanding of each party's current water and wastewater infrastructure, service area, and water rights portfolio insofar as necessary to frame the scope of the joint analysis; and
- Agree on the general structure, subject matter, and allocation of responsibilities to be reflected in the MOA prior to preparation of a first draft.
- All communications with City representatives shall be coordinated through the County Attorney. The Contractor shall not make commitments on behalf of the County without prior written authorization.

Task 3 — Preparation of MOA Draft(s)

- The Contractor shall prepare a draft MOA between the Board of County Commissioners and the Santa Fe City Council. The MOA shall be designed to structure a joint analysis leading toward a determination by both governing bodies as to whether to proceed with authority formation under NMSA 1978 § 62-20-3(C). The MOA shall address, at a minimum, the following subject areas:
 - a. Purpose and Statutory Framing.**
- A statement of the parties' shared interest in evaluating formation of a regional utility authority pursuant to the Act;

- Identification of the County and City as prospective founding entities within the meaning of NMSA 1978 § 62-20-2(F); and
- Acknowledgment of the statutory steps that must precede adoption of founding resolutions under NMSA 1978 § 62-20-3(C).

b. Scope of the Joint Analysis

The MOA shall define the scope of the legal, financial, governance, and operational analysis to be conducted, which shall address, at a minimum:

- Legal analysis: the statutory formation process, articles of incorporation and bylaws, service area definition and plat requirements, and compliance with the Open Meetings Act;
- Governance analysis: board of directors' structure and composition, electoral district delineation, initial board appointment or election process, non-delegable powers, and the budget approval process requiring Department of Finance and Administration approval under NMSA 1978 § 62-20-6(I)(5);
- Financial analysis: rate-setting authority and methodology; asset valuation and transfer of existing infrastructure; assumption of outstanding debt obligations; capital improvement planning; revenue bond authority under NMSA 1978 § 62-20-5(B)(12); and long-term financial sustainability;
- Asset and liability transfer analysis: inventory and valuation of each founding entity's assets and liabilities to be transferred under NMSA 1978 § 62-20-3(G); identification and quantification of any compliance liabilities; development of compliance schedules to be approved by the authority and relevant state and federal agencies prior to transfer; and
- Water rights analysis: identification of each founding entity's water rights to be transferred to the authority; analysis of change-of-ownership and change of place of use or point of diversion filings required with the State Engineer under NMSA 1978 § 62-20-3(K); and any implications for the Aamodt Settlement Agreement and the Pojoaque Basin Regional Water System.

c. Financial Contributions and Cost Allocation

- Each party's financial contribution toward the cost of procuring and conducting the joint analysis;
- The method of invoicing and payment between the parties; and
- Procedures for approving amendments to the budget for the analysis.

d. Procurement of Analytical Consultants

- The methodology and process for procuring legal, financial, and operational consultants to conduct the joint analysis, including the applicable procurement method under the New Mexico Procurement Code, NMSA 1978 §§ 13-1-1 et seq.;
- The respective roles of the County and City in managing the procurement and overseeing the work of consultants; and
- Whether the County or City will serve as the contracting entity for purposes of the procurement, or whether a joint procurement structure is preferable.

e. Collaborative Process and Decision-Making

- The process by which the County and City will collaborate during the analysis, including roles, responsibilities, and the structure of any joint working group or steering committee;
- The process by which findings and recommendations will be presented to the respective Governing Bodies; and
- Decision points at which each Governing Body will be asked to provide direction, including a determination of whether to proceed toward adoption of founding resolutions under NMSA 1978 § 62-20-3(C).

f. Public Hearings and Outreach

- A framework for public outreach and community engagement during the analysis period; and
- A process for planning and conducting the minimum two public hearings required by NMSA 1978 § 62-20-3(C) before any founding resolution may be adopted, including notice requirements under the Open Meetings Act, Chapter 10, Article 15 NMSA 1978, and the availability of proposed articles of incorporation and bylaws for public viewing and comment.

g. General Terms

- Term, amendment, and termination provisions;
- Coordination with existing water-related intergovernmental obligations, including the Buckman Direct Diversion Board and the Pojoaque Basin Regional Water System; and
- Any additional provisions the Contractor identifies as necessary or advisable based on its experience with the ABCWUA formation.
- The Contractor shall provide an initial draft to the County Attorney for review, incorporate comments from the County Attorney and designated County staff, and prepare a revised draft for transmission to the City.

Task 4 — Revision and Finalization

Following review of the draft MOA by both parties, the Contractor shall:

- Incorporate comments received from the County Attorney, County staff, and City representatives, as directed by the County Attorney;
- Prepare a clean final version of the MOA suitable for execution by the Board and the City Council; and
- Prepare or review any resolutions or cover memoranda required to present the MOA to the Board of County Commissioners for approval.

Task 5 — Legal Advice and Consultation (as Needed)

Throughout the engagement, the Contractor shall be available to advise the County Attorney on discrete legal questions arising in connection with the authority formation process under the Act. Advice provided under this

task shall be incidental to the primary deliverables and shall not constitute an independent analytical engagement. Any expansion of scope beyond the deliverables described below shall require a written amendment.

Deliverables

Deliverable	Description	Task
Statutory Framework Memorandum	Written analysis of Act requirements, key formation issues, and ABCWUA precedents	Task 1
MOA — First Draft	Complete draft MOA for County Attorney review	Task 3
MOA — Revised Draft	Revised draft incorporating County comments for transmission to City	Task 3
MOA — Final Executable Version	Clean final version suitable for BCC and City Council approval	Task 4
BCC Approval Memorandum / Resolution (if needed)	Board-facing documents required to present MOA for approval	Task 4

Schedule

The Contractor shall endeavor to complete the Statutory Framework Memorandum (Task 1) within three (3) weeks of the effective date of this Agreement, and to deliver a first draft MOA (Task 3) within seven (7) weeks of the effective date, subject to the availability and responsiveness of City representatives. The Contractor shall promptly notify the County Attorney of any anticipated delays.

County’s Responsibilities

The County Attorney will serve as the primary point of contact for this engagement. The County shall:

- Provide the Contractor with timely access to relevant background materials, prior studies, and County policy documents, including any documents relating to the Aamodt Settlement Agreement and the Pojoaque Basin Regional Water System;
- Facilitate coordination with City representatives as needed;
- Review and respond to draft deliverables within a reasonable time; and
- Provide written direction to the Contractor regarding any changes in scope or priority.

Excluded Services

This Scope of Work does not authorize the Contractor to perform the following services without a written amendment:

- The legal, financial, governance, or operational analysis of the proposed authority to be procured pursuant to the MOA;
- Preparation of articles of incorporation, bylaws, or founding resolutions for the authority;
- Representation of the County in any judicial, quasi-judicial, or administrative proceeding;
- Procurement or contract management for consultants engaged pursuant to the MOA; or
- Any other services not described in this Section.

2. ADDITIONAL SERVICES

A. The parties agree that all tasks in section 1 (Contractor's Services) will be completed to the County's satisfaction and for the amount stated section 3 (Compensation, Invoicing and Set-off).

B. The County may request changes in the Contractor's Services. Any changes to the Contractor's services will be made by written amendment.

3. COMPENSATION, INVOICING AND SET-OFF

A. Services shall be performed at the Contractor's agreed hourly rate(s) as set forth in Exhibit A to this Agreement. The total compensation available under this agreement shall not exceed \$20,000, exclusive of NM GRT.

B. Reimbursable expenses, if any, shall require prior written approval from the County Attorney and shall be invoiced at actual cost without markup. The Contractor shall submit invoices at least every three months. Invoices shall be itemized by task and by timekeeper, with a brief narrative description of services rendered. Invoices shall be submitted to the County Attorney for review and approval prior to processing for payment.

C. The Contractor will submit a written request for payment to the County when payment is due. Upon the County's receipt of the written request, the County will issue a written certification of complete or partial acceptance or rejection of the services for which payment is sought. The County will not make payment until the County issues a written certification accepting the services.

- 1) The County's representative for certification of acceptance or rejection of and services is Walker Boyd, County Attorney, County Attorney's Office, jwboyd@santafecountynm.gov, (505) 992-9823, or such other individual as may be designated in the absence of the County representative.
- 2) Within 30 days of the issuance of the certification accepting the services, the County will make payment for the services. If the County does not issue payment for accepted services within 30 days of the certification by the County, the County will pay a late payment fee of 1.5% per month until the amount due is paid in full.

D. If the Contractor breaches this Agreement, the County may, without penalty, withhold payments due the Contractor for the purpose of set-off until the County determines the exact amount of damages it suffered as a result of the breach.

E. The County's payment to Contractor will not foreclose the County's right to recover excessive or illegal payment.

4. EFFECTIVE DATE AND TERM

A. This Agreement will become effective on the date of last signature by the parties and will terminate one year from that date, unless earlier terminated under section 5 (Termination) or 6 (Appropriations and Authorizations). The parties may agree to extend the term by written amendment. In no event will the term of this Agreement exceed 4 years in total.

5. TERMINATION

A. Termination for Cause. Either party may terminate this Agreement based upon a breach by the other party. The non-breaching party will give the breaching party written notice of termination stating the specific grounds for the termination. The termination will be effective 30 days from the breaching party's receipt of the notice, during which time the breaching party may cure the breach. If the breach cannot with due diligence be cured within 30 days, the breaching party will have a reasonable time to cure the breach, provided that, within the 30-day period, the breaching party began to cure the breach and advised the non-breaching party in writing that it intended to cure.

B. Termination for Convenience of the County. The County may terminate this Agreement at any time for any reason or no reason, by giving the Contractor written notice of termination. The notice will state the effective date of termination, which will not be less than 15 days from the Contractor's receipt of the notice. The County will pay the Contractor for acceptable services performed before the effective date of termination. The County will not be liable for any services performed by the Contractor after the date of termination.

6. APPROPRIATIONS AND AUTHORIZATIONS

The County's performance of the obligations under this Agreement is contingent upon sufficient appropriations and authorizations by the Board of County Commissioners of Santa Fe County, and if state funds are involved, the Legislature of the State of New Mexico. If sufficient appropriations and/ or authorizations are not made in this or future fiscal years, this Agreement will terminate upon written notice by the County to the Contractor. A termination for non-appropriations or lack of authority will be without penalty to the County, and the County will not be required to reimburse the Contractor for expenditures made in the performance of this Agreement. The County is not committed to the expenditure of any funds until such time as they are programmed, budgeted, encumbered and approved for expenditure by the County. The County's decision regarding appropriations and authorization will be final and will not be subject to challenge by the Contractor

in any way, or forum, including a lawsuit.

7. INDEPENDENT CONTRACTOR

The parties intend that the Contractor and its agents and employees will be independent contractors and not employees or agents of the County. Accordingly, the Contractor and its agents and employees will not accrue leave, participate in retirement plans, insurance plans, or liability bonding, use County vehicles, or participate in any other benefits afforded to County employees. Except as may be authorized in this Agreement, the Contractor has no authority to bind, represent, or otherwise act on behalf of the County.

8. ASSIGNMENT AND SUBCONTRACTING BY THE CONTRACTOR

A. The Contractor will not assign or transfer any interest in this Agreement or assign any claims for money due under this Agreement without the advance written approval of the County. Any attempted assignment or transfer in violation of this Agreement will be void.

B. The Contractor will not subcontract or delegate any portion of the services without the advance written approval of the County. Any attempted subcontract or delegation by the Contractor to a non-party in violation of this Agreement will be void.

9. CONTRACTOR'S PERSONNEL

A. The services in section 1 (Contractor's Services) will be performed by the Contractor or under its supervision.

B. The Contractor states that it has, or will secure at the Contractor's expense, all personnel required to perform the services and obligations under this Agreement. Such personnel will not be employees of or have any contractual relationship with the County, and will be qualified and licensed by federal, state and local law to perform the services.

10. RELEASE

The Contractor's receipt of payments due under this Agreement serves as a release of the County, its elected officials, officers, agents and employees from all liabilities, claims, and obligations arising from this Agreement.

11. CONFIDENTIALITY

Any confidential information provided to or developed by the Contractor in the performance of this Agreement will be kept confidential and will not be made available to any individual or organization by the Contractor without the prior written approval of the County.

12. PUBLICATION, REPRODUCTION, AND USE OF MATERIAL; COPYRIGHT

A. The County has the unrestricted right to publish, disclose, distribute and otherwise use, in whole or in part, any reports, data, or other material prepared under or pursuant to this Agreement.

B. The Contractor acknowledges and agrees that any material produced in whole or in part under or pursuant to this Agreement is a work made for hire. Accordingly, to the extent that any such material is copyrightable in the United States or in any other country, the County will own any such copyright.

13. CONFLICT OF INTEREST

The Contractor states that it does not have any interest that would conflict in any manner with the performance of the services and obligations under this Agreement.

14. AMENDMENT

This Agreement may not be modified, altered, changed, or amended orally. To be valid any amendment to this Agreement will be in writing signed by the parties.

15. ENTIRE AGREEMENT; INTEGRATION

This Agreement incorporates all the agreements and understandings between the parties and all agreements and understandings are merged into this Agreement. No prior or contemporaneous agreements or understandings, verbal or otherwise, of the parties will be valid or enforceable unless embodied in this Agreement.

16. NOTICE OF PENALTIES

The Procurement Code, NMSA 1978, Section 13-1-28, imposes civil and criminal penalties for its violation. In addition, New Mexico criminal statutes impose felony penalties for bribes, gratuities, and kickbacks.

17. EQUAL EMPLOYMENT OPPORTUNITY COMPLIANCE

A. The Contractor agrees to abide by federal, state, local laws, ordinances, and rules and regulations pertaining to equal employment opportunity and unlawful discrimination. The Contractor will not discriminate against any person with regard to employment with the Contractor or participation in any program or activity offered pursuant to this Agreement on the grounds of race, age, religion, color, national origin, ancestry, sex, physical or mental handicap, serious medical condition, spousal affiliation, sexual orientation, or gender identity.

B. The Contractor acknowledges that failure to comply with this section will constitute a breach of this Agreement.

18. GOVERNING LAW

A. The Contractor will comply with all applicable laws, ordinances, and regulations, including Santa Fe County Ordinance 2014-1 (Establishing a Living Wage).

B. This Agreement will be construed in accordance the laws of the State of New Mexico without regard to its choice of law rules. The Contractor acknowledges that the exclusive forum for any litigation related to this Agreement will be state district courts of New Mexico, located in Santa Fe County.

19. RECORDS AND INSPECTIONS

A. To the extent its books and records relate to (i) its performance of this Agreement or any subcontract entered into pursuant to it or (ii) cost or pricing data (if any) set forth in this Agreement or that was required to be submitted to the County as part of the procurement process, the Contractor agrees to (i) maintain such books and records for a period of six years from the date of final payment under this Agreement; (ii) allow the County or its designee to audit such books and records at reasonable times and upon reasonable notice; and (iii) to keep such books and records in accordance with generally accepted accounting principles (GAAP).

B. To the extent its books and records relate to (i) its performance of this Agreement or any subcontract entered into pursuant to it or (ii) cost or pricing data (if any) set forth in this Agreement or that was required to be submitted to County as part of the procurement process, the Contractor also agrees to require any subcontractor it may hire to perform its obligations under this Agreement to (i) maintain such books and records during the term of this Agreement and for a period of six years from the date of final payment under the subcontract; (ii) to allow the County or its designee to audit such books and records at reasonable times and upon reasonable notice; and (iii) to keep such books and records in accordance with GAAP.

20. INDEMNIFICATION

A. The Contractor shall indemnify the County and its elected officials, agents, and employees from any liabilities, damages, demands, suits, costs or expenses, including court costs and legal fees, resulting from the Contractor's performance or non-performance of its obligations under this Agreement.

B. The County may control and participate in the defense of any demand, suit, or cause of action that relate to the County. No matter will be settled without the County's consent. Consent will not be unreasonably withheld.

C. The Contractor's obligations under this indemnification section will not be limited by the terms of the insurance policy the Contractor is required to maintain under this Agreement.

21. SEVERABILITY

If any provision of this Agreement is held invalid or non-enforceable by a court of competent jurisdiction, other provisions will not be affected and will remain valid and enforceable.

22. NOTICE

Notice required to be given to either party will be in writing and delivered in person, by courier service or by U.S. mail, either first class or certified, return receipt requested, postage prepaid, to:

The County: Santa Fe County
County Manager's Office
Attn: Walker Boyd, County Attorney
102 Grant Ave.
Santa Fe, NM 87501
505-992-9823
jwboyd@santafecountynm.gov

The Contractor: Stelzner, Winter, Warburton, Flores & Dawes PA
Attn: Nann Winter, Partner
81401 Central Ave NW Ste A
Albuquerque, NM 87104
505-938-7770
nwinter@stelznerlaw.com

23. CONTRACTOR REPRESENTATIONS

The Contractor represents that:

A. This Agreement is duly authorized by the Contractor, the person signing this Agreement has authority to do so, and, once signed by the Contractor, this Agreement will constitute a binding obligation of the Contractor.

B. The terms of this Agreement do not conflict with Contractor's corporate agreement or any statement that may be filed with the New Mexico Secretary of State.

C. The Contractor is legally registered and is properly licensed by the State of New Mexico to provide the services and will maintain such registration and licensure for the term of this Agreement.

24. FAX OR ELECTRONIC SIGNATURE

A fax or electronic signature will have the same force and effect as an original signature.

25. NO THIRD-PARTY BENEFICIARIES

The parties do not intend by this Agreement to create any rights in any non-parties.

26. CONTRACTOR'S INSURANCE

A. General. The Contractor will submit evidence of insurance as is required in this section. The Contractor's policies of insurance will be written by a company authorized to provide insurance in the state of New Mexico.

B. Liability Insurance, Including Automobile. The Contractor will maintain a comprehensive general liability and automobile insurance policy with liability limits in amounts not less than \$1,000,000.00 combined single limits of liability for bodily injury, including death, and property damage for any one occurrence. Contractor's insurance will include coverage for all services and work performed for the County under this Agreement; coverage for the use of all owned, non-owned, hired automobiles, vehicles and other equipment, both on and off work; and contractual liability coverage under which this Agreement is an insured contract. Santa Fe County will be a named an additional insured on the Contractor's policy.

C. Increased Limits. If the Legislature of the State of New Mexico increases the maximum limits of liability under the New Mexico Tort Claims Act, the Contractor will increase the maximum limits of any insurance required under this Agreement.

D. Increased Limits. If, during the life of this Agreement, the Legislature of the State of New Mexico increases the maximum limits of liability under the Tort Claims Act, NMSA 1978, Section 41-4-1, the Contractor will increase the maximum limits of its insurance.

E. Additional insured. Santa Fe County will be listed as an additional insured on all policies of insurance required above.

27. PERMITS AND FEES

Contractor will procure all permits, licenses, and pay all fees associated with the performance of the services and the Contractor's obligations under this Agreement.

28. NEW MEXICO TORT CLAIMS ACT

No provision of this Agreement will modify or waive the sovereign immunity or limitation of liability enjoyed by County or its public employees at common law or under the New Mexico Tort Claims Act.

29. CAMPAIGN CONTRIBUTION DISCLOSURE


The Contractor will complete and submit simultaneous with signing this Agreement, the Santa Fe County Campaign Contribution Disclosure form.

30. SURVIVAL

The provisions of the following paragraphs will survive termination of this Agreement: Indemnification, Records and Inspection; Release; Confidentiality; and Choice of Law.

The parties execute this Agreement as of the date of last signature by the parties.

SANTA FE COUNTY




Gregory S. Shaffer
Santa Fe County Manager

5/14/2026

Date

Approved as to form:

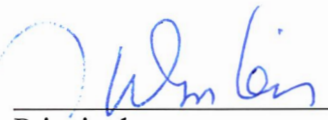


Walker Boyd
Santa Fe County Attorney

5/13/2026

Date

CONTRACTOR – Stelzner, Winter, Warburton, Flores & Dawes, PA



Principal

5.13.26

Date