

NORTHWEST NEW MEXICO COUNCIL OF GOVERNMENTS



BOARD OF DIRECTORS WINTER QUARTERLY MEETING

January 10, 2024

Hybrid Meeting – 10 AM

El Morro Event Center | 210 South Second Street, Gallup, NM 87301

Lunch to Follow

[Virtual Meeting Link](#)

AGENDA

TIME	TOPIC	PRESENTER
10:00 am	I. PRELIMINARY BUSINESS A. Call to Order B. Introductions: ESTABLISH QUORUM C. Agenda & Minutes: REVIEW & APPROVAL	Martha Garcia Chair
10:15am	II. SPECIAL PRESENTATIONS Four Corners Rapid Response Team Presentation – Kevin John, Los Alamos National Laboratory	Kevin John Deputy Director for Applied Energy Programs
10:45am	III. EXECUTIVE/STAFF REPORTS A. Quarterly Report B. Legislative Preview & Endorsements C. Personnel Policies Update REVIEW & APPROVAL D. Revolving Loan Fund Program Actions: 1. RLF Plan Annual Update: REVIEW & APPROVAL 2. Program Direction: REVIEW & APPROVAL E. Open Meetings Act Resolution: REVIEW & APPROVAL F. Interstate 40 Contracts	Evan Williams Executive Director Brandon Howe Planning Director
11:30 am	IV. FINANCIAL REPORTS A. FY2024, Quarter #2 Financial Report: REVIEW & APPROVAL B. FY2024 Budget, Amendment #2: REVIEW & APPROVAL C. Audit Update	Martina Whitmore, Office Manager Armando Sanchez CPA, SJT Group
11:45 am	V. ANNOUNCEMENTS; OTHER BUSINESS A. Holiday Calendar: REVIEW & RATIFY B. FY2024 Board Meeting Calendar C. Announcements & General Comments	Martina Whitmore, Office Manager
11:55 am	VI. ADJOURNMENT	Martha Garcia Chair



NORTHWEST NEW MEXICO COUNCIL OF GOVERNMENTS

MINUTES

BOARD OF DIRECTORS FALL REGULAR BUSINESS MEETING

October 18, 2023

Hybrid Meeting- 10 AM
Milan Village Hall

609 W. Historic Highway 66, Milan, NM 87021

I. PRELIMINARY BUSINESS

A. CALL TO ORDER/INTRODUCTIONS/QUORUM.

Chairwomen *Martha Garcia* [Cibola County] convened the meeting of the Board of Directors at 10:15 am. Roll call proceeded in the form of introductions around the table. In attendance were 12 Board Representatives, representing a quorum of 7 of the 9 voting entities of the Board (77.8%), along with all 4 COG staff. Linda Cooke, Village Manager, provided a welcome to the Board to the new Village Hall converted very recently from a bank.

BOARD MEMBERS IN ATTENDANCE:

CIBOLA COUNTY: Martha Garcia; Judy Horacek
MCKINLEY COUNTY: Danielle Notah
SAN JUAN COUNTY: GloJean Todacheene,
CITY OF AZTEC: Jeff Blackburn (alternate)
CITY OF BLOOMFIELD: *Donna Sharpe (excused)*
CITY OF FARMINGTON: Linda Rodgers; Warren Unsicker (alternate)
CITY OF GALLUP: Louie Bonaguidi (Treasurer) Michael Schaaf, Ron Molina, Jon DeYoung (alternate)
CITY OF GRANTS: *Erik Garcia; Beverly Michael (excused)*
VILLAGE OF MILAN: James Mercer; Chris Archuleta
BOARD EMERITUS: *Jeff Kiely (excused)*

GUESTS IN ATTENDANCE:

Armando Sanchez (SJT Group),
Jonas Armstrong, Director, Office of Strategic Initiatives
NM Environment Department (NMED)
Miori Harms, Uranium Mine Reclamation Coordinator, NMED
Office of Strategic Initiatives
Linda Cooke, Manager, Village of Milan

STAFF IN ATTENDANCE:

EXECUTIVE DIRECTOR: Evan Williams
OFFICE MANAGER: Martina Whitmore
STAFF: Brandon Howe; Michael Sage

B. AGENDA & MINUTES ADOPTION.

Director Williams provided an overview of the day's agenda topics and the minutes from previous meeting.

ACTION: *Michael Schaaf* (Gallup) moved and *GloJean Todacheene* (San Juan County) seconded adoption of the agenda and minutes from August 2, 2023. Motion carried.

II. SPECIAL PRESENTATIONS

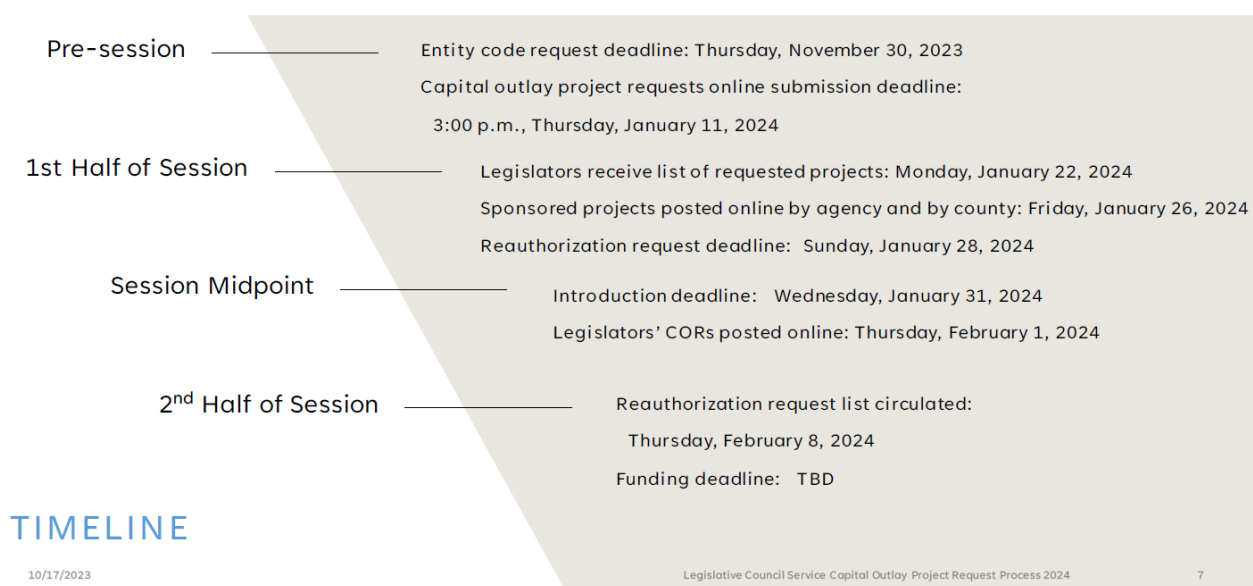
The COG arranged for three presentations under this section from:

Drew Lovelace, Director, Office of Broadband Access and Expansion (OBAE) was going to provide a New Mexico State of Broadband, but due to the NM Infrastructure Finance Conference could not attend. COG staff was asked by the Board to arrange a separate meeting for Board members and partners in the near term as this topic is very important to the region.

Presentation via YouTube provided on November 28, 2023:

<https://youtu.be/Z2HUKNZSDew?si=dryWljSZ7owRPc82>

Michell Jaschke, Researcher, Legislative Council Service (LCS) provided a Capital Outlay Presentation to explain in detail how that process actually works from beginning to end. Board members directed COG staff to provide key dates presented as follows:



Jonas Armstrong, Director, Office of Strategic Initiatives and his team presented on initiatives within his office under the Secretary of Environment Department including Land of Enchantment fund and Uranium Mine Reclamation Workforce Training program. He also discussed the hydrogen hub competition that did not award a hub to New Mexico nor its collaborators.

III. EXECUTIVE/STAFF REPORT

Director Williams and Planning Director Brandon Howe provided a summary of the past quarter's key activities and issues.

- A. **STAFF SUMMARY REPORT.** Mr. Williams did provide this report to the Board for their review and understanding of accomplishments this quarter.
- B. **MANAGEMENT REPORT AND PERFORMANCE REVIEW.** Mr. Williams and Mr. Howe did provide an overview to the Board on where the COG stood on several of its return-on-investment performance metrics that it tracks.
- C. **Regional Economic Planning & Development Office Review.** Michael Sage provided an in-depth presentation on the Comprehensive Economic Development Strategy (CEDS) and the

Revolving Loan Fund (RLF). Presentation on website.

IV. FINANCIAL REPORT

- A. **FY2023 Financial Reports, Quarter 1 & Year End**: Mr. Armando Sanchez provided a review of the organization's financials.

ACTION: *Michael Schaaf* (Gallup), moved and *Danielle Notah* (McKinley) seconded, to approve the financial reports as presented. Motion carried

- B. **FY2024 Budget Amendment #1**. Mr. Evan Williams provided a review of the organization's budget and changes to the FY2024 final budget that were needed including direction from the Board on compensation.

ACTION: *Michael Schaaf* (Gallup), moved and *Danielle Notah* (McKinley), seconded, to approve the budget amendment as presented. Motion carried

- C. **Audit Update**. Mr. Evan Williams provided a quick report that the COG's annual audit is underway and is on track to be completed and submitted on time.

V. ANNOUNCEMENTS; OTHER BUSINESS

- A. **FY2024 Board Meeting Calendar**. This calendar was set and distributed. Due to the Legislative Session, COG staff recommended moving the next scheduled meeting to January 10, 2024.

- B. **Announcements**. No announcements.

VI. ADJOURNMENT

ACTION: *Glojean Todacheene* (San Juan County), moved and *Danielle Notah* (McKinley), to adjourn. Motion carried. Chairwoman Garcia again thanked the Village and its staff for their new facility and hospitality for this meeting and adjourned the meeting of the Board of Directors at 12:20PM.

Respectfully submitted,



Evan J. Williams
Board Secretary and Executive Director



Interagency Working Group on
Coal & Power Plant Communities
& Economic Revitalization

<https://energycommunities.gov/>

The Energy Communities Interagency Working Group - Four Corners Rapid Response Team

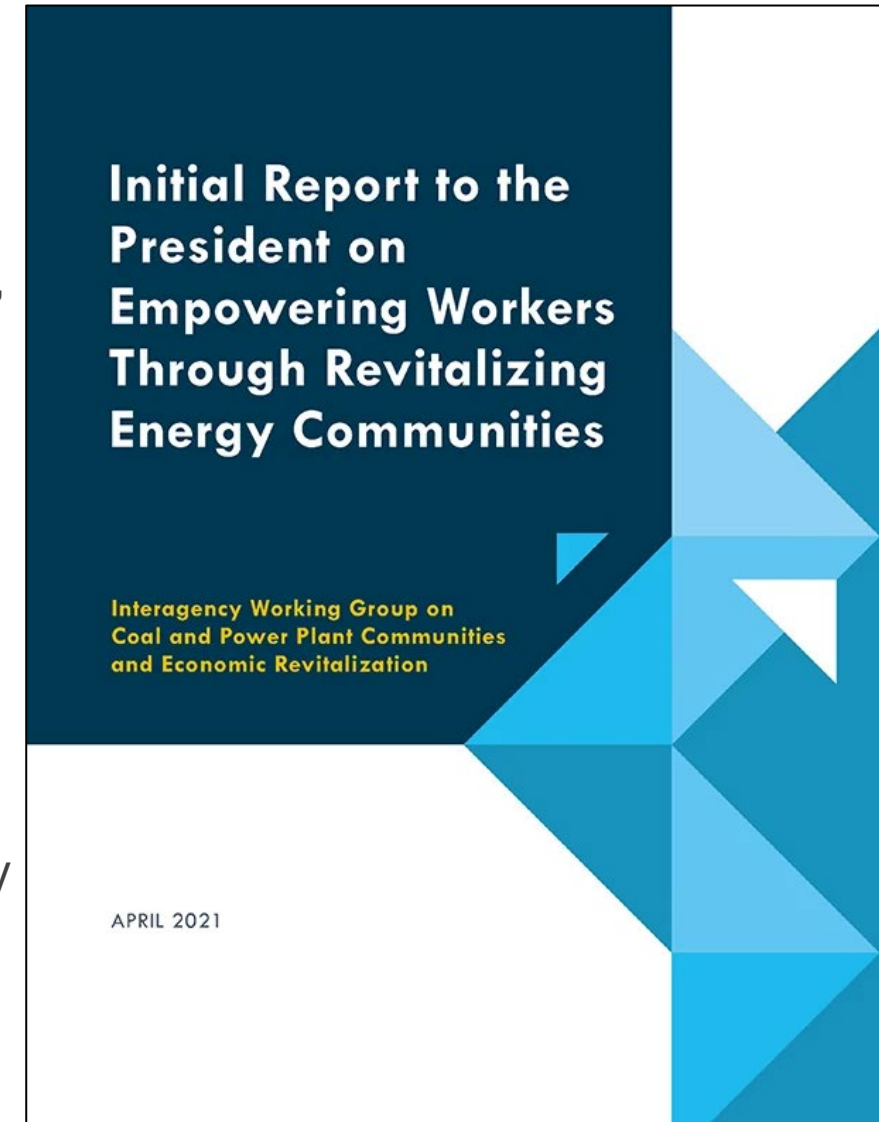
The Energy Communities Interagency Working Group (IWG)

The President has taken a place-based approach to economic revitalization, targeting federal engagement and investment to the most hard-hit communities.

The President honored the coal, oil, natural gas, and power plant workers who “drove the industrial revolution and the economic growth that followed and have been essential to the growth of the United States.”

The Energy Communities IWG reviewed domestic and international models for economic revitalization, compiled recommendations from advocacy groups and academics, and sought guidance from representatives of energy communities.

Stakeholders included labor unions; community development organizations; local, regional, and tribal governments; the private sector; and philanthropic interests.



<https://energycommunities.gov>

Agencies in the Energy Communities IWG



Office of Management and Budget/Domestic Policy Council



U.S. Department of Energy



U.S. Department of Treasury



U.S. Department of the Interior



U.S. Department of Agriculture



U.S. Department of Commerce



U.S. Department of Labor



U.S. Department of Health and Human Services



U.S. Department of Transportation



U.S. Department of Education



U.S. Environmental Protection Agency



Appalachian Regional Commission

Why Now?

The historic passage of the [*Bipartisan Infrastructure Law*](#), [*CHIPS and Science Act*](#), and [*Inflation Reduction Act*](#) has greatly increased the amount of federal funding available to meet the needs of energy communities across the nation

Existing federal programs with potentially available funding totaling billions could be used to provide immediate investments in energy communities.



The Energy Communities Interagency Working Group (IWG) – website (<https://energycommunities.gov>)

We are delivering federal resources to help revitalize America’s energy communities

EXPLORE FUNDING CLEARINGHOUSE

Learn about new Inflation Reduction Act funding and tax credits [↗](#)

\$212B⁺

Open/Planned Competitive Funding

(Last updated: 12/21/23)

\$412B⁺

Open/Planned Formula Funding

(Last updated: 12/21/23)

142

Open/Planned Opportunities Currently Available

(Last updated: 12/21/23)

49

Opportunities That Don't Require Matching Funds

(Last updated: 12/21/23)

22

Inflation Reduction Act Tax Credits

(Last updated: 12/21/23)

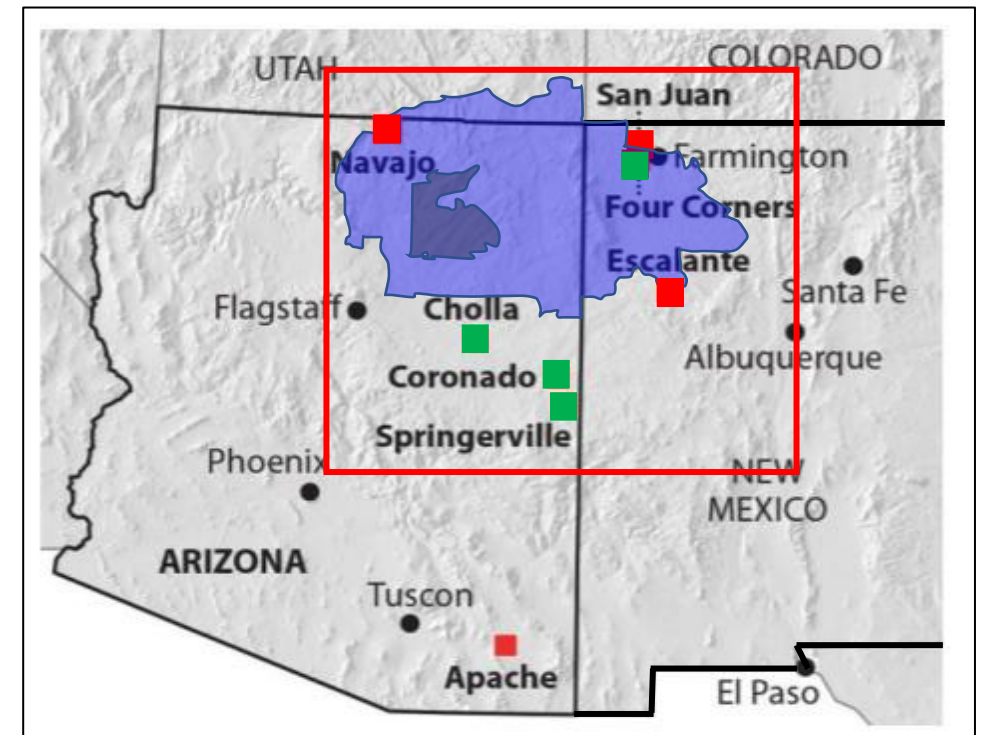
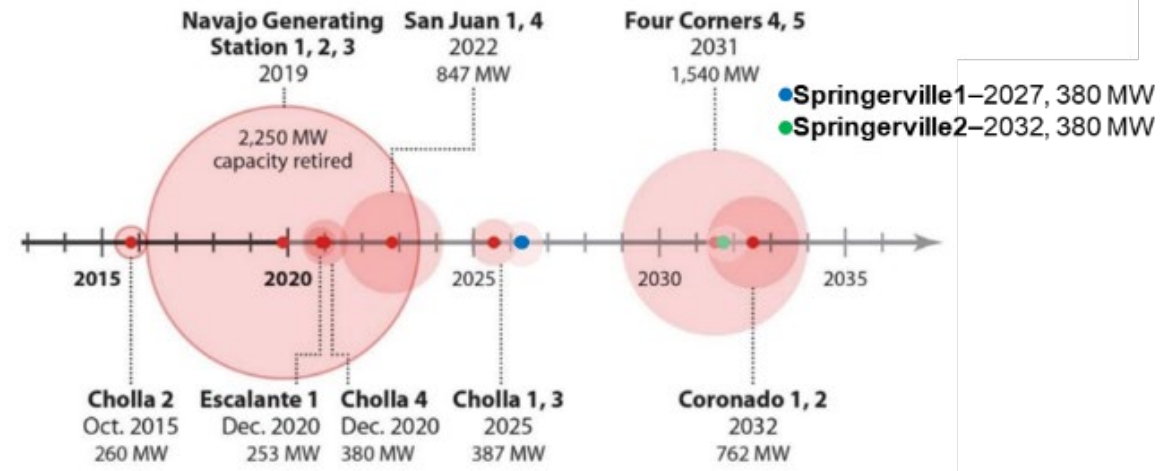
Priority energy communities have been identified by the IWG

The IWG has published a ranked list of 25 communities for near-term investment using existing federal agency programs

- #10 Arizona (Non-Metropolitan Area)
- #16 Farmington, NM

Eight coal plants exist in this area, seven of which sit in the four corners area – 3 have closed since 2019, remaining plants/mines will close by 2032

Complex interfaces in terms of state and tribal governments/communities as well as regional agency representatives



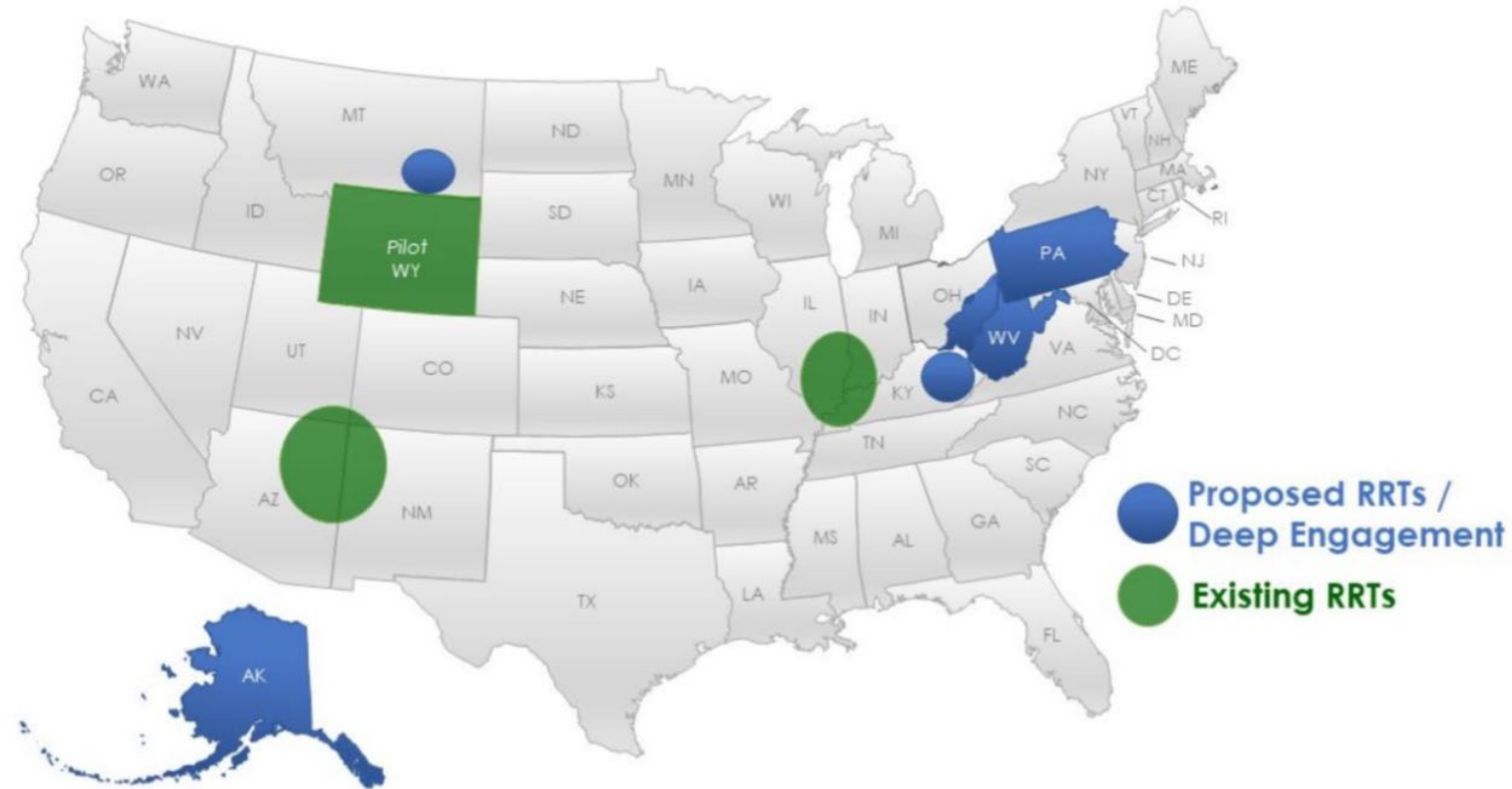
https://ieefa.org/wp-content/uploads/2020/03/The-Case-for-Utility-Company-Reinvestment_AZ-Coalfield-Communities_March-2020.pdf

Establishment of Rapid Response Teams (RRTs)

RRTs work within energy communities at the time of a past or approaching fossil fuel facility closure to address worker and community needs using existing federal resources.

The RRT framework is unique in the way it learns about and addresses fossil energy-related economic, environmental, community, and health challenges in each energy community.

Each RRT is led by one key federal agency, which will then develop an interagency team to coordinate funding streams and technical assistance for the regions.



4C-RRT Kickoff Meeting in Farmington

August 25, 2022 - San Juan College, School of Energy

- Strong representation from federal agencies
 - Kate Gordon, Senior Advisor to the Secretary of Energy
 - David Turk, Deputy Secretary of Energy
 - Deb Haaland, Secretary, Department of Interior
 - Brian Deese, Director of National Economic Council
 - Ali Zaidi, Deputy National Climate Advisor
- New Mexico State and Tribal representation
 - Alicia Keyes, Secretary, NM Economic Development
 - President Nez, Navajo Nation
 - Timothy Nuvangyaoma, Hopi Tribe of Arizona
- Regional stakeholders
 - 4C Economic Development
 - Navajo Technical University
 - San Juan College
 - Residents of the Navajo Nation and Farmington communities
 - Numerous clean energy project leaders



Deb Haaland



David Turk

Kickoff Objective, Discussion Points and Follow-Up

Heard directly from stakeholders about challenges, opportunities, and expectations—to help guide 4C-RRT

- How do communities see themselves developing economically in the future?
- What are key projects/initiatives/etc. that are important to the development of the region?

Addressed key concerns after the kickoff

- Followed up with regional community members/stakeholders that were not able to participate in the kick-off events
- Followed up with kickoff participants who raised specific questions/concerns

Developed a Phased Approach

Stage 1 – listening, learning, building a network and earning community trust

Stage 2 – connecting community issues and projects with IWG resources

Stage 3 – executing actions that address short-term emergency need as well as building longer-term foundational strategies

Stage 1: What we've heard thus far: Workforce development (colleges, universities, secondary schools)

- **Access to broadband** is major obstacle for students and faculty
- **Timelines are too long to receive federal funding** when awards are granted (several months)—funds are urgently needed now
- Grant writing is labor/time intensive; few have dedicated grant writers on staff; application processes are not easy to navigate
- **Technical assistance is needed** for proposals to develop programs related to new economies (e.g. hydrogen, IT, bioenergy)
- Students travel long distances (up to 2 hours) to schools, often just to access Internet, with no public transport available
- Unclear what types of jobs new energy economies will bring and what skills will be needed (e.g. hydrogen)
- Federal opportunities require workforce **reskilling within one year**—this is not feasible and needs to be extended

Regional Outreach

NTU Provost

- Spec sheets for labs and instrumentation
- List of recent grant applications

Aztec Superintendent

- List of recent grant applications
- Entrepreneurial seminar

SJC Trades & Technology

- List of recent grant applications

Diné College

- List of recent grant applications

Stage 1: What we've heard thus far: Industry and economic development

- Long timelines for **permitting and workplan approvals** (up to 2 years) are delaying new job opportunities for the region—these must be expedited to enable rapid economic transition
- Access to **broadband** is an obstacle for attracting new businesses
- Lack of **infrastructure**/space to house new businesses is an obstacle
- Cost sharing is burdensome for local companies struggling to keep the lights on
- **Technical assistance** is needed for independent reviews and economic impact assessments
- 4C is unique; multiple jurisdictions make economic development extremely difficult; help is needed at the federal level to coordinate amongst various agencies to expedite processes
- Need help interpreting new legislation on 45Q (tribes vs non-tribes)
- Regional grant writing expert is needed to support numerous priority areas

Regional Outreach

Farmington Economic Development

- List of recent grant applications

4CED

- Competitive asset map
- Request for tech assist on hydropower

SJC (4CED board members)

- PNM impact analysis
- 3rd party economic impact study
- BIL/IRA assessment
- Energy Transition Act plan

NW NM COG

- Discussed need for bringing local, federal and state teams together

Stage 1: What we've heard thus far: Environmental Community

- Significant need to address legacy of fossil fuels (**orphan wells**, mine site reclamation) and energy (uranium mine sites)
- Strong desire for clean energy industries like **solar**
- Need for environmentally-focused workforce and associated training, internship opportunities
- Broad need for **capacity** to organize project teams and efforts
- Community center infrastructure needs to assist in communication and organization of community environmental concerns
- Need for information related to mine/plant site repurposing opportunities – how can we influence these plans?

Regional Outreach

San Juan Citizens Alliance
-regional orphan well issues

Western Environmental Law Center
-connection to tribal/non-tribal NGOs

Just Energy Transition Team
-questions on community benefit plans/agreements

New Mexico Env. Dept.
-broad workforce need

Grand Canyon Trust
-community infrastructure

Stage 2 - Communicating What We Need

Key messages communicated to agency leads and White House staffers

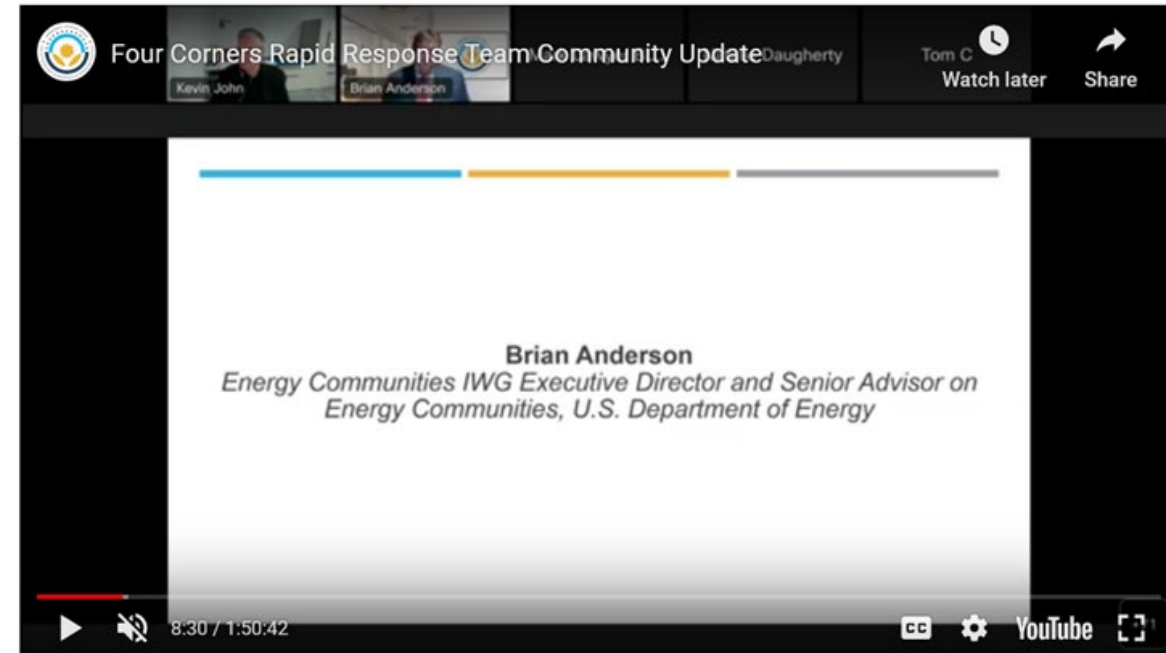
- **Capacity** – we need funding to support integrators, navigators, consolidators at community and agency levels in order to take full advantage of BIL/IRA opportunities
- **Information** – we need to develop a refined understanding of IRA provisions (i.e., “stacking”) in order to help communities to make informed decisions
- **Collaboration** – we need to build upon our engagement of IWG-supported Communities of Practice for their knowledge, know-how and assistance

Stage 2 - Additional Focus

Facilitated an early 2023 NACo/NADO virtual event that included input/discussion from NWNMCOG, 4CED and Navajo Nation

Hosted a July 26th 4C-RRT Public Update virtual event (please see <https://energycommunities.gov/past-event/four-corners-rapid-response-team-community-update/> for event recording and slide deck) that included presentations on:

- salient Tribal/non-tribal community topics
- broadband,
- displaced workforce planning,
- regional environmental perspectives,
- major infrastructure initiatives,
- capacity building and
- details on a recently initiated 200 MW solar project



Stage 3 Focus

Engage IWG agencies in community capacity-building/technical assistance events in planning for Four Corners coal communities in NM and AZ

Provide DOE-IE and WHCNAA with support on established MOU with Navajo Nation and new MOU with Hopi Nation

Field questions and provide briefings to WH, Congressional/Senate staffers and agency leads as requested

Serve as regional resource for technical information on key regional issues by using SME network to engage on regional community outreach (e.g., townhalls, workshops, etc.) – see <https://iwest.org/events/>

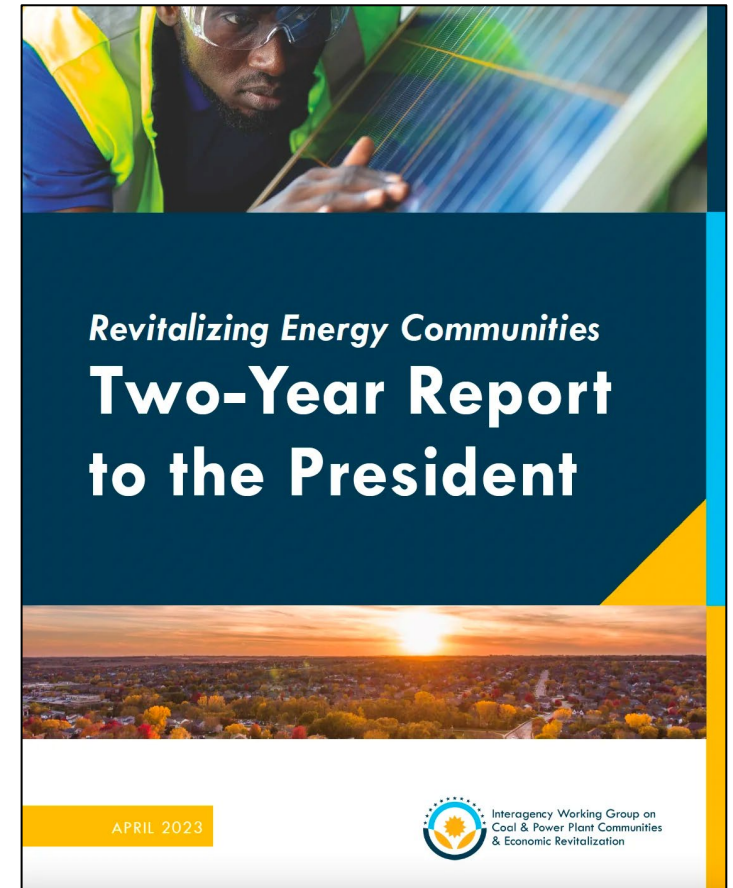
Provide SME support (as needed) for pre-proposal preparation, proposal review, etc. – building retiree network for additional support

Develop portfolio of regionally relevant communication mechanisms (e.g., web presence, newsletters, project catalogs, etc.)

The Energy Communities Interagency Working Group

The historic passage of the Bipartisan Infrastructure Law, CHIPS and Science Act, and Inflation Reduction Act has greatly increased the amount of federal funding available to meet the needs of energy communities across the nation.

The ***Revitalizing Energy Communities: Two-Year Report*** previews the Administration's path forward to ensure the nation sustains momentum in building a clean energy future made in America and powered by American workers. The report outlines the transformative activities the Biden Administration has taken since January 2021 to provide robust outreach and engagement with energy communities, and to ensure real investments continue flowing to those communities through strategic agency efforts and implementation of the major legislation signed during the Administration's first two years.



<https://energycommunities.gov>

Looking Forward

Continue to focus on San Juan Generating Station displaced workers and plant, mine-site repurposing opportunities – apply lessons to other 4C communities

Continue to stay active in listening, learning and regional networking modes as well as connecting community, regional project leads to the IWG – connect communities with technical assistance to build capacity and bring in funding to support regional projects

Build our learning network with current (WY, IL-Basin) and growing number of RRTs to establish best practices and strategies for success

Facilitate community events that bring together community leaders, regional/federal agency resources and critical stakeholders



Escalante Station – Prewitt, NM



Coronado Station – St. Johns, AZ



Connecting the Dots

October - December 2023

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Director's Note

Serving Our Region

The COG team continues to perform as we are extremely proud of serving our region and wanted to provide some key highlights.

Infrastructure Capital Improvement Plans – 100+

- Counties – 3
- Municipalities – 7
- Pueblos – 3
- Navajo Chapters – 51
- Special Districts – 38
- Senior Centers – 42



Evan Williams

Capital Outlay Requests & Reauthorizations – 75+

Legislative Forums – 2

- Cibola Area Legislative Forum
- Gallup-McKinley Area Legislative Forum

Exceling on Special Projects

- Water Commons Program – NADO Award
- Central 66 MRA Blight Assessment Report
- Zuni Mountains Quality Assurance Work
- Grants-Milan Transportation Safety Action Plan
- McKinley County Transportation Master Plan

Grant Awards

- Economic Development Administration – \$4M
- Regional Recreational Grants – \$8M+
- Community Development Block Grant – \$1.5M
- Economic Recovery Program Grants – \$2.5M
- Capacity Building Grants – \$440K



Produced by: Northwest New Mexico Council of Governments



NWNMCOG receives national impact award

Staff Reports

WASHINGTON D.C. — The Northwest New Mexico Council of Governments has received a 2023 Aliceann Wohlbruck Impact Award from the National Association of Development Organizations for the Water Regionalization and Water Commons Program project.

The project aimed at assisting small rural systems starting in McKinley County and thence for the whole region of Northwest New Mexico to provide a sustainable framework for meeting them where they are, customizing an action improvement plan, and providing a full circle of partners for technical assistance and a full cycle of funders with flexible investments. Through this program and its partners, the COG has developed the equivalent of a Regional Water Planning Organization model after RTPOs or the transportation version, a Small System Leadership Institute, annual Rural Water Summits, and a local-level technical assistance approach that has proven effective.

"Creating positive change in communities starts with relationships and common ground. Creating programs that stick and are effective is about having a passionate change-maker and creating programs that last is about partnerships," Evan Williams, NWNMCOG's Executive Director, said. "This award is about building all three together and all the credit goes to Angelina Grey, our Water & Environment Program Manager, for her vision and leadership."

NADO is a Washington, DC-based membership association of regional development organizations that promotes programs and policies that strengthen local governments, communities, and economies through regional cooperation, program delivery, and comprehensive strategies. The Impact Awards program recognizes regional development organizations and their partners for improving the economic and community competitiveness of the nation's regions and local communities.

Award-winning projects were recognized during NADO's 2023 Annual Training Conference held in Cleveland, Ohio Nov. 7-10. The 2023 class of award recipients consists of 107 projects from 71 organizations spanning 28 states. These projects are presented in an interactive story map developed by NADO that includes project summaries, partners, and images. The map is available online at nado.org/2023-impact-award-recipients.

"NADO's Impact Awards program provides a yearly opportunity for us to publicly commend the indispensable services delivered by our members to their local communities," 2022-2023 NADO President Chris Fetzer, executive director of the Northern Arizona Council of Governments, located in Flagstaff, Arizona, said. "These projects not only made positive impacts in their respective regions, but also underscore the incredible diversity of programs and resources offered by regional development organizations that promote vibrant, resilient, and thriving communities."

Angelina Grey
Associate Planner

Dine Local Restaurant Guide
Please Support Local Businesses

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GENARO'S Cafe

(505) 722-9311
1981 NW-602, GALLUP, NM 87301

Hours: Tuesday-Friday 11am to 7pm
Saturday 11am to 5pm

Water Planning Office Update



SMALL SYSTEM SUPPORT

The COG's Regional Water Planning Organization (RWPO) office has recently established working partnerships with the New Mexico Environment Department, the Rural Community Assistance Corporation (RCAC) and the Southwest Environmental Finance Center (SWEFC) to help rural communities with education and training on compliance and regulations required for small systems (e.g. financial audits, reporting).

This partnership is a community-based approach to providing much needed technical assistance (TA) that is focused on getting small systems back on track with compliance standing and being eligible for critical funding programs.

The COG/RWPO's previous partnership with RCAC allowed for a full understanding of all requirements and regulatory compliances that all small systems should be following. Through trainings and meetings with small systems, the RWPO and RCAC were able to provide TA in financial and technical capacities. Through education, communities are able to understand roles and responsibilities in all areas of small

systems management (i.e., financial, organizational, managerial and technical).

The RWPO partnership first established working relationships with small systems in McKinley County. The next focus is contacting small systems in Cibola County, and are currently assisting three small systems with financial audits, discharge permitting, and compliance issues. Additional meetings will be scheduled with other small systems that have reached out and requested help.

NMFA LOCAL GOVERNMENT PLANNING FUND

The COG/RWPO is assisting two small systems with the completion and final submission of the NMFA Local Government Planning Fund (LGPF) applications, requesting funding to develop Preliminary Engineering Reports (PER) for both Gamerco Water & Sanitation District and Yahtahey Water & Sanitation District.

Gamerco WSD is looking to develop a PER for a new water well. Land acquisition and the environmental and archeological studies will not be necessary as the selected site for the new well is owned by GWSD. The RWPO is currently working with GWSD office staff and accountant in securing required supporting documents to determine level of eligibility. If GWSD is considered a disadvantaged community, GWSD could qualify for a 100% grant, without any match fund requirement.

Yahtahey WSD is looking to develop a PER for its lagoon remediation project. Land acquisition and the environmental and archeological studies will not be necessary as the proposed new lagoons will be reconstructed at existing site. The RWPO is currently working with GWSD office staff and accountant in securing required supporting documents to determine level of eligibility. If YWSD is considered a disadvantaged community, YWSD could qualify for a 100% grant, without any match fund requirement.

WATER TRUST BOARD

The COG/RWPO is assisting two local governments (members) and one small system with the completion and final submission of the NMFA Water Trust Board (WTB) applications. The application cycle is currently in progress. The Readiness Application opened the first part of December and has a deadline at the end of January 2024.

Water Planning Office Update

The City of Gallup is looking to request funding to replace existing (and aging) cast iron, cement asbestos and iron ductile pipelines at eight separate locations throughout the city. The loan/grant/match percentages are still to be determined.

McKinley County is looking to request funding to replace an existing crossing along Superman Canyon Road (County Road 43). The loan/grant/match percentages are still to be determined.

The Ramah Water & Sanitation District is looking to request funding to complete project design for its water infrastructure improvement project. The loan/grant/match percentages are still to be determined.

LEAD & COPPER RULE (LCR) SERVICE LINE INVENTORY TRAINING

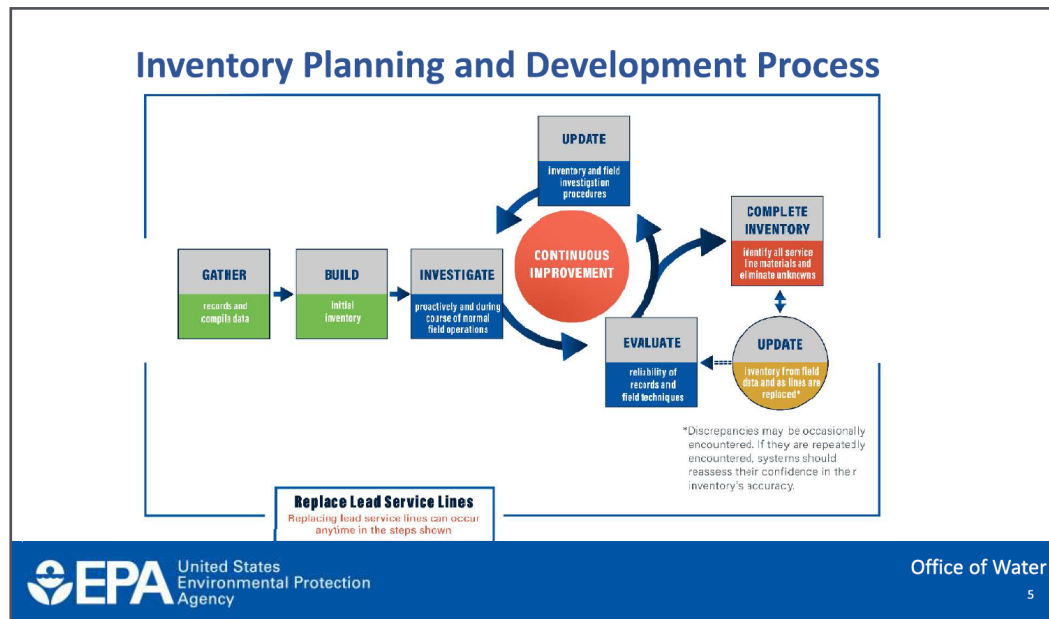
The COG/RWPO and its standing partners with NMED, RCAC and SWEFC are organizing and facilitating free training for small systems to complete and submit service line inventories. Following the disaster in Flint, Michigan with lead-contaminated water, the Environmental Protection Agency (EPA) made revisions to its Lead and Copper Rule

(LCR). The Service Line Inventory is now a federal requirement. All public water systems are now required to inventory ALL service lines, including both the public and private side (residential). The deadline to submit is October 16, 2024.

The first training was held in October for McKinley County-area small systems. Training was attended by four small systems and their office staff and the City of Gallup's water department. The next scheduled trainings are as follows:

- Cibola County: Wednesday, January 31, 2024, from 9:00AM to 1:00PM. Training will be held at the Bluewater Community Center, in Bluewater, NM.
- San Juan County: Wednesday, February 21, 2024, from 9:00AM to 1:00PM. Training will be held at the McGee Park/San Juan County Fairgrounds, in Farmington, NM.

For more information on these trainings or other priorities, please contact Angelina Grey at (505) 722-4327.



Transportation Office Update

GRANTS-MILAN TRANSPORTATION SAFETY ACTION PLAN

- In September – just before this quarter, Paige Wolfrom of Wilson & Co. provided us the stakeholder committee for the safety action plan which includes representation from Grants and Milan leaders, DOT Dist. 6, Cibola Schools, Milan and Grants Police and Fire Departments.
- The intent of this plan is to increase multi-modal transportation safety throughout the communities, including the interface with Interstate 40 which runs through both communities.
- Wilson & Co. held the project kick off meeting on September 11, and held its first stakeholder meeting on November 29 at 1:30 pm.
- To date Wilson & Co. has undertaken preliminary data collection and analysis, along with crash analysis including downtown sites, crash mapping and data summary tables.
- The RFP Scope of work includes the following:

- | | |
|--|---|
| <ul style="list-style-type: none"> • Establish leadership & engage stakeholders. • Develop a public engagement plan include pedestrians, bicyclists, and disabled persons. • Review existing relevant plans. • Use a data driven process, address high incidence areas, consider land use, environmental, socio-economic and population data. Consider future growth. • Consider cost estimates, design and supporting documentation. | <ul style="list-style-type: none"> • Take a multi-modal approach including roads, trails, transit, railroad, pedestrian, and bicycles. • Set measures & targets for system performance; identify strategies and countermeasures. • Prepare and implement a safety plan with short / mid / long term goals, funding sources, action timelines, tracking tools, checklists & dashboards. • Consider financial support from the Safe Streets & Roads for All program, and Railroad Crossing Elimination program. |
|--|---|

The condensed Scope of Work from Wilson & Co. includes the following:

- | | |
|---|--|
| <ul style="list-style-type: none"> • Establish a leadership team • Develop a Public Engagement Plan • Review Existing Plans • Collect and analyze safety data • Engage a multi-modal approach for all system users – roads, trails, transit, railroad, pedestrian & bicycle facilities | <ul style="list-style-type: none"> • Set measures and targets for system performance • Engage countermeasures checklist • Prepare and implement a safety plan • Implement the plan and update progress • Inform community members / stakeholders on vision, design, costs and construction. |
|---|--|

- Wilson & Co. to hold a public meeting in January, and their next stakeholder meeting in March. In the mean time they continue researching high accident incidence areas, potential future growth areas, and places where safety modifications might be merited.

GALLUP TRANSPORTATION MASTER PLAN

This plan has engaged three (3) stakeholder meetings and one public meeting thus far. Key elements follow:

- Gather regional traffic data to support recommendations – the plan should be data driven and community informed.
- Define existing multimodal network and collect public and stakeholder input on areas of concern.
- Try to forecast future system capacity demands and potential deficiencies. Consider growth areas and impacts on traffic.
- Consider all community influences on multi-modal traffic development. Identify system gaps and key areas for development including land use, housing, commercial areas, workforce and traffic impact analysis.
- Engage citizens, leaders, stakeholders, businesses, schools, police, fire stations, Navajo Nation and government entities.
- Consider multimodal development around mobility and safety issues for system performance, including potential congestion, emergency corridors, traffic conditions & issues, potential growth impacts and multimodal interface.
- Consider areas for pedestrian and traffic interface.
- Consider interface of major arterials with housing and school areas.

Stakeholder Meetings:

- | | |
|--|---|
| <ul style="list-style-type: none"> • Additional routes • More funding • State to better manage their roads • Better public transportation • Improve access to Gallup northside – only 2 bridges over the BNSF rail line and Rio Puerco at this time • Address traffic jams on Munoz Overpass | <ul style="list-style-type: none"> • Cross street access to US 491 • Loop US491 to I-40 • Drainage improvements & safer intersections • Better access to airport • Solution to downtown rail crossings • Pavement improvements (lots of potholes) |
|--|---|

- Priorities: 1) Safety, 2) Efficiency, 3) Connectivity, 4) Maintenance, 5) Multimodal / Complete Streets.
- Stakeholder Outcome Recommendations:

Transportation Office Update

Public Meetings:

- Public Priorities: Road maintenance / Congestion / Speeding / Train crossings / Signals / Bike lanes.
- Public Improvement Recommendations: Additional roadway connections / Increased roadway maintenance / Safer intersections / Better roadway drainage / Better public transit connections.
- Provided a map where stakeholders could respond and comment including:

<ul style="list-style-type: none"> • Potential conflict areas • Alternative connection areas • Multi-modal opportunities 	<ul style="list-style-type: none"> • Elevated safety consideration areas • Future land use highlights • Opportunity for additional comments
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MCKINLEY TRANSPORTATION MASTER PLAN

- Staff developed a condensed summary for the Scope of Work for the next phase of the McKinley Transportation Master Plan. This plan will consider growth opportunities within the County, including potential projects such as the 4CITE, and potential inland port – related to a new 4-lane paved road from Gamerco to the former mine area.
- The project kick-off meeting with McKinley County, COG staff, and Bohannon Huston staff took place on October 10, including Rodney Skersick – McK Road Superintendent, Robert Kuipers – NMWNMCOG, Denise Aten / Derrick Webb / Liz Treat of Bohannon Huston, and Jim Townsend and Noah Berke of Wilson & Co. Topics covered include project purpose, scope of work and timelines.

<p>Initial / current work:</p> <ul style="list-style-type: none"> ✓ Engagement Prep ✓ Project website ✓ Branding ✓ Engagement plan ✓ Existing conditions 	<p>Immediate Needs:</p> <ul style="list-style-type: none"> ✓ Check in frequency / scheduling ✓ Engagement plan review ✓ Stakeholder list buildout ✓ Tentative stakeholder and public meeting scheduling ✓ Stakeholder – initial virtual kickoff meeting ✓ Stakeholder / Public – initial in-person meeting date
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RTIPR UPDATE

Staff have completed the draft RTIPR which was reviewed by our regional RTPO representatives from 10 participating regional governments at our December 13 meeting. At this meeting we simply presented the draft RTIPR; at our next meeting – February 14, we will approve and authorize our 2024 RTIPR, perhaps with a few project additions or edits.

TRANSIT APPLICATIONS

NWRTPO staff have received FFY2024 public transit funding applications from our five regional 5311 public transit providers which include:

- Gallup Express
- Laguna Shaars'kra Transit
- Navajo Transit
- Zuni Ashiwi Transit
- Milan Rockin 66 Transit

At our December 13 virtual meeting, we heard 10 minute presentations from each of these public transit providers seeking funding, and our members executed scoring sheets for each provider, which in turn COG RTPO staff will consolidate these for total scores and submit to NMDOT Transit & Rail.



Economic Development Office Update

Project:

The City of Farmington is requesting \$500k to extend its "Animas River Trail" system which currently consists of 9.5 miles of trail along the Animas River from the confluence of the Animas & San Juan Rivers to our Animas Park & Nature Center. The trail system provides a keynote experience to residents & visitors. The City is soliciting funds for the construction of an additional 1.7 miles (8840') of trail that will connect it to the signature "Gateway Park" and museum/visitors center at the core of Farmington.

Impact:

Having lost thousands of jobs due to the decline in fossil energy markets (gas & coal), the City struggles to retain and attract workforce. These "quality of place" amenities are critical to keeping and drawing new residents and supporting our local businesses. The tourism and outdoor industries are also key targets for diversification in the community. This is crucial to our recovery as we seek new employers to keep our residents employed and visitors engaged.

Animas River Trail Northern Extension



Funding Secured-NMDOT/FHWA:	\$1,600,000
- Carbon Reduction Program:	\$1,007,107
- Transportation Alternative Program:	\$592,893
Grant Request:	\$500,000
Total Construction Cost:	\$2,100,000

TRANSITION - First and foremost, we wanted to report that Michael Sage has chosen to move on to a job with the State Land Office and his duties will transition to the Executive Director for the time being. Michael has been a pillar at the COG on and off since 2007 and a tremendous leader for the region. A couple top bill items:

HIRING! - Help us get the word out about Job Openings
<https://www.nwnmcog.org/employment-opportunities.html>

PROGRAMS - The Comprehensive Economic Development Strategy (CEDS) update process is delayed and are reviewing capacity needs for the Revolving Loan Fund (RLF) program. A final detailed report and presentation was delivered on October 18, 2023 at the COG Board meeting. https://www.nwnmcog.org/uploads/1/2/8/7/12873976/ppt_10.18.23_cog_board_meeting_public.pdf

RLF UPDATE - The program continues to operate and be evaluated. Over 200 business visits were conducted to market the program directly to potential customers over the last several years. The COG is working on two deals that should be reviewed by the Revolving Loan Fund (RLF) Committee in early January.

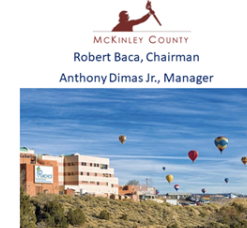
ECONOMIC RECOVERY AWARDS - In 2021, the New Mexico Legislature created a fund, program, and process to assist communities being negatively affected by energy sector and mining downturns. In early FY2024, the Department of Finance & Administration (DFA) announced a grant application to select projects for funding from this \$6M pot entitled Economic Recovery Program. Here are the projects from our region that were submitted and successfully approved by the State Community Development Council (CDC). Special thanks to our members and to former Commissioner and COG Board Member Carol Bowman-Muskett, our District 1 CDC Representative. Here are the presentations and projects from City of Farmington, McKinley County, and Village of Milan.

Request: \$1M (Economic Recovery Funds)
 Requestor: McKinley County

Project Title: RMCH Hospital Improvement Project

- Brief Narrative:** Based on the Facility audit, about \$10M of critical improvements were identified for the hospital. These improvements were phased into 4 Projects that include: Cooling Towers and Controls, HVAC Controls, HVAC Upgrades, and Lighting and Energy Efficiency.
- Source Intent:** Our hospital is an economic driver and community lifeline. Downturns and closures in the energy and coal sectors have crippled our economy and tax base. This investment will help sustain our hospital, which one of top issues in recruitment, retention, and expansion of industry and business in our community. This is the top investment that will provide a hand-up to our community to sustain its hospital and rebound its economy.
- Community benefits:** It will provide an investment to sustain operations and continue our community's access to a Critical Access Hospital. Other benefits listed in CDBG presentation.

- The County's funding strategy to raise this and the progress to date is:
 - Capital Outlay - \$5.8M appropriated in 2023. (Secured)
 - Capital Outlay - \$1.2M reauthorized from another project in 2023. (Secured)
 - CDBG - \$825,000 sought including \$750,000 and \$75,000 local match (Pending)
 - Economic Recovery Funding (\$1M) (Pending)

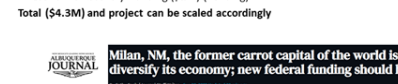


Request: \$1M (Economic Recovery Funds)
 Requestor: Village of Milan

Project Title: Milan Industrial Park Mill Road and Roadway Improvements

- Brief Narrative:** This investment will provide funding to build-out the roadway network at the Milan Industrial Park. The Park was master planned and designed to provide the region a shovel-ready industrial site to locate new and expanding businesses. The project will construct the main access road into the Park.
- Source Intent:** Downturns and closures in the energy and coal sectors have crippled our economy and tax base including the about 90 of the 105 jobs related to the Escalante Generating Station in Prewiit. This investment will help develop a new asset for the attraction, retention, and expansion of industry and business in our community. This is the top investment that will provide a hand-up to our community to move our economy from boom-bust to robust and create quality jobs where people are rooted.
- Community benefits:** It will provide a community asset needed for economic development. It is projected that this project will create and sustain 54 jobs and attract \$3.2 million in private investment.

- The Village's funding strategy to raise this and the progress to date is:
 - US Economic Development Administration (EDA) - \$2.7M awarded (Secured)
 - DFA Federal Matching Fund Program - \$600K awarded. (Secured)
 - Economic Recovery Funding (\$1M) (Pending)



Milan, NM, the former carrot capital of the world is trying to diversify its economy; new federal funding should help

Economic Development Office Update



PREWITT INDUSTRIAL PARK

COG continues to manage a partnership between Greater Gallup Economic Development Corporation, McKinley County Electric Generating Facility Economic Development District, and Cibola Communities Economic Development Foundation in association with McKinley County and private partners to complete a final design for this industrial park. The project partners have committed \$800,000 in private sector funding made available via Tri-State Generation & Transmission Association community assistance fund.

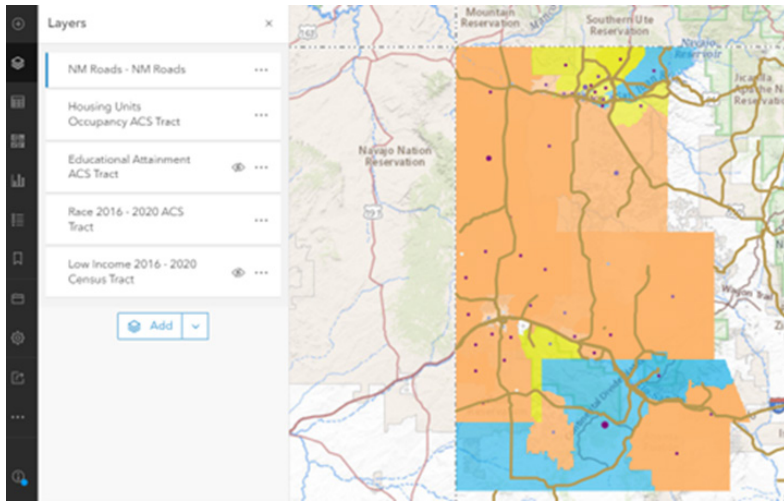
In related news, COG Executive Director did participate in a ceremony for the Escalante Solar Project that will result in a 200MG solar facility on November 9, 2023.



FORT WINGATE MARKET FEASIBILITY STUDY

COG working with Navajo Nation completed a market feasibility study for potential re-use and redevelopment of a parcel of the Fort Wingate Army Depot that was returned to the Navajo Nation. This study was underwritten by the US Economic Development Administration through its Assistance to Coal Communities program.

Special Projects Office Update



SAN JUAN COUNTY CDBG

COG partnered with San Juan County in the development of the Community Development Block Grant (CDBG) for the American with Disabilities with various facilities improvement projects. Projects are to improve accessibility at some fire stations, a senior center, Salmon Ruins Museum, and McGee Park facilities. Funding approval is expected from State of New Mexico's Department of Finance Administration, Community Development Council.

ZUNI MOUNTAIN TRAILS

The Milk Ranch, Hilso, and McGaffey trail systems near Gallup continues to be used by equestrians, mountain bikers, and hikers. Years of trail improvements have attracted an increase in the local community to worldwide visitors. The McKenzie Ridge Connector (within the Twin Springs trail system) began trail construction in 2022. The US Forest Service had to briefly halt construction due to extreme fire conditions and pending archaeological studies. Portions of McKenzie Ridge Connector awaits US Forest Service heritage final approval to complete the entire 33-mile connector with an expected completion date of fall 2024. The remaining Twin Springs trail system, approximately 30 miles, needs further studies and review by the US Forest Service.



The Quartz Hill trail system near Grants has also increased with trail users. Quartz Hill trail system has some constructed trails, but other trails are pending further construction, as well as the trailhead.

Near Zuni Mountain trail system are neighboring Gallup Trails, High Desert Trails, Continental Divide trails, Uphill Quad trail, and Gooseberry Springs trails.

Beyond the Zuni Mountain trails, Gallup, and Grants area trails are in the Farmington area and on the Navajo Nation within our northwest New Mexico region.

EDO DASHBOARD

The Economic Development Office manager, Michael Sage, has left our COG team and we wish him well in his future opportunities. The Special Projects Office of the COG has gained important insights from Michael that will transform economic data to an interactive data dashboard. Accessing data and utilizing ArcGIS has been in the works, sometime in the future will fruition onto the COG website

State Grant in Aid Update

LEGISLATIVE FORUMS

As part of our annual agreement with the State of New Mexico, the Northwest New Mexico Council of Governments provides a vast array of legislative assistance to communities of Northwest New Mexico. During the 2nd quarter of FY24, the COG focused legislative efforts on coordinating and hosting two legislative forums.

The first forum was held on November 22nd in Cibola County at the Village of Milan Administrative Offices. The forum provided the opportunity for area governments, tribal entities, and partner organizations to present legislative priorities to area legislators. The Cibola Area Legislative Forum was well attended, and a wealth of information was shared. Senators George Munoz and Joshua Sanchez attended along with Representative Harry Garcia. Presentations were provided by the Village of Milan, City of Grants, Cibola County, Pueblo of Acoma, Ramah Navajo Chapter, NMSU Grants, Cibola Communities Economic Development Foundation, Grants Mainstreet, and the Cibola



Trail Alliance.

The second forum was held on December 20 in McKinley County at the City of Gallup Administrative. Structured identical to the Cibola forum, the Gallup-McKinley County Legislative Forum provided the opportunity for local entities to present to area legislators on priority projects, statewide legislation, and provided the opportunity to introduce new programs and initiatives to area partners. Senator George Munoz and Representatives Patty Lundstrom, Wonda Johnson, and Eliseo Alcon

were in attendance. Presentations were made by the City of Gallup, McKinley County, UNM-Gallup, Gallup McKinley County Schools, Northwest New Mexico Regional Solid Waste Authority, Rehoboth McKinley Christian Hospital, Gallup-McKinley County Chamber of Commerce, Gallup ARTS, and Gallup Mainstreet. Our office also took the opportunity to present the New Mexico Association of Regional Council's legislative request which includes increasing the annual appropriation given to state planning districts.



CAPITAL OUTLAY

Simultaneously, the COG initiated our annual capital outlay technical assistance effort. Prior to the quarter, COG staff attended virtual trainings provided by DFA Local Government Division and the Legislative Council Services to ready for our annual technical assistance push. To date, the COG planning team has engaged in outreach to offer assistance to special districts and tribal entities including Navajo Nation Chapters. Carrie House has been assigned the lead planner to assist capital outlay needs in San Juan, Angelina Grey has been assigned to assist McKinley County and Robert Kuipers has been assigned to support Cibola entities. Lead Planner Brandon Howe has taken on member government assistance and has since met individually with most member governments to identify priorities, outline strategies, and develop and submit capital requests.

As the session begins, the COG will continue to offer legislative assistance to help entities navigate the upcoming 30-day session.

State Grant in Aid Update

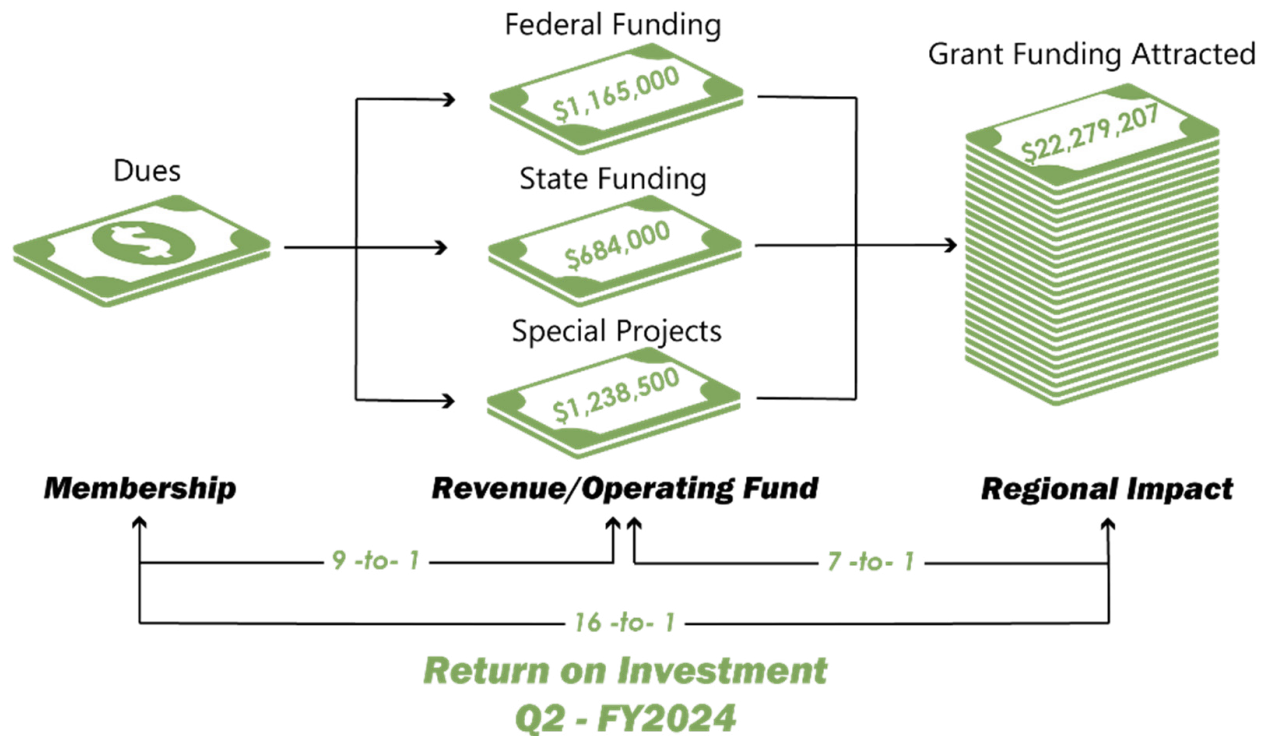
RETURN ON INVESTMENT

Since taking over the helm as Executive Director, Mr. Williams has worked with his staff to conduct annual return on investment reports to member governments who financially contribute to the COG. These reports include highlights of accomplishments and a monetary return on investment. At the end of each quarter and the fiscal year, each member government's return on investment is incorporated into a regional recap to help the COG showcase our value to the region.

At the beginning of the fiscal year, the COG planning team huddled up to identify and set the Regional Return on Investment Goal for the year. With numerous sources available and a large list of infrastructure and planning projects already assembled by our regional communities, the COG, based on current and anticipated work, set the FY24 Return on Investment goal at \$100M. This goal represents a 25% increase from the previous year's goal of \$75M.

After two quarters, the COG has attracted \$22.3 million in grant funding for the region. Some highlights include:

- \$1M from DFA Economic Recovery Fund to McKinley County for RMCH Improvements
- \$2M from DFA Regional Recreation & Quality of Life Grant to the City of Gallup for Artificial Turf Replacement
- \$2M from DFA Regional Recreation & Quality of Life Grant to the City of Grants for the Multi-Purpose Arena
- \$1M from DFA Economic Recovery Fund to the Villag of Milan for the Milan Industrial Park





Northwest New Mexico Council of Governments





**NORTHWEST NEW MEXICO COUNCIL OF GOVERNMENTS
STATE PLANNING DISTRICT #1**

**STAFF SUMMARY REPORT
FY 2024/ 2ND QUARTER**

FOR THE PERIOD: October 1, 2023 – December 31, 2023

The State Grant-in-Aid (SGIA) work program is utilized by the State Planning Districts to develop a dynamic framework of integrated general services to support planning, development, and technical assistance activities as a regional service to local and state government. This report reflects functions and tasks in the approved FY2024 Work Program and Budget. The following are functions and tasks completed by the Northwest New Mexico Council of Governments during the second quarter of FY2024:

Function 1:	<p>Organizational Management. Provide for general administration and development of the Planning District organization, including management of the State Grant-in-Aid in conjunction with other grants and programs, building organizational capacity, sustainability, and networking with other Planning Districts and with a multi-sector variety of public and private institutions in service to the regional development mission.</p>
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QUARTERLY ACTIVITY HIGHLIGHTS & RECAP

- (1) **COG Board Meeting:** COG held its quarterly board meeting on October 18th in Milan at the Village of Milan Trustee Chambers. The meeting included an update on the financial standing of the COG, updates on the COG’s Revolving Loan Fund, CEDS timeline, quarter 1 highlights, and upcoming work.
- (2) **Financial Audit:** COG worked diligently to complete its annual financial audit. The COG financial statement was submitted on time to the State Auditor’s office and is currently pending review.

TASK TRACKING

TASK	DUE DATE	STATUS	
1.1 Professional Development Provide ongoing professional development training or continuing education classes for staff, i.e., training, webinars, professional conferences.		Q1	<ul style="list-style-type: none"> ✓ Angelina Grey participated in the following: Rural Communities Assistance Corporation - Water Leadership Institute, National Water Resources Association - Overcoming common infrastructure challenges in energy communities & Navigating private water wells webinars, Water Regionalization - Achieve & maintain compliance with SDWA webinar, and the APA – Climate Data Power webinar. ✓ Carrie House participated in the following: CDBG Application workshop training, and NMEMNRD - Youth Conservation Corporation application webinar. ✓ Evan Williams participated in the following: DFA – Budget Formulation and Management (BFM) System; Succession Planning Training, and International Economic Development Conference (Recertification CECD)
		Q2	<ul style="list-style-type: none"> ✓ Angelina Grey participated in the following: NM APA plan and policy development webinar, NMED Lead service line inventory training, National Rural Water Associations (NRWA) developing standard operating procedures webinar, NM Water Dialogue Water funding priorities webinar. ✓ Brandon Howe participated in the following: NMDFA Capital Outlay Process and Requests webinars ✓ Carrie House participated in the following: NMDFA Capital Outlay Process and Requests webinars
		Q3	
		Q4	

TASK TRACKING		
TASK	DUE DATE	STATUS
1.2 Board Training & Support Provide workshops and training as needed to COG boards and committees, i.e., annual workshop, handbook for board members.		Q1 ✓ Board Meeting and Annual Luncheon (August 2 nd) was held in Farmington at the San Juan College School of Energy. ✓ No COG Executive Committee meetings were held in the first quarter.
		Q2 ✓ Board Meeting (October 18 th) was held in Milan at the Village of Milan Trustee Chambers. ✓ No COG Executive Committee meetings were held in the second quarter.
		Q3
		Q4
1.3 Networking Facilitate & strengthen working relationships with local, tribal, state, federal, nonprofit, and private sector agencies, and partners.		Q1 ✓ <u>Water Summit</u> : COG staff co-hosted the inaugural water summit in McKinley County. The summit provided a day full of presentations on various topics regarding water planning and was well attended. The water summit was held on August 31 st and was attended by water systems from McKinley, Cibola and San Juan counties. ✓ <u>NewMARC</u> : COG attended the first quarter meeting virtually on July 10 th , August 18 th , and September 1 st . NewMARC is the forum for all COGs to discuss federal, state, and local activity. ✓ <u>Gallup Executive Directors Alliance</u> : COG attended the quarterly GEDA meeting on July 14 th , ✓ <u>NMDOT Transportation Commission</u> : COG virtually attended the Transportation Commission meeting on August 24 th . ✓ <u>McKinley County Multi-Agency Road Forum</u> : COG attended and contributed to the meeting to assist McKinley County with multi-jurisdictional road projects. Participants included Navajo DOT, BIA, FHWA, McKinley County and COG. ✓ <u>Regional Economic Development Organizations Meetings</u> : COG staff participated in multiple regional EDO meetings to discuss regional economic development initiatives and projects. ✓ <u>Northwest New Mexico Regional Utility Authority</u> : COG staff attended the meetings of the new regional utility authority which intends to provide operations and maintenance support to small water systems in McKinley County. ✓ <u>Downtown Coordinating Committee</u> : COG staff attended the Gallup Downtown Coordinating Committee to reengage downtown redevelopment activities as part of the implementation of the downtown MRA Plan.

		Q2	<ul style="list-style-type: none"> ✓ NewMARC: COG attended the second quarter meeting on November 9th. NewMARC is the forum for all COGs to discuss federal, state, and local activity. ✓ Gallup Executive Directors Alliance: COG attended the quarterly GEDA meeting on November 3rd, and December 15th. ✓ Regional Economic Development Organizations Meetings: COG staff participated in multiple regional EDO meetings to discuss regional economic development initiatives and projects. ✓ Downtown Coordinating Committee: COG staff attended the Gallup Downtown Coordinating Committee to reengage downtown redevelopment activities to implementation the downtown MRA Plan. ✓ Transportation Infrastructure Revenue Subcommittee: COG attended the subcommittee meeting held in Gallup on November 13th.
		Q3	
		Q4	
1.4 SGIA Administration Submit Annual Work Program/Certification, audit, reports, and invoices to the Local Government Division.			
1.4.1 AWP & Certification Submit annual work program packet including certification by the end of each State fiscal year in compliance with DFA requirements.	Annual		Annual work program and certification was submitted and approved
1.4.2 Audit Submit audit report to Local Government Division upon release by State Auditor.	Q1 - Q2		COG worked closely with SJT Group and completed the annual financial audit. The audit was submitted to the State Auditor's Office and is currently pending review.
1.4.3 Reporting & Invoicing	Quarterly		✓ FY2022 Q4: Completed
			✓ FY2023 Q1: Completed
			✓ FY2023 Q2:
			✓ FY2023 Q3:

Function 2:	Local Government Support. Provide a range of technical assistance services and guidance to local governments and to other public entities in the region, focused on identifying, cultivating, financing, and implementing investable community development projects.
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QUARTERLY ACTIVITY HIGHLIGHTS & RECAP

- (1) **CDBG:** COG staff spent a considerable amount of time assisting San Juan and McKinley Counties with CDBG presentations which were made to the Community Development Council on December 13th.
- (2) **Infrastructure Capital Improvement Plan (ICIP):** COG staff assisted numerous local governments, tribal entities and special districts with amendments to the ICIP based on the need to align with priorities for the upcoming legislative session.
- (3) **Legislative Forums:** COG hosted two legislative forums, one in Cibola County on November 22nd, and one in McKinley County on December 20th. The forums provided the opportunity for local governments, tribal entities, special districts and regional institutions to present projects and policy recommendations in preparation for the upcoming legislative session.

TASK TRACKING

TASK	DUE DATE	STATUS
2.1 General Technical Assistance		
2.1.1 Policy Assistance Identify and develop policy needs and issues that are viable legislative initiatives and assist in promoting and tracking these initiatives throughout the legislative process.	Ongoing	Q1 COG staff monitored and reviewed guidance for special programs funded through the legislative session and informed local governments of opportunities and limitations of funding.
		Q2 COG staff monitored and reviewed special programs funded through the legislature and began to monitor upcoming legislative policy recommendations. COG reviewed priorities identified by member governments and statewide associations such as NewMARC, NMAC, and NMML. COG hosted two legislative forums, one in Cibola County, one in McKinley County. As part of preparation, COG staff meet with each local government to identify priorities.
		Q3
		Q4
2.1.2 Funding Provide guidance to local governments to help meet basic eligibility requirements for receiving government funding for community and economic development activities.	Ongoing	Q1 COG staff engaged in CDBG application activities for multiple local governments and guidance on DFA grant programs such as Capacity Building, Federal Grants Matching, Energy Transition Impacted Communities, and others. COG continued to email #GrantOps, and provide a filter, funnel, and follow-up approach to funding opportunities and other annual state programs.
		Q2 COG staff engaged in CDBG application activities for multiple local governments and guidance on DFA grant programs such as Capacity Building, Federal Grants Matching, Energy Transition Impacted Communities, and others. COG continued to email #GrantOps, and provide a filter, funnel, and follow-up approach to funding opportunities and other annual state programs. COG staff met with each local government in McKinley and Cibola counties to prepare for the upcoming legislative session and developed funding strategies.

		Q3	
		Q4	
<p>2.1.3 Fiscal Agency Provide fiscal agent services as mutually agreed upon with member governments in connection with Executive Order 2013-006. i.e., including capital outlay appropriations, Community Development Block Grant, and Water Trust Board funding.</p>	Ongoing	<p>Q2: COG serves as fiscal agent for a few projects on behalf of member governments, working with local and State staff to produce agreements and smooth over bureaucratic issues. During quarter 2, COG provided fiscal agent services to Bloomfield.</p>	

TASK TRACKING		
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TASK	DUE DATE	STATUS
<p>2.1.4 Asset Management Provide guidance to local governments upon request to improve capacity to manage infrastructure, such as development of asset management plans.</p>	Ongoing	<p>Q2: No asset management activities were conducted during the second quarter.</p>
<p>2.1.5 Planning & Technical Support Provide related technical assistance, such as census data, land use planning, comprehensive plans, and mapping, upon request and availability of resources.</p>	Q2	<p><u>Data Dashboard</u>: COG staff continued to collect data and worked towards developing a data dashboard using ArcGIS. Data will be used to assist with planning initiatives and federal and state grant applications.</p> <p><u>Gallup MRA</u>: COG staff continued to coordinate and draft a Metropolitan Redevelopment Area Designation Report for the proposed Central 66 district. Assessments have been updated and will be incorporated into the report. COG is on track to complete by the end of quarter 3.</p> <p><u>ZMTP</u>: COG continued to update the Zuni Mountains Trails & Conservation Master Plan.</p> <p><u>Gallup Growth Management Master Plan</u>: COG staff participated in steering committee meetings related to the update of the Gallup Growth Management Master Plan.</p> <p><u>Gallup Transportation Master Plan</u>: COG staff participated in committee meeting related to the development of the Gallup Master Transportation Plan.</p> <p><u>McKinley Transportation Master Plan</u>: under contract with NMDOT and McKinley County, COG has initiated the start of the McKinley Transportation Master Plan. Consultants have begun data collection and analysis and have held numerous planning and stakeholder meetings.</p> <p><u>Grants-Milan Transportation Master Plan</u>: under contract with NMDOT, City of Grants and Village of Milan, COG has initiated the start of the Grants/Milan Comprehensive Safety Action Plan. Consultants have begun data collection and analysis and have held numerous planning and stakeholder meetings.</p> <p><u>Milan 40-Year Water Plan</u>: COG staff worked with OSE and Milan to identify process for getting HB 2 Junior Funding to Milan to complete plan.</p> <p><u>Trail of the Ancients Scenic Byway Corridor Management Plan</u>: COG</p>

			has received agreement from NMDOT and worked to set project up and undergone procurement of consultants.
2.2 ICIP Management			
2.2.1 Trainings Collaborate with the Local Government Division to organize and host Infrastructure Capital Improvement Plans (ICIPs) training in the COG region.	Ongoing	Q1	COG promoted the ICIP training series and encouraged all local governments, tribal entities, and special districts to attend the virtual training series.
		Q2	COG attended various DFA ICIP training series webinars tailored to the upcoming legislative session. Webinars include Capital outlay process, request forms, and reauthorizations.
		Q3	
		Q4	
2.2.2 Plan Development Provide technical assistance to local governments in updating, utilization and monitoring of local ICIPs upon request.	Ongoing	Q1	COG staff provided its annual technical assistance to a variety of entities including local governments (7), small water systems (9), Solid Waste Authority (1), and Senior Centers (2), and Navajo Chapters (5).
		Q2	COG staff assisted various local governments, tribal entities and special districts with amendments to the ICIP to align with upcoming legislative priorities.
		Q3	
		Q4	
2.2.3 Funding Analysis Work with local governments and the legislature to prioritize, evaluate, and recommend projects for compatible funding sources.	Ongoing	Q1	COG staff through our grant writing program has continued to help local governments identify funding options for prioritized projects. COG will focus efforts on projects included in the newly updated ICIPs.
		Q2	COG staff through our grant writing program has continued to help local governments identify funding options for prioritized projects. COG will focus efforts on projects included in the newly updated ICIPs. COG continues to hold projecteering sessions to move projects for member governments.
		Q3	
		Q4	
2.3 CDBG Support			
2.3.1 Inform & Notify Provide information to staff and officials regarding the Community Development Block Grant (CDBG) programs and training events.	Ongoing		Q2: COG staff continued to inform participating entities of CDBG timelines and important dates and deadlines associated with the application process. Important deadlines included application submission deadlines, CDC presentations, and CDC allocation dates.
2.3.2 Application Selection & Development Provide technical assistance as requested to local municipalities and counties to identify, select, and develop eligible	Ongoing		Q2: COG staff helped to prepare and submit the San Juan County application for ADA Improvements and the McKinley County application for RMCH HVAC Upgrades. Both applications required additional information and both were presented to the CDC.

applications for projects for CDBG funding.		
<p>2.3.3 Presentations Assist local CDBG applicants in preparation of presentations to the Community Development Council.</p>	Q2	<p>Q2: COG assisted San Juan County and McKinley County with presentations to the CDC for submitted CDBG applications. CDC presentations were conducted on December 13th.</p>
<p>2.3.4 Implementation Provide technical assistance as requested to implement awarded CDBG projects.</p>	Ongoing	<p>Q2: COG staff continued to aid the City of Grants and City of Gallup on their construction grants.</p>
<p>2.3.5 Project Administration Provide project administration as mutually agreed upon to member governments to implement CDBG projects, i.e., monitoring, procurement, pay requests and closeout.</p>	Ongoing	<p>Q2: COG has entered into an agreement with McKinley County to administer a CDBG planning grant for the Allison community Preliminary Engineer Report for water delivery system construction. COG has secured consultant who is currently working on the PER. Consultant is scheduled to complete PER in Quarter 3 and COG intends to close-out the in Quarter 4.</p>

Function 3:	Integrated Planning & Development. Incorporate common and core regional work programs, such as the Regional Transportation Planning Organization (RTPO), the Economic Development Administration (EDA) and the State Grant-In-Aid (SGIA), into a unified statewide model.
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QUARTERLY ACTIVITY HIGHLIGHTS & RECAP

- (1) **Grant and Project Technical Assistance:** COG was able to assist entities in securing grant funding. In the first quarter the COG was able to help secure **\$10,804,000** in grant funding to aid in local government work.
- (2) **Long-Range Transportation Planning:** COG has officially initiated two long-range transportation plans which include the McKinley County Transportation Master Plan and the Grants/Milan Comprehensive Transportation Safety Action Plan. In addition COG has received notice to proceed on the Trail of the Ancients Scenic Byway Corridor Management Plan. Lastly, COG is working closely with NMDOT and member governments on agreements and administration responsibility for 7 planning grants.

TASK TRACKING

Task	Due Date	Status
3.1 COG Partnership Partner with other regional Planning Districts to focus resources, streamline reporting, administrative compliance, and identify best practices as well as needs.	Ongoing	Q2: COG continues to participate in weekly EDA calls with other Regional Planning Districts to develop plans, programs, and projects to aid in economic recovery during and post pandemic. COG has also participated in NewMARC to discuss regional issues with other Council of Governments.
3.2 Outreach & Marketing Provide outreach and marketing for local government inclusion into the integrated planning process, such as FUNDIT, Comprehensive Economic Development Strategy (CEDS), etc.	Ongoing	Q2: COG continued to promote and distribute the NWNM CEDS and has used the plan to inform regional and local economic development activities. COG staff also informed economic development partners of FUNDIT and has assisted multiple entities with applications to participating in the program. Lastly, COG has engaged in Regional Economic Development Organization meetings with 4 Corners, Greater Gallup, and Cibola Communities EDOs.
3.3 Related Planning & Development Initiatives Include related planning initiatives into the integrated planning model as Planning District staff and financial resources permit, such as regional water planning, Legislative Jobs Council, energy initiatives, workforce, etc.	Ongoing	<p>Regional Plans: COG continues to work on the update of the Zuni Mountains Trails & Conservation Plan and has officially kicked-off the update of the Comprehensive Economic Development Strategy Plan.</p> <p>State Planning & Research: COG, under contract with NMDOT has procured engineering/planning services and has started the McKinley County Transportation Master Planning process and the Grants/Milan Comprehensive Safety Action Planning Process. COG has also received notice to proceed for the Trail of the Ancients Scenic Byway Corridor Management Plan.</p> <p>Gallup MRA: COG staff begun to develop a Metropolitan Redevelopment Area Designation Report for the proposed Central 66 district COG has updated assessments for the district and is currently working to complete the report by the end of quarter 3.</p> <p>Milan 40-Year Water Plan: COG staff is working with the Village of Milan to prep scope of work for an RFP to procure services to complete the water plan. COG has worked to identify agreement between state agency and Village of Milan.</p> <p>Interstate 40 – Planning: COG staff was able to help secure 9 planning grants to plan and design improvements to I-40 in NWNM. Grants totaled \$18.6M. COG is still working with NMDOT to identify agreement process and administration responsibility.</p>

3.3.1 Grantsmanship & Project Technical Assistance (TA):			
CLIENT	GRANT/SOURCE	AMOUNT	STATUS
McKinley County	DFA Capacity Building: To participate in the Council of Governments' grant writing program.	\$30,000	Awarded
	Transportation Project Fund: CR43 – Superman Canyon Road Bridge #1 construction.	\$3,188,168	Denied
	NMTD Destination Forward: to design a new RV park and Campground at Red Rock Park in Gallup.	\$100,000	Awarded
	DFA Regional Recreation & Quality of Life: to improve Red Rock Park facilities in Gallup.	\$2,000,000	Awarded
	DFA Economic Recovery: to complete facility improvements at the Rehoboth McKinley Christian Hospital in Gallup.	\$1,000,000	Awarded
	Governor Emergency Funds: to design and reconstruct Anni Clanni Bridge in Breadsprings, NM.	\$3,300,000	Pending
City of Gallup	DFA Capacity Building: To participate in the Council of Governments' grant writing program.	\$30,000	Awarded
	Transportation Project Fund: E. Nizhoni Avenue Phase 4 – (2nd Street Intersection)	\$1,909,500	Awarded
	MFA Trust Fund: For operations of the Lexington Hotel	\$30,000	Awarded
	NMEDD Creative Industries: UNM Artisan Makerspace	\$100,000	Awarded
	DFA Regional Recreation & Quality of Life: to replace artificial turf at Joe Vargas Sports Fields.	\$2,000,000	Awarded
	DFA Affordable Housing: to construct affordable housing at the sunshine canyon property.	\$1,500,000	Awarded
	Governor Emergency Funds: to provide gap funding for Regional Senior Center – Cost overrun	\$3,000,000	Pending
Cibola County	DFA Capacity Building: To participate in the Council of Governments' grant writing program.	\$30,000	Awarded
	Transportation Project Fund: CR5 Moquino Bridge	\$1,900,000	Awarded
	Governor Emergency Funds: to purchase and install emergency generator.	\$600,000	Pending
City of Grants	DFA Capacity Building: To participate in the Council of Governments' grant writing program.	\$30,000	Awarded
	Transportation Project Fund: Gunderson Avenue Construction (to support Mesa View Elementary School Reconstruction)	\$1,520,000	Denied
	DFA Federal Match Grant: To support the 2 nd Street Shared Loop Path Project funding by Transportation Alternatives Program (NMDOT).	\$445,707	Awarded
	NMFA Local Government Planning Fund: To fund the update of the comprehensive plan.	\$50,000	Awarded
	NMTD Destination Forward: to purchase and install grandstands for the multi-purpose arena in Grants.	\$384,000	Awarded
	DFA Regional Recreation & Quality of Life: to construct phase 1B of the multi-purpose arena in Grants.	\$2,000,000	Awarded
	Governor Emergency Funds: to purchase and equip a new ladder truck for the Grants Fire Department.	\$1,000,000	Pending
Village of Milan	DFA Capacity Building: To participate in the Council of Governments' grant writing program.	\$30,000	Awarded
	Transportation Project Fund: Stanley Bridge Construction	\$3,000,000	Awarded
	EDA: Mill Road Construction in the Milan Industrial Park.	\$2,739,000	Awarded
	DFA ENERGY: Mill Road Construction in the Milan Industrial Park.	\$600,000	Awarded
	DFA Regional Recreation & Quality of Life: to purchase and install playground equipment in Milan.	\$200,000	Awarded
	DFA Economic Recovery: to construct Mill Road within the Milan Industrial Park.	\$1,000,000	Awarded
	Governor Emergency Funds: To construct a new wastewater lift station	\$800,000	Pending
San Juan County	DFA Capacity Building: To participate in the Council of Governments' grant writing program.	\$30,000	Awarded
City of Aztec	DFA Capacity Building: To participate in the Council of Governments' grant writing program.	\$30,000	Awarded

City of Bloomfield	DFA Capacity Building: To participate in the Council of Governments' grant writing program.	\$30,000	Awarded
	Governor Emergency Funds: to complete public facility renovations in Bloomfield.	\$1,173,662	Pending
NWNMCOG	EDA: Supercharging Diversification, Equity, and Resiliency in Northwest New Mexico.	\$621,000	Awarded

3.3.2 Healthy Communities: COG staff has remained in contact with the UNM Prevention and Research Center on the VIVA Connects program in eastern Navajo Nation. COG monitors the program via the quarterly newsletters and is ready to assist as needed.

3.3.3 Workforce: The NWNMCOG has partnered with NM Workforce Solutions and Greater Gallup Economic Development Corporation (GGEDC) to develop an industry-driven workforce development program for various cohorts and job skills that currently are in high demand for local, high-paying jobs. COG has continued partnership with the industrial workforce program which is now managed by the Southwest Indian Foundation. COG staff was notified of a **\$750,000** award from the New Mexico federal delegation for continuation of the industrial workforce development program.

3.3.4 Economic & Tourism Development: The COG team continued to administer the multi-year contract with the US Economic Development Administration. This quarter, the COG lost Michael Sage, Program Manager, which has effected timelines and progress below. Project highlights for this quarter include:

Long Range Planning:

- Comprehensive Economic Development Strategy: At the annual luncheon, COG announced that it has launched the update of this critical plan that will be adopted in 2025. This will be delayed due to loss of staff capacity.
- Fort Wingate Market Feasibility: Under an EDA Assistance to Coal Communities #2 grant, the COG worked with Navajo Division of Economic Development on completing a market feasibility study for a parcel of land that has been deeded back to the Navajo Nation for potential development options.

Technical Support & Data Management:

- Factbook: COG is working on a scope-of-work and internal proposal on developing a new Factbook based on StatsAmerica and other sources.

Project Development & Monitoring:

- EDA Project Applications: COG provided major support for several applications this quarter including:
 - **Farmington Harvest Hub (\$650K)** through EDA's University Center grant for continuation of the Harvest Food Hub and Kitchen in Farmington.
 - **Milan Industrial Park (\$2.7M)** for roadway improvements into the Park.
 - **EDO Capacity Support (\$621,000)** for local and tribal economic development organizations to add capacity, planning, and management.

3.3.5 Transportation: Report for July thru September for the N.W. Regional Transportation Planning Organization; Quarterly highlights as follows:

Long Range Planning:

- **Trail of the Ancients Scenic Byway Corridor Management Plan:** Staff are gearing up for a major Corridor Management Plan update for our nationally designated TOA Byway corridor in FFY2024. COG has undergone procurement of consultant and has worked to get task orders identified. COG was also able to successfully secure \$100,000 from the New Mexico Tourism Department to assist with the Corridor Management Plan update.
- **State Planning & Research Funds:** COG has initiated the start of the McKinley County Transportation Master Plan and the Grants/Milan Comprehensive Transportation Safety Action Plan. Both plans are currently in progress and consultants have held numerous planning and stakeholder meetings.
- **City of Gallup Transportation Master Plan:** COG has participated in the planning process for this plan and has worked to ensure alignment with the Regional Transportation Plan.

Technical Support & Data Management:

- Data Dashboard: RTPO in conjunction with COG Special Projects Office, worked to identify and gather qualitative and spatial data to help build a data dashboard.

Project Development & Monitoring:

- RTIPR: COG staff continued to work through the Project Feasibility and Project Prospectus process. RTPO program manager guided the submission of over 75 projects to the RTPO for possible inclusion into the RTIPR. A draft RTIPR was presented to the RTPO Joint Policy and Technical Committee in December.
- Bridge Investment Program: In partnership with McKinley County, the COG has worked to secure resolutions from Navajo Chapters to request that bridges listed on the National Bridge Inventory that are in poor condition be added to the Navajo DOT Transportation Improvement Program List. This is step one to secure FHWA bridge money.
- Annual Public Transit Funding Appl. Ranking: RTPO members heard from our five regional transit providers at our Dec. 13 virtual meeting. So far have only received ranking scores from Gallup, Acoma and Zuni. Am pressing the rest of our members to get these in soon.

Other Activities and Projects:

- NM Infrastructure Revenue Subcommittee Meeting: Participated in this meeting at McKinley Admin. Bldg. with discussion on DOT Dist. 6 priorities, I-40 Corridor Study, and transportation and economic presentations. Thereafter completed my minutes from this meeting.

General RTPO Support:

- New Member Appointments: During this quarter these include Yvonne Tso for McKinley, Candi Williams for Grants, Anne Oandasan and Star Cheromiah for Pueblo of Laguna.
- Annual Member Survey: Reminded our members to get this FFY2023 member survey to me by the end of December. So far have received surveys from Acoma, Gallup, McKinley, Navajo, Milan and Zuni.

RTPO Administration:

- FFY 2023 4th Quarter Report: Submitted my FFY 2023 4th Quarter Report to Sullivan Moore and Neala Krueger within timelines.
- Annual Performance & Expenditure Report: Worked on and submitted my APER Report within timelines.

Respectfully submitted on behalf of the COG staff,



Evan J. Williams, Executive Director

FOR MORE INFORMATION, TAP RESOURCES AND FOLLOW THE COG VIA:

Website: www.nwnmcog.com

Facebook: <https://www.facebook.com/NWNMCOG>

Twitter: <https://twitter.com/NWNMCOG>

YouTube: [NWNMCOG](https://www.youtube.com/NWNMCOG)



NORTHWEST NEW MEXICO COUNCIL OF GOVERNMENTS

PERSONNEL POLICIES

2024 REVISION

***Approved by
the Board of Directors
1.10.24
for implementation effective
February 1, 2024***

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1.

GENERAL STATEMENT

1.1 Purpose

These personnel policies are intended to provide guidelines for employee conduct and for the day-to-day personnel administration of the Northwest New Mexico Council of Governments (hereinafter "COG"). The Personnel Policies (hereinafter "Policy") is not intended to address all personnel issues that may arise and is not a contract; but, the policies contained herein, and those policies necessary to implement the Policy are an aid for employees. The Executive Director with input from Human Resources personnel and professionals shall develop and implement such procedures as may be necessary to carry out the goals set forth in this Ordinance, and such other policies as set forth by the Board of Directors.

1.2 Applicability

These policies shall apply to all employees of the COG, except that the employment status and terms of the Executive Director shall be determined by the Board of Directors. A copy of this ordinance shall be maintained in each Office and shall be available to all employees during normal business hours. In addition, a copy of this Policy shall be given to employees and each new employee on or about their first day of work (during orientation). Each employee shall sign for having received and understood the Policy and be instructed to read the Policy.

1.3 Compliance

It is the intent of the COG to comply with all applicable federal and state laws with respect to the management of human resources.

1.4 Authority:

The Executive Director of the COG has the responsibility for promulgating, administering and interpreting the provisions of the policies adopted herein.

It is the COG's intention that this document will address all major personnel policy issues. However, in the event of situations arising that are not covered by written policies, the Executive Director may take problem-solving action without Board approval, keeping the Board informed of any significant outcome which may indicate the need for future development of formal policies. Adoption, revision, and amendment of these policies shall be effected and approved by the Board of Directors.

The Executive Director has the authority to implement these policies for the purpose of enforcement and implementation consistent with the intent of this policy. While retaining ultimate accountability, the Executive Director may delegate to others this authority, or specific portions thereof, as appropriate to timely and effective administration of the policies.

1.5 Fiscal Year: The COG fiscal year is the State of New Mexico fiscal year, i.e., July 1 through June 30 of the following calendar year.

1.6 Implementation:

- 1.6.1 Administration. The Executive Director shall ensure the timely and proper interpretation, application and administration of these policies, including by means of delegation to others as appropriate.
 - 1.6.2 Rules and Procedures. The Executive Director may cause these policies to be further articulated and detailed in the form of such rules and procedures as are necessary to their administration. These rules and procedures, as effective and updated, shall be provided to all employees in a timely manner.
- 1.7 Principles:** The personnel policies of the Northwest New Mexico Council of Governments shall be guided by the following principles:
- 1.7.1 As an Equal Opportunity Employer, employment actions in COG shall be based upon merit and competence, free from discrimination on the basis of race, color, national origin, political affiliation, religious faith or absence thereof, sex, sexual orientation or gender identity, age, handicap or disability, or status as a Veteran in accordance with applicable Federal and State laws;
 - 1.7.2 As an aid to train and retain employees to achieve high quality job performance; to use discipline to address and correct employee performance and job improvement concerns; and, to terminate employees where unsatisfactory performance cannot be corrected;
 - 1.7.3 To establish fair and equitable conditions of employment;
 - 1.7.4 To establish a grievance procedure to be utilized by employees; and,
 - 1.7.5 To assure fair and objective treatment of all job applicants and employees and ensure that employees are protected against coercion for partisan political reasons.

2.

PERSONNEL RECORDS

- 2.1 Location and Description of Records:** Employee records are located at the main office under restricted access as determined by the Executive Director. Employee files shall not be removed from the main office. The official personnel file shall be maintained in the Administrative Office for each Employee working for the COG. The Personnel File is the property of the Northwest New Mexico Council of Governments. Generally, the COG considers the personnel file to contain confidential records; however, portions may be subject to the Inspection of Public Records Act or other discovery orders. Employees may request in writing copies of information contained in their official personnel file.
- 2.2 Contents:** Employee records include information such as job descriptions, job application of the employee, Policy signature page(s), employment applications, letters of reference, pay and benefits, training and education, performance evaluations, corrective or termination actions, employment contracts, confidentiality agreements, and any other necessary information. Records that include protected and/or non-job-related information such as date of birth, marital status, dependent information, SSNs, medical information, immigration status, national origin, race, gender, religion, sexual orientation, criminal history, financial history, subjective statements, opinion, or accusations, etc., will be kept confidential as protected by the exceptions to the Inspection of Public Records Act, or other applicable laws.
- 2.3 Documents Not Kept in Personnel File:** Due to their sensitive and confidential nature we may keep other documents in separate and secure locations other than the personnel file as determined by the Executive Director. Such documents may include, but are not limited to, EEO records, interview notes, reference/background checks, Immigration (I-9) form, drug and alcohol tests, medical/insurance records, child support/garnishments, litigation documents, workers' compensation claims, investigation records, requests for employment/payroll verification, safety records and investigations of workplace misconduct.
- 2.4 Updating and Employee Submissions:** Employees are encouraged to keep their personnel files current by submitting updated information on their experience, education, and training. Employees may also make submissions to their personnel files they deem appropriate.
- 2.5 Confidentiality:** Information in an employee's personnel file is considered confidential. However, the information may be disclosed in compliance with a lawful investigation or subpoena. Access to and release of information contained in the personnel records shall be limited to only those persons who have a recognized need-to-know as determined by the Executive Director or his designee.
- 2.6 Examination of File by Employee:** Employees may examine their personnel file upon written request to the title. Examination of records shall be in the presence of the Executive Director or his designee.
- 2.7 Release of Information:** Upon written authorization of the employee, information from the employee's personnel record shall be released. Certain information contained in an employee file is considered public information and may therefore be released without employee authorization including, but are not limited to title, department work site, and dates of employment.
- 2.8 Record Retention & Maintenance:** Upon termination, an employee's personnel record shall be considered inactive, but will be maintained for a period of time beyond the date of termination. All documents will be maintained and retained as outlined by State and Federal law. Documents

shall not be purged from the Employee's official personnel file. All personnel records and confidential employee data maintained may be destroyed by shredding after retention dates have passed; this pertains to all personnel records. Application materials submitted by applicants for employment who were never employed may also be shredded pursuant to the appropriate State retention schedule.

- 2.9 Signature of Employment Documents by Employees:** Employees will be required to sign employment documents from time to time to evidence receipt of the documents. An employee's signature does not indicate that the employee agrees with the contents of the document. An employee who refuses to sign a document evidencing receipt of that document shall be deemed insubordinate and subject to disciplinary action up to and including termination.

3.

RECRUITMENT, HIRING AND ADVANCEMENT

- 3.1 Equal Employment Opportunity:** The Northwest New Mexico Council of Governments is dedicated to equal employment and advancement opportunities. It is the policy of the COG to hire and promote individuals on the basis of their qualifications, interest and aptitude, and free from discrimination on the basis of race, color, national origin, political affiliation, religious faith or absence thereof, sex, sexual orientation or gender identity, age, handicap or disability, or status as a Veteran , or any other characteristic protected by local, state or federal law. This policy applies to all terms, conditions, and privileges of employment and job actions, including but not limited to recruiting, hiring, training, transfers, promotions and benefits.
- 3.2 Recruitment, Selection and Hiring of Employees:**
- 3.2.1 Executive Director:** The Executive Director shall be hired by the Board of Directors of the Northwest New Mexico Council of Governments, pursuant to such procedures as the Board may design for such selection.
- 3.2.2 Other Positions:** All COG positions other than that of the Executive Director shall be hired by and shall be considered to be under the general supervision of the Executive Director, and shall at no time and in no manner report directly to or be directed by the Board of Directors or any of its constituent members. The Executive Director shall be responsible for the selection and hiring process for all other COG positions consistent with the Equal Employment Opportunity Policy above.
- 3.2.2.1 Formal applications shall be required from candidates for all posted positions, pursuant to such standard form as is established by the Executive Director. Additional materials may be required as deemed appropriate by the Executive Director in relation to the needs and requirements of the specific position for which the applications are invited.
- 3.2.2.2 All applications and resumes shall be screened for eligibility and appropriateness for the position in question, and interview arrangements shall be established with the top applicants selected through the screening process.
- 3.2.2.3 The Executive Director may, at his or her discretion, prepare and require a signed employment agreement, which may include but not be limited to restrictions on use of COG intellectual properties and other assets in professional endeavors following separation from COG employment.
- 3.2.3 Final Decision and Notification:** The Executive Director shall make the final decision as to the selection of employees, and shall communicate to all applicants the disposition of their respective applications for the position.
- 3.3 Relocation.**
- 3.3.2 General Policy.** Moving expenses for persons relocating to join the staff of the COG are not normally paid. However, such allowance may be approved by the Executive Director, if deemed necessary.
- 3.3.3 Allowance Provision.** Should the Executive Director deem it necessary to provide a relocation allowance:

3.3.3.1 Reimbursement by the COG of employee moving expenses shall be made on the assumption that the employee will remain employed with the COG not less than one year. In the event of termination, either voluntary or involuntary, prior to the completion of the probationary period, the employee shall repay to the COG any reimbursed moving expenses on a pro-rated basis related to the duration of employment.

3.3.3.2 The Executive Director shall ensure the promulgation of specific procedures and schedules, either generally or specific to individual circumstances, related to relocation reimbursement and to employee repayment of reimbursed expenses, a copy of which shall be provided to affected candidates and employees.

3.4 Orientation. The Executive Director shall ensure that newly hired employees are provided with an appropriate orientation in a timely fashion, to include information about the position, the organization and other fundamental facts and expectations of the person's employment.

3.5 Advancement and Promotion. The Executive Director shall ensure that internal career advancement opportunities are made available to employees as appropriate to their qualifications and the needs of the COG organization.

3.5.1 Internal Preference. The COG shall give preference to filling vacancies from within the ranks of COG employees if their qualifications, ability and past performance are substantially equal as determined by Executive Director. Temporary, seasonal and probationary employees shall not be eligible for this in-house preference.

3.5.2 Promotion by Transfer. Employees transferring from one position to another within the organization, when there are differences in classification and pay level from the old position to the new position, shall be classified at the level advertised with the new position, with salary and fringe benefits adjusted accordingly. Transfer of an employee to a position at a higher classification and pay level shall be considered a promotion.

3.6 Salaries. Salaries are established and approved by the Board of Directors and detailed in the COG's Wage & Classification Plan, subject to budget constraints and Executive Director approval.

3.7 Probationary Period

3.7.1 Term. All original appointments of new employees shall be subject to a probationary period of one (1) year, prior to the end of which the Executive Director shall ensure the completion of a performance review. In the event the one-year review is satisfactory, and in the absence of notification to the contrary, the employee shall be considered to have acquired regular employment status for that particular position.

3.7.2 Eligibility for Employer Benefits. An individual hired for a position that is categorized as Regular Full-time or Regular Part-time (at 20 hours or more per week, as per ¶ 3.3.2 below), but who is subject to the probationary period established herein, shall be eligible for all benefits offered by the employer, effective as of the first date of employment.

- 3.7.3 Interim Performance Review.** The suitability of probationary employees' continuing employment by the COG shall be considered subject to performance review throughout the duration of the probationary period. The Executive Director shall provide for performance review of probationary employees by appropriate supervisory personnel, within such timeframes and utilizing such methods as deemed appropriate for the position in question.
- 3.7.4 Dismissal During Probationary Period.**
- 3.7.4.1 Performance-related Dismissal. Subject to performance review conducted by appropriate supervisory personnel during the course of the probationary period, and in the event the probationary employee's performance is deemed unsatisfactory or otherwise falling short of the job requirements, the Executive Director may elect to dismiss the employee from employment or to continue or extend the employee's probationary status.
- 3.7.4.2 Conduct-related Dismissal. In the event the probationary employee is deemed to have violated standards of employee conduct as outlined in Section 6 herein, the Executive Director may elect to impose such discipline or dismissal as appropriate to the situation.
- 3.7.5 Grievance and Appeal Not Applicable.** Probationary employees shall not be eligible for such due process procedures as may be devised and implemented with regular employees with respect to grievance or appeal of management decisions.
- 3.7.6 Applicability to Internal Hiring.** In the event an existing COG employee has applied and is selected for a posted position, and if such position is of a different job class or level from the applicant's existing position, the Executive Director shall set a probationary period of not less than three (3) months and not more than one (1) year, during which time the Executive Director may elect to discontinue the probation at any time in favor of reinstatement as a Regular employee.
- 3.8 Ineligibility for Re-Hire.** Any person who has been discharged from COG employment for cause, or who has resigned from COG in lieu of discharge for cause, shall be ineligible for reemployment.
- 3.9 Nepotism.** The practice of showing favoritism toward relatives, in both hiring and work-related functions. Nepotism is discouraged: It is unlawful and the COG discourages nepotism. Its practice has a tendency to create conflict and gives the appearance of discrimination between employees as outlined in its definition. No person shall be hired, promoted, demoted or transferred into a position that is under the direct or indirect supervision of an employee within the COG chain of command who is related by blood, adoption or marriage to the third degree of kinship or immediate family.
- 3.9.1** For the purpose of this policy, immediate family includes a spouse, parent, child, stepchild, sibling, in-law, aunt, uncle, niece, nephew, cousin, grandparent, grandchild, members of a household or domestic partners. The nepotism restriction shall also apply to relationships having the characteristics of a family relationship and to members of the same household.

- 3.9.2** Immediate family members may not be hired, assigned, transferred or promoted if by doing so it would create a supervisor/subordinate relationship with another family member. The term "supervisor/subordinate relationship" is broader than the immediate supervisor. An employee cannot work for a family member at any level in the same line of authority.
- 3.9.3** Employees who become immediate family members after employment with the COG shall inform the Executive Director within thirty (30) days. Failure to inform may result in discipline up to and including termination.
- 3.9.4** Employees who become family members, up to and including the fourth level of consanguinity, as a result of marriage or domestic partnership, may continue employment as long as it does not involve any of the conditions outlined in this Section.
- 3.9.5** In the event an employee becomes an immediate family member as defined herein that involves any of the conditions outlined in this Section, the COG will make reasonable efforts to assign job duties so as to minimize problems of supervision. If this is not feasible, attempts will be made to find a suitable vacant position to which one of the employees will be transferred provided the employee is qualified for that position. If no suitable vacancies exist, the employees involved will be permitted to determine which of them will resign. If the employees cannot make a decision, the Executive Director will have sole discretion to decide which employee will remain employed.
- 3.9.6** The terms and conditions described above for employees will also apply to volunteers, interns, mentorship, or any other temporary employment situation unless approved by the Executive Director.

4.

POSITION CLASSIFICATION

The COG shall utilize the following classifications of employees and contractors:

- 4.1 **Executive Director.** This class applies only to the chief executive officer position hired directly by the Board of Directors.
- 4.2 **Regular Full-Time Employee.** An employee whose job status with the employer is either for a definite or an indefinite period of time with the opportunity for continued employment, who normally works a minimum of forty (40) hours per week, and who may be either salaried or hourly, as determined by the Executive Director. Such status does not guarantee continued employment. A regular full-time employee is entitled to all employer benefits and privileges upon completion of the orientation period as hereinafter required.
- 4.3 **Regular Part-Time Employee.** An employee whose status with the employer is for a definite or indefinite period of time with the opportunity for continued employment, but who is regularly assigned to work fewer than forty (40) hours in a seven-day period.
 - 4.3.1 A regular part-time employee whose assignment involves working more than twenty (20), but less than forty (40) hours per week shall be entitled to pro-rated employer benefits, including health and life insurance, vacation leave, sick leave, bereavement leave and holiday pay, as well as court leave, special leave and military leave, as described in these policies. Such employee shall also be enrolled in the mandatory retirement program under the Public Employees Retirement Association (PERA).
 - 4.3.2 A regular part-time employee whose assignment involves working fewer than twenty (20) hours per week shall not be entitled to employer benefits, including all types of paid leave, insurance and participation in the retirement program.
- 4.4 **Temporary:**
 - 4.4.1 A temporary employee is defined as an individual hired for a defined period of time to temporarily supplement the work force and/or to assist in the completion of specific projects. A temporary employee may not work more than six (6) consecutive months. Such employee may be either salaried or hourly, and may be either full-time or part-time, as determined by the Executive Director.
 - 4.4.2 A temporary employee is not entitled to any of the employer benefits outlined in this policy manual, including the employer's insurance and retirement programs.
 - 4.4.3 Upon the expiration of six (6) months of temporary employment, the employee shall be terminated or placed in a non-temporary position pursuant to the hiring policies established herein.
- 4.5 **Exempt and Non-Exempt Employees.** The Fair Labor Standards Act (FLSA) exempt or non-exempt status of each position shall be determined by the Executive Director based on the job description of each position and Department of Labor guidelines.

4.5.1 Exempt: The term *exempt* refers to those employees who are not subject to the minimum wage and overtime-pay provision of the FLSA. Exempt employees are generally salaried, and are not eligible for overtime pay.

4.5.2 Non-Exempt: The term *non-exempt* refers to those employees, regardless of title or function, who are subject to the minimum wage and overtime-pay provisions of the FLSA. Non-exempt employees are generally paid on an hourly basis. Non-exempt employees are eligible for overtime pay for all hours worked in excess of 40 hours in a workweek.

4.6 Purchase of Service Contractors

4.6.1 The employer may, from time to time, contract with firms or individuals to perform certain services for the COG. These firms or persons shall be referred to as "Purchase of Service Contractors."

4.6.2 The COG and the Contractor shall enter into a contract to perform certain services, as stated in the specific contract. Said contractor, or any employee of same, shall not be considered an employee of the COG for any purposes whatsoever.

4.7 Job Descriptions: The COG shall compile job descriptions for each position within the organization and shall provide to each employee a copy of the job description pertinent to the employee's position.

5. PAY & COMPENSATION

5.1 Wage and Salary Administration

5.1.1 Compensation for Work. Every employee shall receive a salary or stated compensation in keeping with the annual budget of the employer. Specific salaries and/or stated compensation for each employee shall be determined by the Executive Director, within the constraints of the COG's annual budget, except that the salary and compensation for the Executive Director shall be set by the COG Executive Committee and ratified by the Board of Directors.

5.1.1.1 Wage and Salary Classification Plan. The Executive Director shall ensure that a wage and salary classification plan is established and implemented, updated as appropriate and/or as required by the Board of Directors, and as applicable to each fiscal year.

5.1.1.2 Wage and Salary Increases. The Executive Director may provide for increases in employees' wages and salaries based on evaluation of performance by both Executive Director and supervisor in accordance with budget and salary plans approved by the Board of Directors.

5.1.2 Pay Periods and Pay Dates. The Pay Periods for each fiscal year shall be established and disseminated to all employees annually.

5.1.2.1 Pay Periods shall be two weeks in duration, beginning on Saturday of the first week and ending on Friday of the second week.

5.1.2.2 Pay Dates shall generally be the Friday following each Pay Period, and in any case, by law, within ten (10) days of the close of the pay period.

5.1.3 Payroll Deductions.

5.1.3.1 As required by law, the COG shall deduct, where applicable, state and federal withholding taxes, FICA, retirement contributions and garnishments from an employee's pay.

5.1.3.2 The COG may, at the employee's request and with Executive Director approval, implement additional deductions as reasonable and appropriate.

5.1.4 Final Paychecks for Terminated Employees

5.1.4.1 Involuntary Termination. A final paycheck and payment for other amounts due to the employee shall be issued to an involuntarily dismissed employee as soon as administratively possible, and in any case within five (5) days of termination, contingent upon the employee returning all COG property and satisfying any other obligations or debts to the organization.

5.1.4.2 Voluntary Termination. The final paycheck for an employee who voluntarily resigns shall be made available on the next regular payday, contingent upon

the employee completing the exit interview process, returning all COG property and satisfying any other obligations or debts to the organization.

5.1.5 Overtime: The Fair Labor Standards Act (FLSA) sets minimum wage, overtime pay, equal pay, record keeping, and child labor standards for employees who are covered by the act. (The State of New Mexico may from time to time establish a minimum wage increase.

5.1.5.1 For purposes of applying and calculating overtime -- the Fair Labor Standards Act (FLSA) defines "Salaried Exempt" and "Non-Exempt." A salaried exempt employee is a person who is salaried rather than an hourly wageworker and is exempt from the overtime provisions of the FLSA. A non-exempt employee is subject to the minimum wage provisions and overtime provisions of the FLSA and may not work overtime without prior written approval from their supervisor. For eligible hourly employees, overtime (i.e., time worked above and beyond 40 hours per 7-day week) shall be paid at the rate of one-and-one-half (1½) times the employee's regular hourly rate. All overtime must be approved by the Executive Director or designee. An Employee may only earn overtime when specifically instructed to work more than the required number of hours in a work week or work period. The supervisor shall normally give written instructions prior to the overtime being done. Employees who work overtime when not specifically instructed or approved will be paid as required by law, however, the employee may be subject to disciplinary action.

5.1.5.2 Paid and unpaid leave are not considered in determining an employee's eligibility for overtime. For calculation purposes, the workweek is defined as the period from Saturday through Friday. Exempt employees are not eligible for overtime pay.

5.1.6 Compensatory Time: COG does not provide for or allow compensatory time. Due to the nature of their positions, exempt employees are generally not entitled to compensatory time and shall be expected to work as long as it is necessary to complete the work.

5.1.7 Flex Time: COG does not provide for or allow flexible time. Salaried employees are expected to work during hours of work and as needed to complete work. Any deviation must be approved and documented by a supervisor.

5.1.8 Holiday Pay: Employees (other than part-time, temporary, and seasonal employees) shall receive time-off for designated Holidays at the employee's regular rate.

5.1.9 Payment of Wages: Wages shall be paid by direct deposit as a condition of employment, not to exceed one week in arrears, on the last day of the administrative workweek after the close of bi-weekly pay period. Employees who resign or retire will be paid on the next regularly scheduled pay day. Employees who are terminated shall be paid within five (5) calendar days of the date of discharge via direct deposit, check or warrant.

5.1.10 Severance Pay: Severance pay shall normally not be paid except under the terms of a negotiated employment contract or approved settlement agreement, or in the event of a reduction in force or layoff.

6.

EMPLOYEE BENEFITS

- 6.1 Applicability.** The benefits described in this section are applicable to the Executive Director, except as otherwise determined by the Board of Directors, and to probationary and non-probationary employees in positions classified as Regular Full-time and Regular Part-time (at 20 hours or more per week).
- 6.2 Holiday Pay.**
- 6.2.1** The Board of Directors shall establish the organization's official holiday schedule for each calendar year.
- 6.2.2** Eligible employees shall receive holiday pay from the date of employment for those days established by the Board of Directors as official holidays of the organization.
- 6.3 Sick Leave**
- 6.3.1** Paid sick leave is a benefit provided by the COG for the use of employees during for personal illness, pregnancy, or confinement for medical reasons, injury, illness, medical treatment, or for attendance upon the injury, illness or medical treatment of the spouse, domestic partner, parent, child, of the employee, or parent or child of the spouse of the employee. that prevent employees from performing their assigned duties.
- 6.3.2** Sick Leave shall begin to accrue from the date of employment at the rate of four (4) hours per period and shall continue at this rate for the duration of COG employment, except as otherwise provided in these policies. Leave will accrue based on the percentage of the regular scheduled pay period. Former COG employees that are eligible for and are rehired shall begin with a zero (0) sick leave balance.
- 6.3.3** Sick leave of three (3) consecutive workdays or more, requires a statement from a medical provider justifying the absence. In addition, a supervisor shall request that the employee provide a statement from a medical provider for future absences when the employee has used sick leave three or more times (or more than 5 workdays) within the preceding two (2) week time period.
- 6.3.4** Abuse of Sick Leave: Repeated use of sick leave before or after a scheduled day off, that indicates a pattern of sick leave use that is disruptive to the work environment may subject an employee to disciplinary action.
- 6.3.5** Regular employees may carry over a maximum of 480 hours sick leave from a previous fiscal year.
- 6.3.6** Upon retirement or termination, for any reason, all unused accrued sick leave shall be forfeited, except that, for employees participating and vested in the PERA retirement program with not less than five (5) years of employment with the COG shall be entitled to compensation for unused Sick Leave hours up to but not exceeding 480 hours of accrued Sick Leave at the time of termination, at a rate equal to thirty-three percent (33%) of their most recent hourly rate of pay.

6.4 Annual Leave:

6.4.1 Annual leave must be requested and approved by the appropriate authority in advance, except in cases of emergency. The Executive Director shall determine appropriate time limits and procedures for requesting and approving emergency annual leave. In addition, the Executive Director may develop a vacation schedule for periods of common leave to maintain office coverage and staff availability, typically on a first come, first serve basis. No payments for annual leave will be made in lieu of taking leave, except pursuant to a duly adopted Leave Buy-Back Program(s) by the Board of Directors.

6.4.2 Annual leave shall begin to accrue from the date of employment, at the following rates:

- For 0 to less than 5 years of employment: 4 hours/pay period
- For 5 to less than 10 years of employment: 6 hours/pay period
- For 10 or more years of employment: 8 hours/pay period

6.4.3 No more than 240 hours of annual leave may be carried over from a previous fiscal year. Upon termination for whatever reason, the employee shall be paid for any unused annual leave at the employee's then-current rate of pay.

6.4.4 Annual leave shall be taken so as not to hamper the goals, timelines and operations of the COG and must have prior approval of the Executive Director or designee.

6.4.5 Former COG employees that are eligible for and are rehired shall begin with a zero (0) annual leave balance.

6.5 Family and Medical Leave: The COG shall comply with the provisions of the *Family and Medical Leave Act of 1993* (FMLA). Family and Medical Leave will be administered in accordance with the Family and Medical Leave Act of 1993, (29 U.S.C. 2601 et seq, as amended; and 29 CFR Part 825); any similar laws including those applicable to employees serving in the military; and the policies stated herein; separate administrative directives will set procedural requirement.

6.5.1 Employees who have worked for the COG for at least 12 months, and who have worked at least 1,250 hours over the previous twelve (12) months, shall be eligible for FMLA benefits.

6.5.2 Supervisors shall notify Executive Director and Human Resources when an employee has used leave three consecutive days, or more than 5 workdays within the preceding two (2) week time period; so that, proper notice of FMLA rights and eligibility to the employee can be made. Executive Director and Human Resources shall work with the Supervisor to assure that the COG issues timely proper notice of FMLA rights, responsibilities, and eligibility to the employee, along with any designation as required by the FMLA. The notice to the employee shall contain language that leave is being counted towards the employee's FMLA entitlement, i.e., all sick and annual leave will run concurrently with FMLA leave. Family and Medical Leave will consist of appropriate accrued paid leave and unpaid leave for a period not to exceed twelve (12) weeks during any calendar year measured backward from the date the employee uses family and medical leave. Family and Medical Leave may be taken intermittently or consecutively.

Reasons for and applicable uses of FMLA Leave: Family and Medical Leave may (with appropriate certification i.e., medical or military orders) be used to;

6.5.2.1 Care for the employee's child after birth, or placement for adoption or foster care;

6.5.2.2 To care for the employee's spouse, domestic partner, son, daughter, mother or father who has a serious health condition; or,

6.5.2.3 To care for the employee's own serious health condition that renders the employee unable to perform his or her job;

6.5.2.4 If qualified, to attend to "exigencies" of having a spouse, son, daughter, or parent who is a military service member who is placed on active duty or has been notified of an impending call or order to active duty;

6.5.2.5 To provide care to an injured covered service member who is the eligible employee's spouse, son, daughter, parent, or eligible "next of kin". (FMLA Leave under this sub section may be for up to 26 weeks).

6.5.3 During a period of unpaid Family and Medical Leave, an employee will be retained on COG's health insurance plan under the same conditions that applied before unpaid leave commenced. To continue health coverage, the employee must continue to make any contributions that he, she, or they made to the plan before taking unpaid leave. This section is pursuant to and governed by the Health Plan Premium Payment regulations of the FMLA.

6.5.4 An employee granted Family and Medical Leave will be restored to his or her previous position or to a position with equivalent pay, benefits, and other terms and conditions of employment, or as required by the Family and Medical Leave Act (FMLA). COG will determine whether or not a position is an "equivalent position" taking into consideration the criteria as outlined in the FMLA, the regulations on the same, and the COG Wage & Salary Classification Plan.

6.5.5 Employees applying to use FMLA leave must exhaust all paid leave before utilizing unpaid leave.

6.5.6 If the reason for an employee's leave qualifies as FMLA leave, the employee cannot "decline" FMLA leave. The COG designates all qualifying time as FMLA leave and counts that time against the employee's 12-week leave entitlement. As employee's leave of absence may simultaneously qualify as more than one type of leave, and FMLA leave may run concurrently with such other types of leaves. Therefore, even if an employee is eligible for and receiving workers' compensation benefits, or Short Term Disability benefits, or vacation time, the same time can be considered FMLA leave if taken for FMLA-qualifying reasons.

6.6 Leave of Absence or Leave without Pay:

6.6.1 Regular employees may request a leave of absence without pay and, if approved, will not lose regular employee status upon return, dependent upon the availability of the

position and of adequate funding for it. Requests for leave of absence must be submitted in writing to the Executive Director for consideration and approval or disapproval.

- 6.6.2** Leave without pay may be granted at the discretion of the Executive Director when the circumstances and the interests of the COG so indicate; provided, that the duration of leave without pay shall not in any event exceed 160 hours duration. Prior to using leave without pay, the Supervisor and/or Employee shall present information to the Executive Director explaining the need for the leave and the impact on the operation of the department. Leave without pay shall not be approved or used until all other appropriate leave has been exhausted. COG shall not pay or contribute to or maintain group health insurance, unless explicitly approved by Executive Director or any other retirement or benefit program of the employee, while the employee is on leave without pay for reasons other than FMLA Leave or Worker's Compensation. Otherwise, the employee must make both the employee's and the COG's contributions to keep those programs in effect while the employee is on leave without pay.
- 6.7** **Court Leave:** Employees will be granted court leave for the purpose of serving as juror or witness under subpoena in federal court, state court, or the court of any political subdivision within the State. Court leave with pay will be authorized only during those days which would otherwise have been an employee's regularly scheduled working day. If excused by the court during a workday, the employee is expected to return to duty if transportation is available and if at least one hour of work can be served in the workday. If the employee does not return to work, the balance of the day will be charged to annual leave or leave without pay. Appearances in court related to personal, not job related, matters are not compensated or covered under this policy. Any fees or allowances paid to the employee as a result of court leave while continuing to receive payment as time worked, except for reimbursement for travel and actual out-of-pocket expenses, shall be remitted to the Finance Office.
- 6.8** **On-the-Job Injury Leave:** Any employee injured on the job and subject to the New Mexico Worker's Compensation Act to receive his/her regular salary and benefits shall use sick leave or annual leave for a period not to exceed seven (7) calendar days or 56 hours. If the leave extends beyond twenty-eight (28) days, employees will be required to reimburse the COG for the portion of the first fifty-six (56) hours paid for by Worker's Compensation. If the employee's claim shall be found to be invalid, the time paid as on-the-job injury leave will be charged to accrued sick leave, annual leave, or as unpaid leave if the employee has no remaining paid leave available.
- 6.9** **Military Leave:**
- 6.9.1** Employees called to National Guard or Reserve training shall be granted up to fifteen (15) workdays' leave with pay annually; (this is in addition to annual leave). Accrued annual leave may (pursuant to USERRA 38 USC §43 Part III, Subchapter II §4316) be used when the period(s) of training exceeds fifteen (15) workdays. Employees seeking paid time off work for training must submit their military orders in advance of training. Military Leave is governed by this section only, notwithstanding the provisions of § 19 .8 of this policy; and there is no mandate to use or exhaust annual or sick leave.
- 6.9.2** In accordance with the requirements of the Uniformed Services Employment and Reemployment Rights Act (USERRA) (38 USC §43), qualifying employees have certain

reemployment rights after their return from "Uniformed Service". These Uniformed Services include the Army, Navy, Marine Corps, Air Force, Coast Guard, and Public Health Service Commissioned Corps, as well as the reserve components of each of these services. Federal training or service in the Army National Guard and Air National Guard also gives rise to rights under USERRA. Uniformed service includes active duty, active duty for training, inactive duty training (such as drills), and initial active-duty training, as well as the period for which a person is absent from a position of employment for the purpose of an examination to determine fitness to perform any such duty. USERRA covers all employees except those serving in positions where there is no reasonable expectation that employment will continue indefinitely or for a significant period. USERRA also specifies that pension benefits and health insurance is to be maintained for specific periods of time. Qualified Employees, when ready to be reemployed, must contact the Human Resources Department for specific details.

6.10 Workers' Compensation.

6.10.1 Any employee who sustains an injury by accident arising from and in the course of his or her COG employment may apply for and shall be considered for Workers' Compensation by the State, pursuant to the New Mexico Workers' Compensation Act.

6.10.2 The COG shall allow employees to use sick or annual leave hours for the first seven (7) days of an injury, and thereafter shall ensure that for thirty (30) days the employee has no loss in pay or benefits.

6.10.3 Employees receiving workers' compensation benefits shall not accrue or utilize annual leave or sick leave hours for the same time period.

6.10.4 During the initial injury leave or succeeding workers' compensation, annual or sick leave, the COG may require the employee to respond to any request for confirmation of continued eligibility for leave under this section.

6.10.5 Workers' Compensation time is not counted toward PERA credits.

6.11 Health and Life Insurance: Group life and health insurance plan shall be made available to regular COG employees, with summary plan descriptions and updates to be provided for the periods in which they are in effect.

6.12 Retirement Program: The COG is subject to the provision of the laws of the State of New Mexico concerning the participation in the State program for public employee retirement (PERA) and disability. Participation is mandatory, except as expressly allowed by State law. The extent of the relative amount of participation of the COG and its employees may, within the provision of State law, vary from time to time. Benefits shall be those payable under State law, and where discretionary, as enacted by the COG Board of Directors. All eligible COG employees hired must participate in the Public Employees Retirement Association (PERA) program.

6.13 Training and Professional Development: The COG recognizes the need for education, training, and professional development and encourages staff to pursue opportunities in line with their work programs and offices that support career development, performance, and advancement. Based on funding availability, the COG provides assistance for employees based on an agreed

upon Professional Development Plan (PDP) that is developed by the employee with and approved by their supervisor.

6.14 Deferred Compensation. As an additional benefit for COG employees the Board of Directors may authorize the COG's participation in the "457" Deferred Compensation Plan administered by the Public Employees Retirement Association (PERA), in which employees may voluntarily participate by designating biweekly payroll deductions into this additional savings program.

6.15 Longevity Compensation. As an incentive and reward to employees having worked for the COG in excess of fifteen (15) years, the Executive Director may recommend, and/or the Board of Directors may implement, an annual bonus, decided on a year-by-year basis subject to availability of funds, calculated at up to four percent (4%) of the employee's salary. Such bonus may, at the employee's discretion, be committed by payroll deduction to his or her Deferred Compensation plan.

7.

EMPLOYEE CONDUCT AND DISCIPLINE

- 7.1 Purpose.** The COG expects good conduct, work habits and performance from every COG employee, as well as compliance with the spirit and letter of these personnel policies. The purpose of this disciplinary policy is to outline those behaviors that may be subject to disciplinary action and those measures that may be taken to administer equitable and consistent discipline for unsatisfactory conduct in the workplace.
- 7.2 Eligible employees.** Probationary, temporary and part-time employees working fewer than twenty (20) hours per week are at-will employees and do not have grievance/appeal rights.
- 7.3 Conduct Subject to Discipline.** Causes for disciplinary action may include unsatisfactory work performance and/or conduct unbecoming an employee of the COG, including but not limited to the behaviors outlined here below.
- Harassment based on protected characteristics, including sexual harassment, is prohibited by Federal and State law. It is also a violation of COG Policy for any employee, volunteer, and all others, including visitors, vendors, guests, prospective employees and members of the public, of any gender classification, to engage in the acts of behavior defined here within.
 - Unlawful Harassment (based on protected characteristics): Verbal, non-verbal or physical conduct designed to threaten, intimidate, embarrass or coerce. Also, verbal taunting, (including racial and ethnic slurs) which, in the employee's opinion, impairs his/her ability to perform his/her job.
 - Harassing conduct in the workplace includes, but is not limited to: epithets, slurs, or negative stereotyping; threatening, intimidating or hostile acts or words; and written or printed material or pictures or images that denigrate or show hostility toward an individual or group based on any protected characteristic.
 - Committing, or threatening to commit, an act of violence on any person while on COG premises and/or on duty as a COG employee.
 - Physical or mental impairment due to intoxication from alcohol or a controlled substance.
 - Negligence in job duties, including negligence in the use of COG vehicles and equipment.
 - Failure to uphold work expectations and ethics, and failure to maintain necessary job qualifications.
 - Insubordination, including non-compliance with orders from a supervisor or Executive Director, refusal to work overtime, and disloyalty to and/or public misrepresentation of the COG organization.
 - Unauthorized work absence and excessive tardiness.
 - Use of one's official position for personal profit or unfair advantage.
 - Misuse, theft, or destruction of COG property.

- Unauthorized disclosure of confidential information or unauthorized use of COG records, reports, or other information belonging to the COG.
- Failure to cooperate with other staff members.
- Abuse of sick leave, claiming illness under false pretenses.
- Violation of federal or state employment laws.
- Failure to follow the set work schedule or to have overtime approved prior to overtime worked.
- Falsifying an employment application or other documents used in the employment process.
- Intentionally falsifying or withholding information on personal circumstances or protected characteristics, including those addressed by the Americans with Disabilities Act (ADA), which would substantially limit the employee's ability to perform job duties as set forth in the pertinent position description.
- Violation of the COG's Information Technology Resources Policy governing allowed and disallowed use of electronic media within the workplace.
- Other acts or omissions that adversely affect the general public or other COG employees, or the operations of the COG.

7.4 Sexual Harassment.

7.4.1 General Policy Statement. It is COG policy that all employees are responsible for maintaining a workplace free from sexual harassment. Submission to sexual harassment shall not be a condition of employment or advancement with the COG. The COG prohibits offensive or inappropriate sexual behavior in the workplace, and all employees must avoid any conduct which could be viewed as sexual harassment.

7.4.2 Definition. Sexual harassment is illegal discrimination on the basis of sex. It can consist of unwelcome sexual advances, requests for sexual favors, or other physical or verbal conduct of a sexual or harassing nature by supervisors, managers, co-workers, or others in the workplace. Sexual harassment shall be deemed to exist when:

- Submission to such conduct is made either explicitly or implicitly a term or condition of your employment;
- Submission to or rejection of the conduct is used as the basis for decisions affecting your employment; or
- The conduct has the purpose or effect of creating an intimidating, hostile, or offensive working environment.

7.4.3 Sample Behaviors. Sexual harassment may consist of a variety of behaviors, including, but not limited to the following examples:

- Verbal conduct such as sexual innuendo, suggestive comments, jokes of a sexual nature, sexual propositions, or threats;
- Nonverbal or visual materials such as derogatory posters, photographs, pictures, graffiti, cartoons, drawings, images, communications, graphic commentaries

(including email pictures, videos, and suggestive messages), leering, whistling or obscene gestures;

- Physical conduct such as unwelcome touching, hugging, kissing, coerced sexual contact, pinching, brushing the body, or assault; or
- Threats or demands to submit to sexual requests in order to keep one's job or receive some job-related benefit.

7.4.4 Employees will be expected to comply with this policy and take prompt and appropriate action to address such conduct and initiate appropriate measures to ensure that such conduct does not occur. This policy also expressly prohibits retaliation of any kind against an employee bringing a grievance/complaint or assisting in the investigation of a grievance/complaint of this policy. Failure to take appropriate action is a serious breach of workplace behavior. Appropriate disciplinary action will be taken against any employee who violates this policy in accordance with this Policy.

7.4.5 A grievant/complainant's report of facts may be regarded as being covered by the Whistleblower Protection Act, NMSA § 10-1 6C-1, et seq., or other laws, and the COG shall not retaliate against a grievant/complainant for filing a grievance/complaint. However, in regard to COG employees; merely filing a grievance/complaint shall not provide immunity, or protection from COG actions related to the grievant/complainant's own misconduct, poor job performance, a reduction in work force or other legitimate business purpose. The COG reserves the right to act in the public interest in balancing the rights of a grievant/complainant to bring forward charges of misconduct while maintaining orderly and efficient operations of COG government.

7.4.6 If the Executive Director finds that a grievance/complaint for violation of any law or policy submitted by an employee is without merit and was made with intent to harm, harass or intimidate the subject of the grievance/complaint, he/she/they shall refer the grievance/complaint to the process for review and possible disciplinary action. For grievance/complaints of violations not covered by this Policy found to be without merit, the Executive Director may determine if a grievance/complaint was made with the intent to harm, harass or intimidate the subject and may take disciplinary action.

7.4.7 Outside contractors, vendors, and others who do business with the COG or enter COG premises are expected to comply with this policy and ensure that their agents comply with this policy: the COG will take appropriate action if they fail to do so. The COG for example, may suspend or terminate a contract if the contractor fails to correct a sexual misconduct problem that appropriate COG staff or officials have brought to its attention. Furthermore, the COG, if it determines that a contractor has failed to take appropriate action or has shown a tolerance for any activity which in the belief of the COG constitutes sexual misconduct, may bar the contractor from holding future contracts with the COG.

7.4.8 Report(s) and/or grievance/complaints of Sexual Harassment will be reviewed by the Executive Director, Human Resources personnel, and if deemed necessary outside council to determine the level of investigation required and appropriate policy or process for addressing such report(s) and/or grievance/complaints. With that determination, the report(s) and/or grievance/complaints will follow that process.

7.5 Workplace Violence.

7.5.1 General Policy Statement. The COG is committed to maintaining a workplace that is free from violence or the threat of violence. Any behavior that is violent or that creates a climate of violence, hostility or intimidation will not be tolerated, regardless of origin. Each and every act or threat of violence will result in an immediate and firm response that could, depending on the severity of the incident and/or other relevant considerations, include termination from employment.

7.5.2 Sample Behaviors. This policy includes, but is not limited to, the following behaviors and situations:

- Violent or threatening physical contact (including fights, pushing and physical intimidation);
- Direct or indirect threats;
- Threatening, abusive or harassing phone calls;
- Possession of a weapon on company property;
- Destructive or sabotaging actions against company or employees' personal property;
- Stalking;
- Violation of a restraining order;
- Threatening acts or abusive language that leads to fear or tension within the work environment.

7.5.3 Organizational Procedure.

7.5.3.1 Removal from Premises. Any person who makes substantial threats, exhibits threatening behavior, or engages in violent acts on COG property shall be removed from the premises as quickly as safety permits, and shall remain off COG premises pending the outcome of an investigation.

No existing COG policy, practice or procedure shall be interpreted to prohibit decisions designed to prevent a threat from being carried out, a violent act from occurring or a life-threatening situation from developing.

7.5.3.2 Reporting Procedure. Reporting procedures shall be established and enforced to encourage early reporting, support and stress reduction for employees and prevention of violence. Any employee may report concerns or incidents to an immediate supervisor, human resources staff or any member of management. The COG acknowledges the sensitivity of information requested and provided in such circumstances and shall ensure appropriate confidentiality procedures that recognize and respect the privacy of the employee(s) concerned.

7.5.3.3 Administrative Action. The COG will initiate an appropriate response to any report made pursuant to the reporting procedure in ¶6.5.3.2 here above. This response may include, but is not limited to, termination of employment and/or criminal prosecution of the person(s) involved.

7.5.3.4 Protective Orders. Any employee who obtains a protective restraining order that lists COG premises as being a protected area must provide COG management with a copy of any temporary or permanent protective or restraining order.

7.6 Abuse of Alcohol or Other Impairing Substances.

7.6.1 Hiring Limitation. Candidates applying for COG positions for which the job description includes operating COG vehicles or equipment shall not be hired if the candidate has had a Driving-While-Intoxicated (DWI) conviction within the most recent three (3) years.

7.6.2 Voluntary Admission. An employee may voluntarily admit to having an alcohol and/or drug abuse problem by reporting the problem to COG management. At its discretion, COG management may:

7.6.2.1 Assist the employee, with the employee's concurrence, to enroll in a rehabilitation program at the employee's expense;

7.6.2.2 Grant a reasonable amount of administrative leave without pay, and/or the employee may use accrued annual or sick leave, for the period of rehabilitation;

7.6.2.3 Grant full reinstatement, subject to successful completion of an approved rehabilitation program as verified by formal discharge documentation;

7.6.2.4 Require periodic and/or random alcohol/drug testing upon the employee's full reinstatement

7.6.3 Administrative Action and Enforcement. The following employee conduct shall be grounds for disciplinary action, including termination:

- Violation of the prohibitions and provisions outlined herein regarding use, distribution, possession, sale or purchase of alcohol, illegal drugs and/or other impairing substances by an employee on COG time or property;
- Positive test results for either alcohol or illegal drugs pursuant to the testing provisions herein and by established procedure;
- A conviction of Driving-While Intoxicated (DWI) and/or Driving-Under-the-Influence-of-Drugs (DUID), whether incurred for behavior on or off duty;
- Behavior while under the influence of drugs and/or alcohol that is determined to be a cause of endangerment of others;
- Conviction for reckless driving and/or endangerment of others, irrespective of a determination on use of illicit drugs or alcohol.

7.7 Computer Messaging and Information Systems. Employees are cautioned that the use of e-mail, instant messaging, texting, social media, voice mail, or other electronic messaging systems, or the Internet, may give rise to liability for harassment or discrimination. Employees may not generate, should not receive, and must not forward, any message or graphic that might be taken as offensive based on sex, gender, or any other protected characteristic, or that would otherwise violate the COG's anti-discrimination or anti-harassment policies. This includes, for example, the generation or forwarding by e-mail or instant message of offensive "humor" which contains sexually-offensive language or images, or language or images that would be offensive to any race, religion, national origin group, or other protected group. If an employee receives offensive messages over the COG's computer equipment or communications devices, he, she, or

they should report the violation under this policy to the COG human resource officer, or in his or her absence, to any member of COG management.

7.8 Vehicle Operation. All employees are expected to maintain a valid State of New Mexico driver's license, to maintain an insurable driving record and to adhere to safe driving practices while in the course of COG business and/or while operating a COG vehicle.

7.8.1 Violations of this policy include but are not limited to the following:

- Endangerment of persons or property as a result of unsafe and/or reckless driving behavior;
- Distracted attention as a result of the use of cell phones, computers or other electronic devices while operating a vehicle, particularly in urban traffic situations *[NOTE: see paragraph 7.8.2 below for elaboration on this issue];*
- Prosecution for causing a vehicular accident, whether single-vehicle or involving other vehicles;
- Citation for violation of traffic laws; and
- A conviction of Driving-While Intoxicated (DWI) and/or Driving-Under-the-Influence-of-Drugs (DUID), whether incurred for behavior on or off duty. *[NOTE: this cause for disciplinary action is also included above at paragraph 7.6.3 in the policy on Abuse of Alcohol or Other Impairing Substances.]*

7.8.2 Employees are discouraged from using a cell phone while operating a COG vehicle and, in any case shall be expected:

- to utilize a hands-free device when such use is necessary and deemed safe and legal; and
- to obey local ordinances prohibiting the use of cell phones and/or engaging in other potentially distracting activities while operating a vehicle.

7.8.3 The Executive Director or designee may take disciplinary action for violation of this policy, up to and including termination as appropriate and depending on the cause and severity of the infraction.

7.9 Progressive Discipline. As deemed appropriate by the Executive Director and/or his or her designated supervisory personnel, the COG shall implement progressive discipline with respect to all non-probationary Regular employees of the organization. The Executive Director reserves the right to determine in his or her sole discretion the appropriate disciplinary measures to be imposed in any given case.

7.9.1 Flexible Application. Disciplinary action shall be based on the severity and/or frequency of occurrence of the infraction. For some offenses, dismissal, demotion or any other action may result from a single instance without being preceded by lesser forms of discipline. There may be circumstances when one or more disciplinary steps, as specified herein, are bypassed.

7.9.2 Action Options. Disciplinary action may include any of five steps or options:

7.9.2.1 Verbal consultation, which may include a reprimand and/or warning;

- 7.9.2.2 Written reprimand, which shall consist of a formal written censure of an employee's conduct;
- 7.9.2.3 Suspension without pay, which shall consist of an involuntary leave of absence, for a period not to exceed thirty (30) work days, imposed by the Executive Director for disciplinary reasons
- 7.9.2.4 Demotion, which shall consist of the change of an employee from a position of one classification to a position of a lower classification with a lower pay rate.
- 7.9.2.5 Dismissal, which shall consist of the involuntary separation of an employee from the COG.

7.9.3 Predetermination Conference. Prior to administration of disciplinary action, the Executive Director shall meet with the affected employee to discuss any proposed discipline. The purpose of the meeting is not to provide an evidentiary hearing, but to provide an opportunity for the employee to present his or her side of the story. After the conference, the Executive Director shall notify the employee of his or her decision and, if disciplinary action is to be imposed, what the discipline is to be. If the Executive Director's decision is to discipline the employee, that decision is effective immediately, unless stated otherwise.

8.

Reporting, Appeal and Grievance

8.1 Reporting of Harassment and Discrimination. The COG shall establish, publish, maintain and implement appropriate procedures for reporting and addressing incidents, or claims thereof, of harassment or discrimination toward any employee.

8.1.1 Mandatory Reporting Procedures. Any employee who feels that he, she, or they has been the victim of, or who observes or obtains knowledge of harassment and/or discrimination, must immediately report it to the employee's supervisor, to the Deputy Director, or to the Executive Director. Reports of harassment or discrimination shall be promptly and impartially investigated. Every effort will be made to maintain employee confidentiality during investigations. If it is concluded that an employee has been the victim of harassment or discrimination, the Executive Director shall immediately take appropriate corrective and remedial action, including but not limited to disciplining or terminating the offender, in order to punish the offender and prevent further harassment or discrimination.

8.1.2 Reporting Harassment or Discrimination Without Fear of Retaliation. It is the policy of the COG to provide an atmosphere where employees may raise concerns or complaints without retaliation about matters, whether perceived or actual, made unlawful by Title VII of the "Civil Rights Act", the "New Mexico Civil Rights Act" N.M.S.A. 1978 41-4A-21 et. Seq., and other laws dealing with discrimination. The COG forbids any form of reprisal or retaliation against any employee for reporting harassment or discrimination in good faith, filing a charge or lawsuit alleging discrimination or harassment, or participating in good faith in a harassment or discrimination investigation. No manager or supervisor is authorized or permitted to retaliate or to take any adverse employment action whatsoever against anyone for reporting unlawful harassment or for opposing any other discriminatory practice in the workplace. Any employee who feels he, she, or they has been retaliated against in violation of this policy is responsible for reporting the retaliation to management, in the same manner that any other form of harassment or discrimination should be reported. For further delineation of processes for filing a grievance over alleged harassment or discrimination, please refer to "Class C Grievance" in ¶8.2.3 below.

8.2 Grievance Policy. Employees who have completed the probationary period as outlined herein, and have been disciplined, demoted, dismissed or suspended, have the right to file a grievance and seek remedy therefor. If a regular employee feels that he, she, or they has (have) a legitimate grievance, the following policies and actions shall be followed for an impartial hearing of the grievance:

8.2.1 Good Faith Effort. It is the COG's general expectation that problems and disagreements in the workplace will be addressed and resolved by those persons closest to the source of the problem, and that employees will make a good faith effort to resolve such differences or conflicts prior to engaging the grievance process.

8.2.2 Chain of command. An employee should direct a grievance first to the COG's human resources officer, and if the grievance is not resolved at this level, it may be addressed

to either the Deputy Director or the Executive Director. If the human resources officer is the subject of the grievance, the grievance may be addressed directly to the Deputy Director or Executive Director.

8.2.3 Filing of Grievance:

8.2.3.1 Grievance Classes. The nature and magnitude of grievances shall be characterized in accordance with the following classes:

- **Class A Grievance:** Regular employees may file a Class A grievance regarding work-related issues as they apply to interpretation or application of rules and written reprimands that do not result in a loss of pay.
- **Class B Grievance:** Regular employees may file a Class B grievance regarding an action by management that has resulted in actual documented negative financial loss to the employee, as opposed to anticipated future financial loss, or a disciplinary action other than a written reprimand.
- **Class C Grievance:** Regular employees may file a Class C grievance alleging harassment, workplace violence or the threat thereof, or discrimination on the basis of race, sex, age, national origin, color, or mental or physical disability.

8.2.3.2 Filing Process. In order to initiate the grievance process, failing resolution with the person(s) involved or with the human resources officer, and within ten (10) days of the incident in question, the employee must submit to the Executive Director a request for a hearing.

8.2.3.2.1 All grievances shall be filed with the human resources officer, except that when the human resources officer is a subject of or participant in the grievance, the grievance shall be filed with the Deputy Director or the Executive Director.

8.2.3.2.2 The request shall be in writing, shall be signed by the aggrieved employee, and shall list the reason(s) for requesting such a hearing, specific complaints and/or policies allegedly violated, the names of any witnesses they will present to establish the credibility of such complaints and the specific relief or resolution requested.

8.2.3.2.3 In the event the Executive Director is the subject of the complaint, the employee may submit a written request to the Executive Committee of the COG Board of Directors, within ten (10) days of the incident in question.

8.2.4 Hearing. The Executive Director, or the Executive Committee as appropriate, shall ensure that an appropriate hearing is held and action taken on the grievance within twenty-one (21) calendar days of the filing of the grievance.

8.2.4.1 Hearing Officer and Board. The Executive Director shall serve as the hearing officer, or shall designate a competent person to so serve, and at his or her discretion, may designate one or more employees or members of the Board of

Directors to constitute a hearing board, except that when the Executive Director is the subject of the grievance, the Executive Committee of the Board of Directors shall designate a hearing officer and ensure appropriate conduct of the hearing process.

8.2.4.2 Hearing Process. The hearing officer shall direct the parties implicated in the grievance action to each submit a statement of contested facts and issues, the relief or remedy requested by the grievant – or comment thereon by the other party, a brief summary of evidence and testimony, a list of exhibits, and a statement as to whether the parties agree to participate in voluntary alternative dispute resolution (ADR).

8.2.4.2.1 Should both parties agree to participate in voluntary alternative dispute resolution, the hearing officer shall designate a competent party to facilitate the ADR process, who shall conduct such process within ten (10) days of his or her designation by the hearing officer.

8.2.4.2.2 If the ADR process produces a resolution to the mutual satisfaction of the parties, the hearing officer shall declare the grievance process terminated, and shall document and communicate same to the affected parties.

8.2.4.2.3 If the ADR process does not resolve the grievance to the mutual satisfaction of the parties, and if the aggrieved party petitions to continue the grievance, the hearing process shall proceed, subject to final arbitration by the hearing officer as set forth below.

8.2.4.3 Decision. The hearing officer shall, upon consideration of all matters brought forward in the hearing process, decide on the matter and communicate the same to the affected parties within seven (7) days of the hearing.

The decision of the hearing officer, i.e., the Executive Director or designee, or as designated by the Executive Committee when the Executive Director is a subject of the grievance, shall be final.

8.3 Conditions or Actions Not Grievable:

8.3.1 Dispute as to whether or not an established COG Policy or practices is good; however, an employee may grieve a COG Policy that he, she, or they feels (feel) is legal.

8.3.2 Matters where law mandates a method of review.

8.3.3 Matters where the COG is without authority to act or does not have the ability to provide a remedy.

8.3.4 Dismissals, suspensions, reductions in pay, demotions, are not grievable but must go through the appeals process. Written Warnings and Reprimands are not grievable, nor appealable.

8.3.5 Employee complaints charging_ discrimination based on race, color, national origin, political affiliation, religious faith or absence thereof, sex, sexual orientation and gender identity, age, handicap or disability, or status as a veteran. Such complaints are processed under specific complaint procedures. (See, Section 9 of this Ordinance).

8.3.6 Temporary assignments, temporary promotions, and removal from temporary

assignments an temporary promotions.

8.3.7 Position desk audit, job evaluations, and performance appraisals.

9.

TERMINATION

9.1 **Probationary Period:** From date of employment through the duration of the initial one-year probationary period, an employee may be dismissed by the Executive Director without cause.

9.2 **Dismissal:**

9.2.1 **Dismissal for Cause.** Following successful completion of the one-year probationary period, a regular employee may be dismissed by the Executive Director only for cause, which among other possible causes may include but is not limited to employee misconduct, insufficient funds for the employee's position and/or reduction of funds pursuant to a decision of the Budget Committee of the Board of Directors.

9.2.2 **Hearing.** Prior to dismissal the employee will meet with the Executive Director for a pre-dismissal hearing. The purpose of the pre-dismissal hearing is to discuss the cause of dismissal. The employee will be given ample response time.

9.2.3 **Appeal.** Dismissal is an action that is subject to the provisions of the grievance policy herein.

9.3 **Reduction in Force.** In the event that the Executive Director and the Board of Directors determines that certain functions of the COG should be privatized or eliminated, the Executive Director has the authority to lay off employees. Layoffs do not necessarily reflect quality of work or work styles.

9.4 **Resignation.** Employees shall provide notice of resignation at least two weeks in advance of the date of termination, except that the Executive Director may require additional advance notice for specific positions.

9.5 **Conditions of Separation.**

9.5.1 **Termination Requirements.** Any employee separating from COG employment shall, prior to termination, make available and surrender to the COG administration any and all COG property and supplies previously entrusted to the employee's use, including but not limited to any keys to COG facilities or equipment, publications purchased or produced by or on behalf of the COG, and/or credit cards and other proprietary items specifically owned and authorized for use by the COG.

10.

INSIDE AND OUTSIDE ACTIVITIES

- 10.1 Hours of Work:** The COG is a government agency that operates on tax-paying dollars and thus is responsible for dealing directly with the public and our constituents in accordance with expected regular government scheduling. The COG standard office hours are 8:00am through 5:00pm, Mondays through Fridays, thus requiring that a minimum workforce is onsite at the COG office at all times within those time periods. Further detail is outlined in the COG Rules aimed to be promulgated as an accompaniment.
- 10.2 Safety:** Every effort will be made to make workstations safe places to work. Each employee is expected to maintain his/her workstation in a neat and clean condition. All unsafe conditions and practices should be immediately reported to the supervisor or Executive Director.
- 10.3 Closing Facilities Under Emergency Conditions:**
- 10.3.1** Emergency Closure/Evacuation at a facility: The Executive Director shall have the responsibility for emergency closure/evacuation at a facility; and, for determining those employees affected by the closure/evacuation necessary for providing essential services. Employees assigned to facilities that have been closed/evacuated will first be relocated to another office/venue to work from; second be allowed to work from home; and third under this section may be released from duty (or partially released from duty) and granted administrative leave for the period the facility is closed.
- 10.3.2** An employee who is on a prior approved leave of absence or scheduled day off during an emergency facility/evacuation closure is not affected by the closure and therefore shall not have the leave of absence changed to Administrative Leave.
- 10.4 Incident Weather:** Unless closed by Executive Director or as a State or Federally designated State of Emergency, when weather conditions are considered hazardous by the employee, that employee may request and at the concurrence of their Supervisor, may be granted permission to refrain from or delay traveling to the COG office and/or leave the workplace earlier than the normal end-of-business time, as appropriate to the threats and risks posed by the presenting conditions. Such permission shall be considered leave with pay and the requested time shall be applied for and charged to the employee's annual leave either from existing or future balances.
- 10.5 Drug Free Workplace:**
- 10.5.1** The use and/or consumption of controlled substance, drugs or alcohol and prescribed or non-prescribed medications is a concern of COG when it interferes with job performance, conduct, attendance, safety or when it is in violation of the law. The COG explicitly prohibits:
- The use, possession, solicitation for, or sale of narcotics or other illegal drugs, alcohol, or prescription medication without a prescription on/in COG property or while on COG business.
 - Being impaired or under the influence of legal or illegal drugs or alcohol while on duty.

- Possession, use, solicitation for, or sale of legal or illegal drugs or alcohol while on duty.
- The presence of any detectable amount of prohibited substances in the employee's system while at work, or while on COG business. "Prohibited substances" include illegal drugs, alcohol, or prescription drugs not taken in accordance with a prescription given to the employee.
- Under the direction of the Human Resources personnel, the COG will conduct drug and/or alcohol testing under any of the following circumstances:
 - PRE-EMPLOYMENT TESTING: Certain positions may be required to submit to a drug and/or alcohol test for purposes of employment. Candidates for positions specifically requiring a pre-employment test will be notified during the selection process and offers for employment will be conditional upon passing such a test.
 - FOR-CAUSE TESTING: The COG will require an employee to submit to a drug and/or alcohol test at any time it finds sufficient indicia that the employee may be under the influence of drugs or alcohol, including, but not limited to, the following circumstances: evidence of drugs or alcohol on or about the employee's person or in the employee's vicinity, unusual conduct on the employee's part that suggests impairment or influence of drugs or alcohol, negative performance patterns, or patterns of absenteeism or tardiness. For purposes of this provision, a vehicle accident by itself can be used as sufficient indicia to require testing; and may be required to protect the employee and the COG from liability. Post vehicle accident testing shall be at the discretion of the Executive Director after consultation with the employee's supervisor.
 - Commercial Drivers Licenses (CDL): While no current positions of the COG require the possession and maintenance of a CDL as part of the job duties. If such positions are created and filled – there will be a requirement for a CDL to be subject to random drug and alcohol testing.

If an employee is tested for drugs or alcohol outside of the employment context and the results indicate a violation of this policy, or if an employee refuses a request to submit to testing under this policy, the employee may be subject to appropriate disciplinary action, up to and including discharge from employment. This shall include but not be limited to tests in conjunction with maintaining a CDL, or other agency's needs to have a test performed.

- 10.5.2** The unlawful manufacture, distribution, possession of a controlled substance by an employee while on/in COG property or while on COG business is prohibited. Engaging in any of these activities may result in disciplinary action up to and including termination from employment as described in this Policy.
- 10.5.3** It is the employee's responsibility to notify their immediate supervisor in writing within a reasonable time not to exceed five (5) calendar days on any criminal drug arrest, alcohol related arrest, indictment, information, or conviction. Failure to do so will be considered in the severity analysis in any disciplinary action.

- 10.5.4** Employees who fail drug and alcohol tests may be required to participate satisfactorily in a substance abuse assistance or rehabilitation program. The program for such purposes is to be approved by a Federal, State, local health, law enforcement, or other appropriate agency.
- 10.5.5** When the employee begins the program, he/she is required to sign a release form with the program representative for the purpose of releasing minimal information to the Human Resources personnel, such as attendance and/or completion of the program.
- 10.5.6** It is the employee's responsibility to notify his/her supervisor of any prescribed drug(s), which may impair the ability to perform their job. Failure to do so may result in disciplinary action. The COG acknowledges the New Mexico "Lynn and Erin Compassionate use Act" and the "Cannabis Regulation Act"; and will analyze issues under these Acts to apply the appropriate existing policies, procedures, and take proper actions. Notwithstanding these Acts, employees are prohibited from being on duty or operating/using COG property impaired.

10.6 Civic and Political Activity:

10.6.1 Participation in Civic and Political Activities. The Northwest New Mexico Council of Governments accepts the basic democratic principle that all employees are free to make their own individual decisions in civic and political matters. Therefore, no employee's status with the COG will be affected, in any way, because of participation or non-participation in lawful civic and political activities, except as specified below. It is prohibited for an employee to use his or her employment with the COG to intimidate or coerce anyone within or outside the COG organization with respect to political matters. Participation in civic and political activities (as defined below) is considered to be a personal matter and is to be carried on outside of normal working hours. No political activities or solicitations will be carried on within COG premises.

- *Political activities are defined for purposes of this policy as activities in support of any partisan political issue, or in support of or in concert with any individual candidate for political office or any political party, which seeks to influence the election of candidates to federal, state, local, or tribal offices.*

10.6.2 Elected Office: The holding of elected office (as defined below) by an employee may not impact the COG budget and may not conflict with the employee's performance of current job duties. The Executive Director is charged with evaluating each such situation individually according to this criterion, except that in the case of the Executive Director him/herself, the Board of Directors shall so evaluate.

- *An elected office is defined for the purpose of this policy as any state, federal, municipal, county, tribal, school district or other public position held by virtue of public election.*

10.7 Volunteer Activity: COG employees are encouraged to participate in volunteer activities of their choosing, whether religious, service and/or other civic involvement, to the extent that such activities do not conflict with the employee's performance of current job responsibilities. The Executive Director is charged with evaluating each such situation individually according to this criterion, except that in the case of the Executive Director him/herself, the Board of Directors shall so evaluate.

- 10.8 Outside Employment:** The position of employment with the COG shall be considered the primary employment. Due to the nature of the COG work and its relationships with all aspects of the local and regional economy, it is general COG policy that COG employees shall not engage in additional employment outside the COG organization. Any employee desiring to engage in gainful employment or business outside the COG must obtain written permission and approval from the Executive Director.
- 10.9 Anti-Fraternization:** The COG encourages employees to develop friendships and share a spirit of teamwork and camaraderie both in the workplace and outside of work. In instituting this dating or fraternization policy, it is not the COG's goal to interfere with the development of co-worker friendships and relationships.
- 10.9.1** COG employees may date; develop friendships and relationships both inside and outside of the workplace as long as the relationships do not negatively impact work. Any relationship that interferes with the COG's culture of teamwork, the harmonious work environment or the productivity of employees will be addressed by applying the progressive discipline policy as outlined in this Policy. Adverse workplace behavior or behavior that affects the workplace that arises because of personal relationships will not be tolerated.
- 10.9.2** The exception to this policy relates to managers and supervisors. Anyone employed in a managerial or supervisory role shall not have an intimate relationship with employees who report to him or her. From a supervisory perspective, these relationships may be perceived as favoritism, misuse of authority, or potentially, sexual harassment. Even if no improper conduct occurs, the relationship will likely cause gossip, hard feelings, dissatisfaction, and distraction among other employees in the workplace. The relationship may appear to other employees as an inappropriate use of position power. The fraternization that is prohibited by this policy includes dating, romantic involvement, and sexual relations; close friendships are discouraged in any reporting relationship.
- 10.9.3** Employees should notify their supervisor and the Human Resources personnel if a coworker relationship is a concern. From the COG's standpoint these individual concerns may be having a negative impact on job performance and causing workplace disruption. Appropriate actions will be determined and taken as per the COG's personnel policy. At the discretion of Executive Management, the parties to a relationship that become an employment concern can be required NOT to work together; and must keep the COG informed on the relationship. Any disruption in the workplace is subject to discipline or adjustment in shift status if available.

11.

INFORMATION TECHNOLOGY RESOURCES

The COG's employees, certain volunteers, interns and contractors have been granted connectivity to the internet and the COG's digital network. The purpose of this policy is to provide COG staff and others with guidance on the proper use of the COG's Information Technology Resources, including but not limited to the internet, intranet, email and the COG's digital network and supporting systems.

11.1 Definitions. As used in this section:

- **access** means the ability to read, change, or enter data using a computer or an information system.
- **equipment** means computers, monitors, keyboards, mice, routers, switches, hubs, networks, or any other information technology assets, e.g. Blackberrys and cell phones.
- **freeware or shareware** means software that is available free of charge and available for download from the internet. Freeware is protected by a copyright and is subject to applicable copyright laws.
- **information technology resources (IT resources)** means computer hardware, software, databases, electronic message systems, communication equipment, computer networks, telecommunications circuits, and any information that is used by the COG to support programs or operations that is generated by, transmitted within, or stored on any electronic media.
- **malicious code** means any type of code intended to damage, destroy, or delete a computer system, network, file or data.
- **pirated software** means licensable software installed on a computer system for which a license has not been purchased or legally obtained.
- **security mechanism** means a firewall, proxy, internet address-screening or filtering program, or other system installed to prevent the disruption or denial of services or the unauthorized use, damage, destruction or modification of data and software.
- **sexually explicit or extremist materials** means images, documents, or sounds that can reasonably be construed as discriminatory or harassing, defamatory or libelous, obscene or pornographic, threatening to an individual's physical or mental well-being, or read or heard for any purpose that is illegal.
- **staff or staff member** means an individual associated with the COG who is:
 - an employee of the COG; or
 - an individual working under a professional services agreement ~~to~~ with the COG; or
 - a member of the Board of Directors of the COG; or
 - a volunteer providing services to the COG; or
 - any other person to whom the COG has authorized access to its IT resources.

11.2 Policy. The internet and other information technology resources are important assets that the COG can use to gather and process information to improve external and internal communications and increase efficiency in its operations. All information processed by COG staff is considered a resource and is deemed the property of the COG. To encourage the effective and appropriate use of the COG's IT resources, the following policies shall apply:

11.2.1 The COG shall provide all staff that have access to information technology resources with a written copy of this policy.

11.2.2 All staff shall sign and date a statement indicating they have received and read this policy.

11.2.3 The COG shall keep the staff member's signed statement on file throughout the tenure of the staff member with the COG.

11.2.4 For the purposes of this policy, IT resources use includes but is not limited to all current and future internet/intranet communications services, the World Wide Web, voice over IP, File Transfer Protocol (FTP), email, peer-to-peer exchanges, and various proprietary data transfer protocols and other services.

11.2.5 The COG may undertake all prudent and reasonable measures to secure the systems it uses for internet communications and the data transmitted by these systems and services, at the direction of the Executive Director or his/her designee. If a staff member is to leave a workstation unattended, he/she must log off or lock their computer.

11.2.6 The COG may install software and/or hardware to monitor and record all IT resources use, including email and Web site visits. The COG retains the right to record or inspect any and all files stored on the COG's systems.

11.2.7 Staff shall utilize the COG's IT resources solely for COG business purposes and shall conduct themselves in a manner consistent with appropriate behavior standards as established in existing COG policies. All existing COG policies relating to intellectual property protection, privacy, misuse of equipment, sexual harassment, hostile work environment, data security, and confidentiality apply to staff use of IT resources. Staff must also comply with laws governing political speech.

11.2.8 Staff shall have no expectations of privacy with respect to COG IT resource usage. Employees are advised that serious disciplinary action up to and including termination of employment may result from evidence of prohibited activity obtained through monitoring or inspection of electronic messages, files, or electronic storage devices. Illegal activity involving COG IT resource usage may be referred to appropriate authorities for prosecution.

11.3 Prohibited Internet Use.

11.3.1 Staff shall not use any COG IT resources for anything other than official COG business unless otherwise specifically allowed by their supervisor or the Executive Director. Further, it is expressly prohibited to grant access to these resources to persons other than COG staff without the approval of the COG's Executive Director or Deputy Director. Personal use of the COG's IT resources shall be permitted only in accordance with Section 4 of this policy.

- 11.3.2** Staff shall not upload or otherwise transfer out of the COG's direct control any software licensed to the COG or data owned or licensed by the COG without explicit authorization from the manager responsible for the software or data.
- 11.3.3** Staff shall not use IT resources to reveal confidential or sensitive information, client data, or any other information covered by existing COG, state, or federal privacy or confidentiality laws, regulations, rules, policies, procedures, or contract terms. Staff who engage in the unauthorized release of confidential information via the COG's IT resources, including but not limited to newsgroups or chat rooms, will be subject to sanctions in existing policies and procedures associated with unauthorized release of such information.
- 11.3.4** Staff shall respect the copyrights, software, licensing rules, property rights, privacy, and prerogatives of others, as in any other business dealings.
- 11.3.5** Staff shall not download executable software, including freeware and shareware, unless it is required to complete their job responsibilities.
- 11.3.6** Staff shall not use COG equipment to download or distribute pirated software or data, including music or video files.
- 11.3.7** Staff shall not use COG IT resources to deliberately propagate any malicious code.
- 11.3.8** Staff shall not use COG IT resources to intentionally disable or overload any computer system or network, or to circumvent any system intended to protect the privacy or security of the COG's IT resources.
- 11.3.9** Staff shall not access, store, display, distribute, edit, or record sexually explicit or extremist material using COG IT resources. Violation of this policy may result in immediate disciplinary action as described in Section 5, up to and including termination of employment.
- 11.3.10** The incidental and unsolicited receipt of sexually explicit or extremist material, such as might be received through email, shall not constitute a violation of this section, provided that the material is promptly deleted and neither stored nor forwarded to other parties.
- 11.3.11** Staff are prohibited from accessing or attempting to access IT resources for which they do not have explicit authorization by means of user accounts, valid passwords, file permissions or other legitimate access and authentication methods.
- 11.3.12** Staff shall not use COG IT resources to override or circumvent any security mechanism belonging to the COG or any other government agency, organization or company.
- 11.3.13** Staff shall not use COG IT resources for illegal activity, gambling, or to intentionally violate the laws or regulations of the United States, any state or local jurisdiction, or any other nation.
- 11.4** **Personal Use of the Internet.** Occasional and incidental personal use of the COG's IT resources and internet access is allowed subject to limitations. Except for the case of urgent or emergency need, staff may use the resources only during breaks, meal times, or otherwise during periods when the staff member is not on duty. Personal use of the internet is prohibited if:
- it materially interferes with the use of IT resources by the COG; or
 - such use burdens the COG with additional costs; or

- such use interferes with the staff member's employment duties or other obligations to the COG; or
- such personal use includes any activity that is prohibited under this policy.

11.5 **Enforcement and Sanctions.** Violations of this policy shall be investigated promptly and efficiently by objective and appropriate staff to be designated by the Executive Director.

11.5.1 Staff suspected of violating this policy shall be given notice of an investigation and an opportunity to present any relevant, exculpatory evidence or mitigating circumstances regarding the charge of the violation.

11.5.2 If the investigation shows the staff member to have engaged in any of the activities prohibited in Sections 11.3.6, 11.3.9 or 11.3.12, the employee shall be subject to discipline consisting of either a written reprimand and unpaid suspension of at least one (1) week and up to thirty (30) work days, or termination for cause.

NORTHWEST NEW MEXICO COUNCIL OF GOVERNMENTS

PERSONNEL POLICIES

EMPLOYEE ACKNOWLEDGEMENT FORM

I acknowledge this statement of the Personnel Policies of the Northwest New Mexico Council of Government (COG) as constituting authoritative guidelines governing important aspects of my employment. I understand that I should consult the Executive Director, and/or the Executive Director's designee, regarding any questions I may have, including those which appear not to be answered within the Policies.

I understand that the information, policies, and benefits described herein are subject to change, I acknowledge that revisions to the Policies may occur, and I am assured that such changes will be communicated through official notices. I understand that revised information may supersede, modify, or eliminate existing policies, and that the COG Board of Directors has the authority to adopt any revisions to the Policies in this statement. I moreover understand and acknowledge that, within the purview of these authoritative Policies, the Executive Director is empowered to implement such administrative procedures and standards as may be necessary to support and enforce them, and may provide such procedures in written form as addenda to the Policies herein. I understand that such procedures and standards are documented separately and as such are to be made available to me for reference.

I furthermore acknowledge that these Policies are neither a contract of employment nor a legal document. I have received the Policies, and I understand that it is my responsibility to read and comply with the Policies contained herein and any revisions subsequently made to them.

[NOTE: One copy of the signed Employee Acknowledgement Form shall be retained by the Employee, and one shall be placed on file by the Employer.]

ACKNOWLEDGEMENT

Employee's Signature: _____ **Date:** _____

Employee's Printed Name: _____

ATTEST: _____
Human Resources Manager

Date: _____



NORTHWEST NEW MEXICO COUNCIL OF GOVERNMENTS
New Mexico Economic Development District I

Revolving Loan Fund Plan

FOR THE

ENTERPRISE LOAN FUND OF NORTHWEST NEW MEXICO

capitalized in part by

The US Department of Commerce, Economic Development Administration

and

**The State of New Mexico, Local Government Division,
HUD Community Development Block Grant (CDBG) Program**

approved on January 10, 2024

by

**The Board of Directors
Northwest New Mexico Council of Governments**

**Martha Garcia, Board Chairman
Evan J. Williams, Executive Director/ELF Director**

ACKNOWLEDGEMENTS

***This Revolving Loan Fund Plan* for the Northwest New Mexico Enterprise Loan Fund**

was revised during Fiscal Year 2020, 2021, 2022, 2023, and 2024
with the consultation & assistance of

National Development Council,
the Board of Directors of the Northwest New Mexico COG &
Economic Development Administration, Austin Regional Office.

**ENTERPRISE LOAN FUND
OF NORTHWEST NEW MEXICO
REVOLVING LOAN FUND PLAN**

*Revised July 28, 2021, April 20, 2022, April 19, 2023, and January
10, 2024*

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ENTERPRISE LOAN FUND OF NORTHWEST NEW MEXICO

INTRODUCTION

The Enterprise Loan Fund (ELF) of Northwest New Mexico came into being in 1996 as a partnership of the City of Farmington, the Northwest New Mexico Council of Governments and small business assistance partners in the Four Corners region. It was co-capitalized by a \$300,000 grant from the *Revolving Loan Fund* program of the Economic Development Administration, US Department of Commerce, and a \$300,000 grant from the State of New Mexico under the *Community Development Block Grant (CDBG)* program funded by the US Department of Housing and Urban Development.

This document will address:

- The **need for this public financing tool** to complement other business assistance programs and services available to firms and/or would-be entrepreneurs in industry sectors and/or locations targeted by the Five-Year Comprehensive Economic Development Strategy for Northwest New Mexico, published Spring 2021,
- The **types of financing activities** employed,
- The capacity of the ELF's organization to make loans and to work effectively with the business community and other financing providers, to function as an integral part of the overall economic adjustment effort and to manage the lending function, and
- Other matters as required by the EDA's Revolving Loan Fund Guidelines.

The Northwest New Mexico Council of Governments (NWNMCOG) is the Economic Development District designated by the Economic Development Administration for the tri-county region encompassing the New Mexico counties of Cibola, McKinley and San Juan. The District covers three counties, seven municipalities, and four tribal entities including the Navajo Nation and Pueblos of Acoma, Laguna, and Zuni. The District has been disempowered by long-term economic stagnation, as defined in the Economic Adjustment Program administered by the EDA, in accordance with all three of the relevant economic problem criteria: (a) very high unemployment; (b) low per capita income; and (c) chronic distress. Further, in recent years the collapse of coal and other natural resource markets, has caused massive economic disruption in our region, population loss, and tax base depletions. This sector was a key foundational element of the Northwest New Mexico economy that is not easily replaced even through proactive and aggressive diversification efforts.

The **mission** of the Northwest New Mexico ELF is to improve access to capital for businesses and individuals in support of business and job creation, retention and expansion throughout the tri-county region.

This *Revolving Loan Fund Plan* is organized and presented according to the guidelines of the Economic Development Administration.

PART I.

THE REVOLVING LOAN FUND STRATEGY

The RLF is designed to address areas of economic distress in Northwest New Mexico and help implement the Comprehensive Economic Development Strategy (CEDS) for the Northwest New Mexico Council of Governments (NWNMCOG) as summarized below. Small businesses often are unable to access private capital for financing business expansion and improvements. Those who can meet private capital procurement requirements may do so at higher prices. In order to lessen this burden to local businesses, the RLF is designed to supplement private financing for tenant improvements and fixed assets such as equipment for businesses, as well as permanent working capital, refinancing of existing business debts, and the acquisition and rehabilitation of commercial real estate. Use of RLF funds in tandem with select private financing can reduce the cost of overall private financing, thereby increasing the availability of private capital to businesses that are located in Northwest New Mexico.

A. ECONOMIC ADJUSTMENT OVERVIEW

Northwest New Mexico comprises 15,503 square miles of high arid plateau and mountainous terrain and contains an ethnically diverse and geographically diffuse population of about 220,000 residents, reflecting an average density of 14 persons per square mile. The region is made up of three rural counties (*Cibola, McKinley and San Juan*) and portions of four Indian reservations (*Acoma, Laguna, Navajo, and Zuni*). Much of the land outside the reservations is federal land (managed by the Bureau of Land Management or Forest Service) or State land. The principal municipalities are: Farmington (pop. 46,624) in San Juan County; Gallup (pop. 21,899) in McKinley County; and Grants (pop. 9,163) in Cibola County, based on 2020 US Census population counts

1. The Economic Adjustment Problem

Prior to the 1950's, the District's economy was predominantly agricultural, much of it at subsistence levels, except for the modest impact of travel along U.S. Route 66 through the southern portion of the District. The exploitation of oil, gas, coal and uranium resources beginning in the 1950's introduced a new dynamic to the regional economy: rapid growth with jobs that paid well and required skills often not available in the local population, spurring in-migration, followed by severe job loss and out-migration during the down cycles in these industries.

The District-wide unemployment rate has averaged levels greater than the nation, while per capita incomes have been less than three-fifths of the national average. Poverty numbers remain high throughout the region based on 2020 US Census data:

- For San Juan County, 21.5% of the population is in poverty;
- For McKinley County, 32.0% of the population is in poverty, and
- For Cibola County, 25.1% of the population is in poverty.

Other long-term problems faced by the District include:

- Lack of accessible investment capital;
- Loss of better paying jobs resulting from down cycles in basic economic activities;
- Economic disparity and excessive dependence on government;
- Socioeconomic isolation resulting from the great distances between communities within the District and remoteness from major markets;
- Cultural and jurisdictional obstacles to economic planning and development resulting from the mix of cultures, multiple sovereign boundaries and diverse governmental jurisdictions;
- Inadequate water supply, especially in southern portions of the District, and inadequate community infrastructure throughout the Indian reservations;
- Inadequate transportation linkages from some portions of the region to major markets;
- Inadequate last-mile telecommunications infrastructure; and
- Lack of affordable, quality housing.

2. The CEDS

This RLF Administrative Plan stems from a regional strategy document, La Rista Northwest, that has been reviewed by the US Economic Development Administration (EDA) and certified as a Comprehensive Economic Development Strategy (CEDS).

There are also several area plans that dictate the direction of economic development activity in Northwest New Mexico, including:

- ***New Mexico 5-Year Economic Development Plan (2021)***
- ***Trail of the Ancients SET Plan (2017)***
- ***POWER (Partnerships & Opportunities in Workforce & Economic Revitalization) Report (2018)***
- ***Navajo Nation Comprehensive Economic Development Strategy (2018)***
- ***Regional Water Plans***

3. Area Resources and Assets

The commercial areas within the tri-county area of northwest New Mexico are primarily located in the few incorporated municipalities spread throughout the region. San Juan County is the largest economy in the tri-county area anchored by the City of Farmington, and including the City of Aztec, City of Bloomfield, City of Kirtland. McKinley County is the second largest economy in the tri-county area anchored by the City of Gallup. Cibola County is the third largest economy anchored by City of Grants and including the Village of Milan.

Commercial areas continue to possess a number of resources and potential opportunities for synergistic economic development and growth, including:

- Availability of commercial zoned vacant or underutilized parcels along major traffic corridors;
- Numerous commercial districts with unique tenant mixes;
- Organized merchant associations in many city districts;
- Recent and planned public improvements along major corridors;
- A high degree of community involvement and support for economic development and revitalization efforts;
- Commitment of a significant amount of local and federal resources, including the recent development projects and public improvements around Farmington, Gallup, Grants, and Aztec; and
- Availability of high quality educational and job-training resources through San Juan College, UNM-Gallup, NMSU-Grants, and several EDO-operated workforce training programs and other local employment training programs.

B. THE BUSINESS DEVELOPMENT STRATEGY

1. Objectives of the Business Development Strategy

Based on the CEDS planning process, the EDA-RLF will prioritize the type of investments that will be the most effective in attaining the objectives outlined in the CEDS. These priorities are:

- Increase existing small businesses, as defined by SBA size standards, in NWNM that have the ability to repay the loan with historical and/or projected cash flows;
- Increase minority enterprise development;
- Increase women-owned business development;
- Increase veteran-owned business development; and
- Increase business development in low-to-moderate income census tracts.

The ELF will expand access to capital through the following loan fund:

- **Enterprise Loan Fund (ELF)**. The ELF will make loans to growing businesses that have existed for at least two years. The intent of the ELF is to finance business development projects, partnering with a bank or other lending institution. Under the ELF, loans range from \$20,000 to \$100,000.

2. Targeted Sectors

The NWNMCOG has targeted the following industry clusters in the Target Area for business assistance:

- Healthcare, medical devices, biotechnology and healthcare services;
- Environmental, including environmental technology and environmental services;
- Business services, including locally serving professional services, business related services, technical services, finance, and real estate services;

- Light manufacturing, including food processing;
- Retail Trade; and
- Outdoor Recreation

3. Ineligible Businesses

Ineligible businesses include those engaged in illegal activities, loan packaging, speculation, multi-sales distribution, gambling, investment or lending, or where the owner is on parole.

Specific types of businesses not eligible include:

- Real estate investment firms, when the real property will be held for investment purposes as opposed to loans to otherwise eligible small business concerns for the purpose of occupying the real estate being acquired.
- Firms involved in speculative activities that develop profits from fluctuations in price rather than through the normal course of trade, such as wildcatting for oil and dealing in commodities futures, when not part of the regular activities of the business.
- Dealers of rare coins and stamps are not eligible.
- Firms involved in lending activities, such as banks, finance companies, factors, leasing companies, insurance companies (not agents), and any other firm whose stock in trade is money.
- Pyramid sales plans, where a participant's primary incentive is based on the sales made by an ever-increasing number of participants. Such products as cosmetics, household goods, and other soft goods lend themselves to this type of business.
- Firms involved in illegal activities that are against the law in the jurisdiction where the business is located. Included in these activities are the production, servicing, or distribution of otherwise legal products that are to be used in connection with an illegal activity, such as selling drug paraphernalia or operating a motel that permits illegal prostitution.
- Gambling activities, including any business whose principal activity is gambling. While this precludes loans to racetracks, casinos, and similar enterprises, the rule does not restrict loans to otherwise eligible businesses, which obtain less than one-third of their annual gross income from either the sale of official state lottery tickets under a state license, or legal gambling activities licensed and supervised by a state authority.
- Charitable, religious, or other non-profit or eleemosynary institutions, government-owned corporations, consumer and marketing cooperatives, and churches and organizations promoting religious objectives are not eligible.

C. FINANCING POLICIES

The ELF will be administered in accordance with the *Title IX Economic Adjustment Program Revolving Loan Fund Administrative Manual*, and the following policies will be implemented:

1. **Eligible Lending Area**. Three counties of Northwest New Mexico: Cibola, McKinley, and San Juan, plus the four tribal entities of Navajo (New Mexico portion only), Acoma, Laguna, and Zuni.
2. **Allowable Borrowers**. Any registered for-profit business (Sole Proprietorship, Partnership, C/S Corporation, Limited Liability Company, and Limited Liability Partnership.) , in operation for a minimum of 2-years, that can repay the debt from historical or projected cash flows.
3. **Loan Size** – Loan size range from \$20,000 to \$100,000. The Loan Committee (LC) may approve loan amounts larger than the standard maximum on an exception basis. The maximum individual loan size, per Economic Development Administration (EDA) program-wide policy, is to be no more than 25% of the LEF program’s capital base at the time of the loan application.

D. **INTEREST RATES**

The RLF may make loans to eligible borrowers at interest rates and under conditions determined by the RLF Loan Committee to be appropriate in achieving the goals of the RLF.

In accordance with 13 CFR 307.15(b)(2), the minimum interest rate the RLF may charge is four percentage points below the lesser of the current money center prime interest rate quoted in the *Wall Street Journal*, or the maximum interest rate allowed under State law. In no event shall the interest rate be less than the lower of four percent or 75 percent of the prime interest rate listed in the *Wall Street Journal*. Should the prime interest rate listed in the *Wall Street Journal* exceed 14 percent, the minimum RLF interest rate is not required to be raised above 10 percent. Interest rates on loans will be fixed.

1. **Application Fee** - There will be a \$250 fee for each loan application. The application fee will be credited towards the loan-underwriting fee or will be refunded to the applicant if not approved.
 2. **Loan Fees** – Standard loan fees will be as follows:
 - Loan Origination Fee – 1% of loan amount
 - Loan Closing Fees - 3rd Party Fees associated with loan closing can be rolled into the loan amount.
- **Payment Terms** - Payments will be made monthly using ACH payment;
 - **Loan Terms** - Standard loan terms will be as follows:
 - Working Capital (7-10 years);
 - Machinery & Equipment (7 to 10 years);
 - Real Estate – New & Improvements (25 years);
 - Leaseholder Improvements (Life of the lease but not to exceed 10 years); and
 - Debt Refinance (term commensurate with use of proceeds from loan to be refinanced).

In general, loan terms will not exceed the average useful life of the assets being financed.

- **Private Leveraging/Participation** – ELF recipients are highly encouraged to participate in other financing institutions’ loans. To provide context for this goal, there is an Economic Development Administration (EDA) portfolio-wide requirement in which the full ELF (all participants collectively) will leverage a minimum of two private dollars for each ELF dollar loaned. That is, the leveraging requirement applies to the portfolio as a whole rather than to the individual loan. Private “leveraging/participation” is defined as capital (cash or real estate only) invested to the business by the borrower, others (partners) or financing from private entities such as banks or crowd sourced funding.
- **Equity/Borrower Injection** - The ELF, with the exception of working capital loans, will require all borrowers to inject owner equity as a percentage of the requested loan amount; this may be in form of owner equity and/or private financing. The borrower’s equity injection should be at least 10% of requested loan amount for existing businesses.
- **Collateral** – Collateral pledged and personal guarantees for each loan will depend upon the loan amount, the overall risk of the credit, and the availability of personal and business assets to be pledged as collateral. Loans will be secured by collateral (business and personal) to the maximum extent possible to ensure an adequate secondary source of repayment. Generally, collateral pledged through UCC-1 filings for ELF loans shall not be pledged to other lenders or for other obligations of a business.
- **Credit Memorandums** - Each application will be reviewed for standard underwriting criteria. A credit memorandum summarizing the applicant’s satisfaction of the criteria will be presented to the Loan Committee prior to consideration for loan approval. Generally, the credit memo will address the following qualities: management ability, market feasibility, primary source of repayment, secondary source of repayment, leverage, environmental issues, job creation, credit history, and the project or applicant's overall economic impact. Credit memorandums will also address other program requirements, such as the ratio of funds loaned to jobs created.
- **Financing Restrictions** – ELF Capital may **not** be used to:
 - a) Undertake research and development;
 - b) Acquire an equity position in a private business;
 - c) Subsidize interest payments on an existing loan;
 - d) Provide the equity contribution required of borrowers under other Federal loan programs;
 - e) Enable a borrower to acquire an interest in a business, either through the purchase of stock or through the acquisition of assets, unless the need for ELF financing is sufficiently justified and documented in the loan write-up/credit memo. Acceptable justification could include acquiring a business to substantially save it from imminent foreclosure, or acquiring it to facilitate a significant expansion or increased investment;
 - f) Provide loans to a borrower for the purpose of investing in interest bearing accounts, certificates of deposit or other investment not related to the objectives of the ELF;

- g) Refinance debt unless:
 - 1. It is sufficiently documented in the attendant credit memo that the ELF loan is not replacing private capital solely for the purpose of reducing the risk of loss to an existing lender(s), or
 - 2. An ELF loan is used to purchase the rights of a prior lien holder during an in- process foreclosure action in order to preclude a significant loss on an ELF loan. This action may be undertaken only if there is a high probability of receiving compensation within 18 months from the sale of assets sufficient to cover the ELF's expenses plus a reasonable portion of the outstanding loan obligation.
- h) Finance any activity that serves to relocate jobs from one commuting area to another. (A commuting area is that area defined by the distance people travel to work to and from NWNM) unless:
 - 1. The applicant has moved or will move into region for reasons unrelated to ELF assistance;
 - 2. The applicant has relocated to the region to the date of the applicant's request for ELF assistance;
 - 3. The applicant will expand employment in the region substantially beyond employment in the area where the business was originally located;
 - 4. The applicant is relocating from technologically obsolete facilities to remain competitive; and
 - 5. The applicant is expanding into the new area by adding a branch affiliate of subsidiary while maintaining employment levels in the old area(s).

E. PORTFOLIO STANDARDS AND TARGETS

1. Private Investment Leveraging Ratio

As specified in the EDA Terms and Conditions, the portfolio shall maintain a private leverage ratio of 2:1, or \$2 of private dollars or funds to every \$1 in EDA funding.

2. Cost per Job

- a. Every project shall have a new job creation or jobs saved component.
- b. The portfolio shall target a cost per job ratio of \$50,000 or less.
- c. The maximum cost per job for any single loan will generally not exceed \$100,000.

F. ELF LOAN SELECTION CRITERIA

Priority in processing loan applications will be given to applications that further the targeting of ELF funds as outlined above. Loan applications will be considered for processing, if:

- 1. Staff can demonstrate credit worthiness based upon the financing policies of this plan;
- 2. The project is consistent with the business development strategy;
- 3. The loan will meet program goals to facilitate in the creation of higher paying, higher skilled, private sector jobs; diversify and strengthen the economy; and stimulate private investment.

Priority will be given to those projects that provide the highest economic benefit, which may be evidenced by creation of jobs;

4. The loan is consistent with the goal of maintaining a diversified portfolio; and
5. Business has sufficient historical and projected cash flow to repay loan.

G. PERFORMANCE ASSESSMENT PROCESS

The portfolio goals will be monitored at the time of the semi-annual report to EDA. If targets are out of line or a trend is noticed in this direction, these trends will be analyzed to determine if any modifications to the Plan and/or portfolio are required. This will be accomplished by utilizing the current database software that is utilized to generate the EDA report.

The EDA Administrative Plan will be reviewed annually as part of the annual certification. Changes will be made to the plan as deemed appropriate to ensure the plan is consistent with the area's current economic development strategy and that the ELF is being operated in accordance with policies and procedures contained in the approved plan. (13 CFR 308.14).

ELF OPERATIONAL PROCEDURES

The operation of the Enterprise Loan Fund of Northwest New Mexico will draw upon the collaborative strengths of local governments, economic development organizations and educational institutions within the District, and will be based upon an organizational structure that clearly defines authority and responsibility for administration of the Program.

A. ORGANIZATIONAL STRUCTURE

1. **Genesis of the ELF:** The ELF was initially created by a joint powers agreement among the City of Farmington, the Counties of San Juan, McKinley and Cibola, and the Northwest New Mexico Council of Governments. This is a regional fund, serving all three counties in order to achieve economies of scale and to qualify for the maximum funding available. The Council of Governments is under contract to the EDA to assure compliance with federal requirements. The joint powers agreement empowers the Council of Governments Board of Directors as the body responsible for oversight and policy making, and vest in it the power to contract for marketing and administration of the ELF.
2. **Marketing:** Marketing of the ELF will be done through collaboration with locally owned commercial financial institutions. Additional marketing will be done in collaboration with the Small Business Development Centers in Farmington, Gallup and Grants. Further, direct marketing will be achieved through presentations to community organizations and outreach at community events.
3. **Fund Administration:** The administrative organization of the Revolving Loan Fund is briefly envisioned as follows, and expanded on below:
 - a. **Authority for Fund.** The COG Board of Directors establishes regional ELF policy and reviews operations and performance; solicits nominations for, and appoints, the Loan Committee; and as needed, outsources for ELF marketing and administration.
 - b. **Fund Manager.** The Enterprise Loan Fund Director manages and supervises the ELF and its staff or contractor and, in coordination with the Loan Committee Chair, reports to the COG Board of Directors. The ELF Director is responsible for ensuring implementation of the ELF program in accordance with this Plan and pertinent federal and state requirements and guidelines.
 - c. **Market Linkages.** The Directors of the Small Business Development Centers (SBDCs) in Farmington, Gallup and Grants constitute a secondary mechanism for loan marketing and consultation with prospective borrowers regarding preparation of business plans and loan application packages, and for delivering entrepreneurial training to clients. Local bankers also provide the ELF with potential clients from the banks' pool of applicants who fall short of bank requirements and thus need gap financing to complete the loan package.

- d. Technical Assistance. Under Memorandum of Understanding between the ELF and the New Mexico Small Business Development Center, the Small Business Development Centers in Grants, Gallup and Farmington, respectively, will provide technical assistance services to ELF clients, client consultation and written feedback to the ELF as a means of increasing clients' opportunity for success in the loan program. Agreements with a commercial banker in each county also provide a means of obtaining feedback and recommendations on improving the financial conditions of each client.
 - e. Fund Policy Governance: ELF policy will be governed by the Board of Directors of the Northwest New Mexico COG, which is composed of members from units of local government in Cibola, McKinley and San Juan Counties. Lending decisions will be made by the Loan Committee. Loan Committee membership will generally include balanced participation from the financial and entrepreneurial sectors of the regional community.
 - f. Use of Fund Revenues: Loan fees, borrower charges, interest and other program income will be used to offset administrative costs when available and as allowed under the guidelines of the Economic Development Administration. All program income not used or allowed to be used for administrative expenses will be credited to the capital base of the ELF and used to fund additional loans.
- 4. Loan Committee:** The Northwest New Mexico Council of Governments will form a Loan Committee (LC) to provide policy oversight and financial review services for new loan applications and modification agreements. The ELF Program Director ensures that the Loan Committee receives the ELF Managers analysis of the application to make effective recommendations about the viability of each business' financing request. The Loan Committee will meet as needed and will be responsible for implementing the policies contained in this ELF Plan and any procedures as may be adopted and promulgated by the Board of Directors of the Northwest New Mexico Council of Governments, as well as for recommending policy changes, approving loans, modifying loans, and concurring with all loan foreclosure and workout actions.
- a. Loan Committee. The Loan Committee (LC) will schedule meetings "as needed" to review transactions requiring action. The Loan Committee shall meet in person or virtually. Organizational and operational matters, including loan decisions, will be made by a majority vote of the appointed members of the Loan Committee. A quorum will exist whenever at least half of appointed Loan Committee members are in attendance. However, at least one Loan Committee member with financing experience (similar to the type of loans to be made) must be present for each loan decision. No loan will be committed, no major loan modification or waiver agreed to, no loan foreclosure action initiated without formal prior review and comment (in the form of Loan Committee minutes) of the Loan Committee. Staff will recommend on interest rates, terms and conditions, and approvals for all loans.
 - b. Loan Committee Chair. The NWNMCOG Board of Directors shall appoint the Loan Committee Chair who shall report the status of ELF activity to a quorum of the Board in

coordination with the ELF Manager. The Loan Committee Chair must be a member of the NWNMCOG Board or designated alternate.

5. **Conflict of Interest.** No officer, employee, or member of the NWNMCOG or Loan Committee that advises, approves, recommends or otherwise participates in decisions concerning loans or the use of ELF funds, or person related to the officer, another employee, or any member of the NWNMCOG and Loan Committee may receive any benefits resulting from the use of ELF loan or grant funds.

In addition, the NWNMCOG may not lend ELF funds to an employee of the NWMCOG or any member of the Loan Committee. Former board members and members of his or her immediate family shall not receive a loan from the ELF for a period of two (2) years from the date that board member last served on the board. Immediate family is defined as domestic partner or significant other, parents, grandparents, siblings, children and grandchildren, but does not include more distant relatives, including cousins, unless they live in the same household.

Loan Committee members are responsible for disclosing any possible conflict of interest that may exist with respect to a particular action of the Loan Committee, and recusing themselves from all relevant votes on said loan as appropriate.

An officer, employee, or member of the NWNMCOG and Loan Committee shall not solicit or accept, directly or indirectly, any gift, gratuity, favor, entertainment or any other thing of monetary value, for him or herself or for another person, from any person or organization seeking to obtain a loan or any portion of the ELF funds. Former Loan Committee members and/or officers are ineligible to apply for or receive loan or grant funds for a period of one year from the date of termination of his/her services.

Loan Committee members that have other professional relationships (i.e., a banker with loan to borrower) with a prospective borrower cannot be present for deliberations, but may respond to questions from other members of the Loan Committee, to avoid the appearance of a conflict of interest. All Loan Committee members will be required to comply with local and state conflict of interest policies and filing requirements (see: 13 CFR 300.3).

B. LOAN PROCESSING PROCEDURES

1. Standard Application Requirements

Each potential borrower will be required to initially complete the NWNMCOG's standard loan application. Staff will review the application to determine if it meets the general intent and purpose of the ELF. In evaluation of applicants, staff will consider whether the project/loan:

- Meets the targeting criteria;

- Demonstrates a reasonable assurance of repayment; and
- Is consistent with the portfolio job/cost ratio established for the ELF.

Potential borrowers are required to submit the following documents (as applicable) with their loan application:

1. Statement of Need for RLF to include:
 - a. Plans, cost estimates/bids for leaseholds and equipment (include installation costs)
 - b. Purchase agreements for real estate acquisitions
 - c. Private lender commitment or denial of funds letter(s)
2. Business Federal Income Tax Returns – prior 3 years
3. Most recent Full Fiscal Year-End Financial Statement (signed / initialed) if no Tax Return for most recent year is available, to include:
 - a. Balance Sheet
 - b. Income / Expense Statement
 - c. Aging of accounts receivable and payable and list of vendors and addresses and account numbers for any account over 90 days.
 - d. Schedule of Business Debts (including the following: original amount of debt, current balance outstanding, payment amount(s), interest rate, collateral, & status)
 - e. Additional personal guarantees of other debts
4. Individual Federal Income Tax Return – prior 3 years
5. Personal financial statement (any owner with 20% ownership or more)
6. Statement of Personal History
7. Credit release (any owner with 20% ownership or more)
8. Legal to include:
 - a. Articles of incorporation / By-laws and/or partnerships/operating agreements / dba certificates / business licenses
 - b. Certificate of good standing (corporations only)
9. Resume(s) of principal(s) (normally those with 20% ownership or more; worker cooperatives should submit resumes of all members)
10. Lease Agreement / Site Control or Letter of Intent to Lease:
11. Pro forma financial statement / projects (including notes and schedules) to include:
 - a. 2 years profit and loss projections
 - b. Explanations of the underlying assumptions supporting cash flow projections
12. 4506T signed and dated

Borrowers shall be approved based upon a reasonable assurance and determination of repayment ability and potential economic benefits to the community, i.e., number and quality of jobs they will create, worker ownership opportunities created, amount of taxes generated, extent to which they expand support businesses and services.

2. Credit Reports

Standard commercial and personal credit reports on all principals owning 20% or more of a business under consideration for a loan and the business will be ordered and reviewed by the contracted underwriting party. Adverse credit deficiencies that would cause the underwriter to question the ability and or willingness of the potential borrower to repay the loan will be deemed a valid reason for declining the request. A summary review of the results of the credit reports shall be a part of the loan write-up.

3. Uniform Commercial Code (UCC) Lien Search and/or Title Report

A UCC search may be completed to determine any existing liens, where personal property is being taken as security (i.e. equipment, or business assets). A real estate title report may be required in those instances where real property is being taken as collateral.

4. Appraisal Reports

Appraisal reports or other valuation determinations may be obtained, where existing fixed assets and/or real properties are being used as primary collateral. If completed, appraisals will utilize qualified appraisers having expertise appropriate to the assets being pledged.

5. Environmental Reviews

For proposed Real Estate projects, new or improvements, the ELF Administrator with the assistance of appropriate staff, shall assess the significance of all environmental impacts of activities to be financed in compliance with the National Environmental Policy Act of 1969 and other Federal environmental mandates, as per the Assurances (SF 424D as revised) executed with the Economic Development Administration (EDA). No activity shall be financed which would result in a significant adverse environmental impact unless the impact is to be mitigated to the point of insignificance. When necessary to ensure compliance, any required mitigation shall be made part of the loan conditions.

No project shall be approved which would result in the alteration of or have an adverse impact on any wetland without prior consultation with the U.S. Department of the Interior, Fish and Wildlife Service, and, if applicable, obtaining a section 404 permit from the Army Corps of Engineers.

Consistent with E.O. 11988, no project shall be approved which would result in new above ground development in a 100-year flood plain. This determination will be made by reviewing the proposed development against FEMA Flood Insurance Rate Maps.

The State Historic Preservation Officer, (SHPO) shall be notified of each loan proposal that involves significant new construction or expansion and asked to submit comments on the effect of the proposed activity on historic and archaeological resources. The ELF Administrator shall work with the SHPO and EDA in cases where the SHPO has recommended actions or has been determined an adverse impact.

All real estate loan applicants shall be requested to provide information indicating whether or not there was hazardous materials such as EPA listed (see 40 CFR 300), hazard substances, leaking underground storage tanks, asbestos, polychlorinated biphenyls (PCB), or other hazardous materials on site that have been improperly handled and have the potential of endangering public health. If deemed necessary, real estate loan applicants may be required to perform or provide evidence of a Phase I site assessment to identify possible sources of contamination, a Phase II site assessment to test soil and/or groundwater samples, and a Phase III site remediation involving mitigation of applicable contaminants. In cases where there are unresolved site contamination issues, the ELF Administrator shall work with the real estate loan applicant and the appropriate state environmental agency office to resolve these outstanding issues.

6. Standard Collateral Requirements

Loans will be secured to the fullest extent possible to protect the interests of the ELF as a secondary source of repayment. Loans may be secured with the following types of assets:

- Real property
- Machinery & equipment
- Inventory
- Accounts Receivable
- Stock pledges
- Patents and other intellectual properties
- Securities
- Intangibles
- Personal and/or corporate guarantees.

A personal guarantee will be required of any principal having a 20% or more ownership in the company being considered; it shall also be required of the principal(s) trust(s) deemed to be controlled by him or her. Personal guarantees may be collateralized with liens on business and/or personal property. Appropriate hazard and liability insurance shall be required, and key man life insurance shall be considered depending on the size and nature of the transaction and the health and ages of the principals. The NWMMCOG shall be named as a Loss Payee on the appropriate insurance policies. Trust deeds may be obtained and supported by lenders title policies in those cases where real property is pledged as collateral. Liens on all personal property will be perfected by UCC-1 filings. UCC searches will be conducted to determine encumbrances and to ensure the ELF obtains desired lien position. All ELF program funding is subject to the Davis-Bacon Act and Related Acts, which establishes a requirement for paying the local prevailing wages on public works projects for laborers, unless the EDA determines that loan amounts are so de minimis that property cannot be purchased or renovated with the loan.

7. Standard Equity Requirements

Existing businesses may be required to inject at least 10% of the requested loan amount. Working capital loans are exempt. Assets (e.g. equipment), which are added to a project

from outside sources, may be considered part of the equity investment, provided they are lien free.

8. Loan Write-Up/Credit Memos

Written loan presentations (“credit memos”) to the Loan Committee Oversight will contain at a minimum the following information:

1. Evidence that the Borrower is in NWNM;
2. Recommendation: Support funding recommendation based on analysis of the business' industry, its place in that industry, financial analysis, and ability to repay.
3. Findings: Indicate if borrower is eligible, under criteria established in the ELF Plan and EDA Grant Agreement.
4. Description of Business
5. Background and History of Business Operation: Describe the history and background of the business, including a brief industry analysis.
6. Detailed description of the borrower; i.e., is it a corporation, partnership, sole proprietorship, list owners and their percentage of the business.
7. List of names and relationships of the guarantors to the owners of the business as appropriate.
8. Provide loan details:
 - a) Loan Request: State the amount of the request and state the recommended monthly amortization and term.
 - b) Interest: Indicate the rate, specifying a fixed rate.
 - c) Use of Funds by category.
 - d) Loan Fees: The maximum fee charged will be 1% of the total loan amount.
 - e) Expected cash to close the loan
9. Purpose: Describe in detail the purpose of the loan by category, i.e., fixed asset financing, tenant improvements, etc. Be specific about sources and uses of proceeds to complete the project. Any proposed exceptions to loan policies need to be explained.
10. Credit Report: Indicate the results of the credit reports obtained on the principals, guarantors, and company.
11. Financial Analysis: Indicate the source of information for the analysis. Describe the company's financial performance as reflected by its financial statements, with special emphasis on revenues and operating income, leverage, cash flow, and debt capacity. Projection should be consistent with historical performance unless there is an extraordinary event such as a new contract. Any significant changes in financial positions or performance of the company must be explained.
12. Personal Financial Analysis: Write an analysis of the principal's and guarantor(s) personal financial statements. Any significant changes in financial position or performance must be explained.
13. Collateral: Describe the collateral pledged for this loan and indicate the secured position of the ELF. If property is being pledged, show the present market value and the net

equity available for all properties pledged. Date of appraisal, name of appraiser and loan to value must also be included.

14. Job/Cost Ratio: Divide the total loan amount by the number of jobs saved and/or created as a result of this loan. Recall, that the ELF program is subject to the Davis-Bacon Act and Related Acts, applying to contractors and subcontractors performing on federally funded or assisted contracts in excess of \$2,000 for the construction, alteration, or repair (including painting and decorating) of public buildings or public work.
15. Public Benefit: Describe the benefit of this loan in terms of jobs retained and/or created. Indicate the value of this borrower to the community. Specify whether this loan would create or preserve sole proprietors. Jobs saved are defined as jobs that would be imminently lost without ELF assistance.
16. Environmental Problems: Loans will not be made to any project that has a Phase I finding. Borrower must provide proof of successful remediation.

9. Procedure for Loan Approvals

When a loan is approved, staff will draft a memo stipulating the terms of approval and obtain the signature of the chairperson of the Loan Committee Oversight. The minutes of the Loan Committee meeting shall reflect this approval and be circulated to all members of the Loan Committee. ELF staff shall be directed to prepare and send a commitment letter with a time expiration date signed by the RLF Manager to the prospective borrower, stating the terms and conditions of the committed loan consistent with the written credit memo to the Loan Committee, and any provisions or changes recommended by the Loan Committee. It shall also state *"this commitment is based on the fact that there have been no material adverse changes in the credit condition of the borrower since statements and information has been submitted to the ELF. If any such material adverse changes have taken place, this commitment is void and not in effect."*

10. Loan Decline – Appeal Process

The Loan Committee will act upon recommendations for loan approval with the knowledge that the due diligence and underwriting on each loan has been completed, and upon reliance that the financial exhibits provided in the application are correct. Where a loan is denied by the Loan Committee, an applicant may request further review by the Loan Committee if the applicant can provide additional information that addresses the concerns of the Loan Committee about the proposed loan. However, Loan Committee decisions on loans are final and binding and cannot be appealed.

C. LOAN CLOSING AND DISBURSEMENT PROCEDURES

1. General Closing Requirements

- a. Proof of equity, such as current bank account statements showing the needed funds on deposit, will be required for all loans requiring an equity injection;

- b. If existing debt is being converted to equity, or subordinated, evidence such as a subordination agreement, the original note, the conversion agreement, corporate resolutions and copies of shares issued will be required;
- c. Where another lender is involved in the financing of a business an inter-creditor agreement setting forth the respective rights of the parties shall be required where appropriate for the protection for the ELF; and
- d. ELF operator has deemed conditions listed on commitment letter have been fulfilled.

2. Loan Closing Documentation Requirements

- a. All loans will require a promissory note and a loan agreement;
- b. All loan documents will be reviewed and approved by the NWNMCOG Attorney prior to loan closing;
- c. Sole proprietorships using a “doing business as/dba” will be required to provide copies of fictitious name filings;
- d. Partnerships will be required to provide copies of the partnership agreements and buyout agreements if applicable;
- e. Corporations will normally be required to provide copies of the Articles of Incorporation, By Laws, certificates of good standing, and corporate resolution to borrow;
- f. All loans will require a security agreement where personal property secures a loan;
- g. Perfection of collateral will require UCC-1 filings on equipment and fixtures, inventory and receivables, recording deeds of trust on real property, and certificates of title or stock registration, as appropriate;
- h. UCC searches will be performed before loan committee review to determine position. UCC searches may also be performed after loan closing and UCC filings to confirm that the desired lien position was actually obtained;
- i. Borrower will be advised if Lenders Title insurance will be required for all financed real property;
- j. Borrower will be advised if vehicle titles will be required to show the NWNMCOG as lien holder. If a third party owns the collateral, hypothecation and assignment agreements shall be required;
- k. All principals with 20% or more ownership will normally be required to provide continuing guarantees, and subordination agreements, as appropriate;
- l. Inter-creditor Agreement, if necessary, to preclude prior lien holder from increasing debt, and/or to delineate collateral and responsibilities of lenders;
- m. Prior to closing, the borrower will present the required hazard and liability insurance policies, and any other insurance coverage such as key life insurance, as required
- n. Lease assignments will be taken as appropriate; and
- o. ELF operator will provide a pre-closing memo to the file identifying any adverse changes in the financial condition of the applicant(s) collateral, and other changes if they occurred since commitment letter was returned (signed).

The Loan Agreement shall contain covenants that shall require the borrower to comply with Federal statutory and regulatory requirements that apply to activities carried out with ELF loans.

The Loan Agreement shall contain a provision to protect and hold the Federal government harmless from and against all liabilities that the Government may incur as a result of providing an award to assist (directly or indirectly) in site preparation as well as the renovation or repair of any facility or site. This applies to the extent that such liabilities are incurred because of ground water, surface, soil or other conditions caused by operations of the ELF Recipient or any of its predecessors on the property. The Loan Agreement shall also include a list of the Federal requirements that apply to ELF Borrowers as provided in the U.S. Department of Commerce Economic Development Administration Revolving Loan Fund Standard Terms and Conditions.

3. Loan Disbursement Requirements

- a. The borrower will certify in the loan agreement that the funds are to be used for the purposes intended as specified in the loan application. A positive covenant shall be included in the loan agreement stating the purpose of the loan. A breach of this covenant shall be deemed an event of default and the loan may be called.
- b. Funds will not be made directly to the business or its principals but rather to 3rd party vendors. Borrow shall provide invoices and purchase orders to ELF fiscal agent who will then disburse funds to the party listed.
- c. Funds may be disbursed over 12 months. If funds are not drawn within 6 months from closing date, ELF operator will require updated financials and other docs as deemed necessary by ELF operator.

D. LOAN SERVICING PROCEDURES

1. Loan Payment and Collection Procedures

The NWNMCOG staff, including the ELF program manager, will provide borrowers with payment coupons annually and upon request, receive and deposit loan and interest payments into an interest bearing ELF bank account. Additionally, upon request, the ELF Program Manager will provide monthly reports of disbursements, receipts of interest and principal and any past due accounts. Timely notification of any payment due and not paid will be provided to borrowers.

Late fees (which will be incorporated in the body of the Promissory note) shall be 5% of the payment outstanding, compounded monthly, and begin accruing on the next calendar day after the payment is due. If the loan is past due more than 15 business days, late fees shall commence.

2. Loan Monitoring Procedures

- a. Annual financial statements (defined to include a balance sheet and profit and loss statement, compiled by an independent accountant or certified by the chief financial officer and president) and business and personal tax returns will be required on all loans. RLF staff shall monitor these and other dated requirements such as insurance renewals, and UCC renewals. If documents are not received on a timely basis as stipulated by the Loan Agreement, designated staff will be responsible for correcting the deficiency. Provisions will be made in the Loan Agreement that audited statements may be required.

- b. ELF staff will visit each borrower on an annual basis to determine whether the business is in line with its stated business plan. Each visit will be documented by memorandum and will contain a summary of the progress the business is making (or not making) from a marketing and financial perspective, as well as an assessment of the business' future. This report shall be provided to the Loan Committee.
- c. As part of the required semi-annual reports, jobs saved/created data will be compiled by ELF staff and supplied to the EDA. All jobs will be reported in full time equivalents.
- d. All other required loan documentation and special provisions will be monitored by ELF staff.

3. Late Payment Follow-up Procedures

- a. Monthly invoices/statements will be sent.
- b. If payment is more than 10 days late, 5% of the late payment will be charged as a late fee. Interest shall compound monthly.
- c. On the 11th day, ELF staff will contact the borrower promptly to determine the problem, if any exists.
- d. Late payment will be applied to fees first, then interest and principal.
- e. If, after 90 days a delinquency still exists and the loan has not been renegotiated or brought current, the loan will generally be determined to be in default and recovery of the security will commence.
- f. Any renegotiation of loan terms to remedy a default must be approved the Loan Committee.
- g. If at any time during this 90-day period, the Economic Development Manager believes that the borrower cannot or will not bring the loan current, with Loan Committee Oversight approval, ELF staff can declare the loan in default and begin recovery against collateral, if deemed appropriate.

4. Collection Procedures

The RLF staff will work to exercise all rights and privileges of a lender in order to collect the proceeds on delinquent loans. To ensure that the delinquent loan is collected in an appropriate, efficient, and timely manner, staff will:

- a. Prepare a plan of action with guidance by the Loan Committee Oversight for collecting the loan and taking action against the collateral.
- b. Make sure all required loan documentation is in order.
- c. Consult with the NWNMCOG Attorney on all default notices and collection efforts and to ensure that no laws or regulations will be violated by the collection effort and that all legally required actions are taken.
- d. Contact all other co-lenders as appropriate.
- e. List defaulted or chronically delinquent loans with credit bureaus.
- f. Notify the guarantors of the default and put them on notice that they are expected to make payment, in full, upon demand.
- g. Begin collection procedures and/or asset liquidation process.

5. Write-off Policy and Procedures

Loans with an outstanding balance that have been placed in default and remain outstanding after 180 days will generally be written off. However, collection efforts will continue until determined not to be cost effective or prospects for recovery no longer exist. A reasonable loss through defaults will be considered without establishing a loan loss reserve. All write-offs must be directed by the Loan Committee Oversight for approval by the NWNMCOG Board of Directors.

E. ADMINISTRATION PROCEDURES

1. Procedures for Loan Files and Record Retention

All original primary loan documents will be maintained in the Loan/Collateral file, which will be stored in a secure location by the ELF Manager. This file will contain the original note(s), loan agreement, collateral perfection documents (UCC-1 filings, deeds of trust, etc.), and all other original legal documents. All files will be filed and recorded as specified by the EDA Terms and Conditions. Each individual borrower will have a loan file consisting of two items: i) a credit file and ii) an application file.

The Credit File will contain copies of the appropriate legal documents needed to monitor the loan, as well as the original credit memo to the Loan Committee, financial statements and tax returns, credit reports, personal financial statements, a copy of the commitment letter, copies of proof of insurance, site visit memorandum, job reports, and any other correspondence relating to the relationship between the borrower and the ELF. A chronological record shall be maintained recording all significant events by date with a brief description.

The Application File shall be established to contain the original application, business plan, financials, business plan evaluation, and any other documentation provided to evaluate the application. Every effort will be made to maintain confidentiality of applicant records/applications. There will be a public file, which can be reviewed by the public with all personal protected information (eg. Social Security numbers, loan and credit card numbers redacted). A private file that will include all documentation including, but not limited to, application, credit memorandum, third party evaluations and non-confidential reports and UCC-1 filings.

Record Retention Loan files and related documents and records must be retained for the life of the loan and for a seven-year period from the date of final disposition of the loan. The NWNMCOG will maintain four different kinds of file records: 1) an application file, 2) a loan file, 3) a decline file and 4) a closed loan file. This will ensure that we have records of all decisions made by the Loan Committee for public review. The date of final disposition of the loan is defined as the date of: (a) Full payment of the principal, interest, fees, penalties, and other costs associated with the loan; or (b) Final settlement or write-off of any unpaid amounts associated with the loan.

Administrative records NWNMCOG staff or loan servicer must maintain adequate accounting records and source documentation to substantiate the amount and percent of ELF income expended for eligible ELF administrative costs and retain records of administrative costs incurred

for activities and equipment relating to the operation of the ELF for five years from the date the costs were claimed.

The loan servicers must also make any retained records, even those retained for longer than the period described, available for inspection. The record retention periods, described above, are minimum periods and such prescription is not intended to limit any other record retention requirement of law or agreement.

2. Procedures for Complying with EDA Reporting Requirements

The ELF program will follow the EDA guidelines articulated in the Revolving Loan Funds Capital Utilization Standard Program. During the ‘revolving phase’, the Northwest New Mexico must manage their repayment and lending schedules to provide that at all times at least seventy- five (75%) percent of their ELF capital is loaned or committed.

When the percentage of loaned ELF capital falls below the application capital utilization percentage, the dollar amount of the ELF funds equivalent to the difference between the actual percentage of ELF capital loaned and the applicable capital utilization percentage is referred to as “excess funds.”

Sequestration of excess funds If the NWNMCOG RLF fails to satisfy the applicable utilization percentage requirements for two (2) consecutive reporting periods, EDA may require the NWNMCOG to deposit excess funds in an interest-bearing account. The portion of interest earned on the account holding excess funds attributable to the Federal Share of the ELF grant shall be remitted to the U.S. Treasury. The NWNMCOG must obtain EDA’s written authorization to withdraw any sequestered funds.

Persistent non-compliance The NWNMCOG, as a long standing ELF program administrator, will generally be allowed a reasonable period of time (as determined by EDA) to lend excess funds and achieve the applicable capital utilization percentage. However, if the NWNMCOG fails to achieve the applicable capital utilization percentage after a reasonable period of time, as determined by EDA, it may be subject to sanctions such as suspension or termination.

Loan Default Rates The EDA shall monitor the NWNMCOG’s loan default rate to ensure proper protection of the Federal Share of the ELF property, and request information from the NWNMCOG as necessary to determine whether it is collecting loan repayments and complying with the financial obligations under the ELF Grant.

Such information may include:

- A written analysis of the NWNMCOG’s portfolio, which shall consider the Recipient’s business plan, loan and collateral policies, loan services and collection policies and procedures, the rate of growth of the ELF Capital Base, and detailed information on any loan in default; and

- A corrective action plan subject to EDA's approval, which shall include specific actions the ELF recipient must take to reduce the loan default rate; and
- A quarterly status report indicating the NWNMCOG's progress on achieving the milestones outlined in the corrective action plan.

Failure to provide the information requested and to take steps to protect the Federal Share may subject the NWNMCOG to enforcement action under §307.21 and the terms and conditions of this grant. A collection account has been established and maintained in coordination with the NWNMCOG Attorney and the NWNMCOG's Finance Department in accordance with NWNMCOG regulations governing collections.

3. Grantee Control Procedures

ELF staff shall, periodically review the loan files to determine if they are consistent, complete and correct. All accounts, books, records and loan files shall be reviewed and audited in accordance with NWNMCOG Auditor standards, and Federal Administrative and Audit Standards.

4. Plan Amendment Procedures

Any changes to this Administrative Plan must be approved by the Loan Committee and NWNMCOG Board of Directors and shall be submitted to the EDA in writing for approval consistent with requirements of the EDA.

F. MODIFICATION

The Loan Committee may from time to time recommend, and the NWNMCOG Board of Directors may approve, changes in strategy, policy, standards and procedures, so long as such changes are consistent with the statutes and regulations governing the use of EDA funds for the ELF, subject to review and approval by the EDA.

G. OTHER REQUIREMENTS

1. **Equal Opportunity.** The ELF will work through the Small Business Development Centers and the Navajo Nation Regional Business Development Offices, and through Chambers of Commerce, local economic development agencies, local governments, community and civic groups, to promote its services to minority communities, and will clearly state in any advertising and promotional material that loans will be available on a non-discriminatory basis, and that no loan will be denied on the basis of race, color, national origin, religion, age, disability, political affiliation, or sex. All applicants subject to affirmative action will be required to provide the relevant assurances and hiring plans in writing.
2. **Environmental Protection.** Each applicant will be required to comply with all federal and state statutes and regulations concerning environmental impact, and to provide any relevant mitigation plans. No loan will be approved until appropriate environmental, historical and archaeological clearances are obtained.

3. **Non-Relocation.** No loan involving a move from one labor market to another within the time period specified by EDA regulations will be approved. A certificate of non-relocation will be required from all applicants.
4. **Flood Insurance.** A site survey will be required of each loan to identify flood plain/hazard areas. Any project located in such an area will be required to have appropriate flood insurance.
5. **Nepotism.** No ELF loans will be made to any business entity if the owner of such entity or any owner of an interest in such entity is related by blood, marriage, law or business arrangement to any officer or employee of the NWNMCOG, the Loan Committee, any subcommittee, or member of the Boards of Directors of said entities or any other Board which advises, approves, recommends or otherwise participates in decisions concerning loans or the use of grant funds.

APPENDIX

Appendix I: Definitions

When used in context with the Enterprise Loan Fund (ELF) the following definitions shall apply:

Minority-owned Business – *A small business in which the majority (at least 51%) of the company is owned and controlled by a member (or collection of members) of four ethnic or racial groups: African American, Asian American, Hispanic American, and Native American.*

Small Business – *A privately owned corporation, partnership, or sole proprietorship that has fewer than 1,500 employees and a maximum of \$38.5 million in average annual receipts, according to the SBA.*

Veteran-owned Business – *A small business that is at least 51% owned and controlled by one or more service-disabled veterans. Eligible veteran must have a service-connected disability.*

Women-owned Business – *A small business that is at least 51% owned and controlled by women who are US citizens.*



NWNMCOG | NORTHWEST NEW MEXICO COUNCIL OF GOVERNMENTS

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US Economic Development District #1
NM State Planning District #1
www.nwnmcog.com
Executive Director | Evan Williams

January 3, 2024

LaDonna Barbee, Program Analyst
Revolving Loan Fund Program
Austin Regional Office
US Economic Development Administration
903 San Jacinto Blvd. Suite 206
Austin, TX 78701

RE: Request for Extension – EDA CARES Revolving Loan Fund (#08-79-05500)

Dear LaDonna:

This letter is to request a two-year or 24-month extension of our revolving loan fund program.

First, our agreement with the US Economic Development Administration (EDA) ends in February 2024, and currently we have two pending loans that are scheduled to go to our Loan Committee this month for approval. These loans represent \$230,000 in revolving loan fund capital, which is approximately 25% of our existing corpus. Further, both of these loans are designed to be split into two installments with the second coming in 6 months, which could be as early as June 2024. Due to this structure, we need to seek an extension or approval before approving these loans in this fashion.

Second, we realize that we have not achieved our estimated spend down plan with regards to this program for various reasons. Attached is a full report of efforts with regarding the program but several reasons that affected our spend are:

1. **Program Set-up and Building Capacity** took longer than anticipated including hiring a Loan Officer and contracting underwriting services to Grow America (formerly National Development Corporation).
2. **Marketing and Outreach** also took longer as we found out that our businesses respond best to face-to-face, one-on-one meetings at the business itself. With this, we conducted over 200 direct loan meetings with targeted businesses.
3. **Interest Rates and the Environment of Grant Funding** hampered our efforts as many businesses were either to risk adverse due to high interest rates or were sustaining from or waiting for additional grant funding from COVID relief efforts. After several years, we finally did drop our interest rates and revamped our product to be more competitive which has proved to be a key in driving demand.
4. **Building a Strong Portfolio of Deals** was difficult to develop due to some of the items above but additionally because the desire for capital is huge and access is extremely limited in our region while the business acumen gap and need for technical assistance in the four C's of lending is



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Executive Director | Evan Williams

extreme. The amount of partnership development and one-on-one support seems like a systemic barrier to entry that will need to be addressed in our CEDS and through other interventions.

Lastly, while we would appreciate the entire corpus of funds being extended, we understand that this extension may only be for the current loans in process. We believe that there are additional loans in our portfolio that we have had to put on hold and that when these two deals close that the generated earned media will drive additional clients our way. We are informing our Board of Directors on January 10, 2024 and seeking direction from them moving forward. But if funds are terminated, we know that our Board of Directors would like the opportunity to find another provider in our region to keep this program and funding opportunity available to our businesses as we continue to struggle to bend the curve due to the devastating loss of our coal economy. Secondly, if that is not possible, we would advocate and actively work with you to find a region and provider in New Mexico that could utilize these funds especially those areas in recovery from wildfire disasters.

Again, we are humbly asking for a two-year extension of our revolving loan program to allow us the best opportunity to use our built capacity, partnerships, and outreach to conclude our disbursement phase supporting as many loans as possible. We appreciate all the support, patience, and guidance that you yourself have invested in us.

Sincerely,

Evan Williams, Executive Director

Enclosures/Attachments:

- *RLF Presentation to COG Board of Directors (October 18, 2023)*
- *Term Sheets*



RESOLUTION #2024-001

ADOPTING AN OPEN MEETINGS ACT RESOLUTION AND PROTOCOL FOR THE NORTHWEST NEW MEXICO COUNCIL OF GOVERNMENTS

WHEREAS, it is the desire of the Board of the Northwest New Mexico Council of Governments (COG) that the meetings of said Council be held in accordance with the terms and spirit of the New Mexico Open Meetings Act (NMSA 10-15-4 and according to procedures adopted by the Board of Directors); and

WHEREAS, such meetings should be publicized to the fullest extent in order to encourage the best participation of the citizens of the area;

WHEREAS, Section 10-15-1(B) of the *Open Meetings Act* (1978, Sections 10-15-1 to 10-15-4 NMSA 1978) states that, except as may be otherwise provided in the *Constitution* or the provisions of the *Open Meetings Act*, all meetings of a quorum of members of any board, council, commission, administrative adjudicatory body or other policymaking body of any state or local public agency held for the purpose of formulating public policy, discussing public business, or for the purpose of taking any action within the authority of such body, are declared to be public meetings open to the public at all times; and

WHEREAS, any meetings held by COG at which the discussion or adoption of any proposed resolution, rule, regulation, or formal motion occurs will be held only after reasonable notice to the public; and

WHEREAS, the COG will determine annually what constitutes reasonable notice of the public in accordance with its Articles of Agreement and all State requirements.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. All meetings of the Board of Directors of the COG shall be held in accordance with our Articles of Agreement as duly adopted and with the *Open Meetings Act* as applicable including all Executive Orders and relevant guidance provided by the Office of the Attorney General's Open Government Division.
2. The agenda for each regular meeting shall be made available by COG staff at least seven days prior to the meeting by email and by request in a hard copy form. The agenda will also be available to the public at least twenty-four hours before a special meeting is held.
3. The COG staff shall notify the public by newspaper advertisement of the time and place of Regular meetings at least ten days in advance, Special meetings three days in advance, and Emergency meetings as far in advance as possible. Emergency meetings will be called only under unforeseen circumstances that demand immediate action to protect the health, safety and property of citizens or to protect the public body from substantial financial loss. Emergency

and Special meetings may be called by the Chairperson or a majority of the voting members. COG Members shall post public notices for special or emergency meetings within their communities at their respective municipal and county offices. Meeting information will also be made available on the COG website, including public access to participate in a virtual meeting.

4. COG voting members may close a meeting to the public only if the subject matter of such discussion or motion is exempted from the open meeting requirement under Section 10-15-1(H) of the *Open Meetings Act*.
5. COG staff shall keep written minutes of all open meetings. The minutes shall include the date, time and place of the meeting, names of the members in attendance and those absent, the substance of proposals or actions considered and a record of any decisions and votes taken. Draft minutes shall be prepared at least 7 days in advance of the next regular meeting and shall be approved, amended or disapproved at the next meeting where a quorum of COG voting members are present. Draft Minutes from special or emergency meetings shall be prepared within 10 days following such meetings for COG Member review. Minutes shall not become official until approved by the COG voting members. Recordings of open meetings may be made by COG staff but only for the purpose of preparing the official minutes. COG meeting minutes shall be made available to the public on the COG website and upon written request.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Northwest New Mexico Council of Governments at a duly called regular meeting of the Board held at El Morro Events Center, Gallup, New Mexico on January 10, 2024.

SIGNED:

Martha Garcia, Chair
Northwest NM Council of Governments

ATTEST:

Evan Williams, Executive Director
Northwest New Mexico Council of Governments

Balance Sheet

As of December 31, 2023

	Dec 31, 23
ASSETS	
Current Assets	
Checking/Savings	
10100 · Pinnacle Bank - Operating (Operating - Checking)	
10100.1 · Operating Reserve	123,635.51
10100 · Pinnacle Bank - Operating (Operating - Checking) - Other	669,662.48
Total 10100 · Pinnacle Bank - Operating (Operating - Checking)	793,297.99
10102 · Pinnacle Bank - R.L.F.	90,131.76
10104 · Pinnacle Bank - F.S.L.F.	62,316.42
Total Checking/Savings	945,746.17
Accounts Receivable	
10300 · Accounts Receivable (Unpaid or unapplied customer invoices and credits)	434,197.82
10602 · Loans Receivable - L.F.	173,438.02
10604 · Loan Allowance	-173,438.02
Total Accounts Receivable	434,197.82
Other Current Assets	
10500 · Prepaid Expenses	6,875.90
Total Other Current Assets	6,875.90
Total Current Assets	1,386,819.89
Other Assets	
10400 · Due From	147,760.82
20400 · Due To	-147,760.82
Total Other Assets	0.00
TOTAL ASSETS	1,386,819.89
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20100 · Accounts Payable (Unpaid or unapplied vendor bills or credits)	10,677.94
Total Accounts Payable	10,677.94
Other Current Liabilities	
20200 · Deferred Revenue	331,386.60
20300 · Accrued Wages	9,133.23
203000 · Accrued Payroll Liabilities (Unpaid payroll liabilities. Amounts withheld or accrued, but not yet paid)	
203001 · PERA Liability	
203001A · PERA Liability - Employer	38.16
203001 · PERA Liability - Other	-2,494.37
Total 203001 · PERA Liability	-2,456.21
203002 · EE Insurance Liability	8,714.70
203003 · NM Workers Compensation	81.50
203004 · NM Unemployment Liability	266.54
203005 · Federal Unemployment Liability	724.58
203006 · Employee Fund Liability	1,334.72
203000 · Accrued Payroll Liabilities (Unpaid payroll liabilities. Amounts withheld or accrued, but not yet paid) ...	-837.81
Total 203000 · Accrued Payroll Liabilities (Unpaid payroll liabilities. Amounts withheld or accrued, but not yet paid)	7,828.02
20301 · Accrued Wages and Salaries	-811.82
20302 · Accrued Payroll Taxes	1,118.31
20304 · Accrued Employee FB	-1,657.17
20305 · Accrued Interest	80.50
20500 · Employee Fund	470.00
Total Other Current Liabilities	347,547.67
Total Current Liabilities	358,225.61
Total Liabilities	358,225.61

Balance Sheet

As of December 31, 2023

Dec 31, 23

	Dec 31, 23
Equity	
30000 · Opening Balance Equity (Opening balances during setup post to this account. The balance of this account sh...	61,301.76
30002 · Opening Balance Equity - L.F.	259,298.00
32000 · Retained Earnings (Undistributed earnings of the corporation)	553,081.13
Net Income	154,913.39
Total Equity	1,028,594.28
TOTAL LIABILITIES & EQUITY	1,386,819.89

Profit & Loss

October through December 2023

	<u>TOTAL</u>
Ordinary Income/Expense	
Income	
100 · General	
40400 · Local Revenue	
40401 · Member Dues	60,000.00
Total 40400 · Local Revenue	60,000.00
40501 · Interest Income	1,276.88
48000 · Matching Revenue	48,304.79
Total 100 · General	109,581.67
500 · Federal grants and contracts	
40100 · Federal Grant Revenue	19,422.19
Total 500 · Federal grants and contracts	19,422.19
600 · State grants and Contracts	
40200 · State Grant Revenue	174,857.23
Total 600 · State grants and Contracts	174,857.23
700 · Private Grants & Contracts	
40300 · Private/Foundation Revenue	120,902.14
Total 700 · Private Grants & Contracts	120,902.14
800 · Local Grants & Contracts	
40402 · Special Project Revenue	109,081.10
40403 · Local Fiscal Agency Fees	2,000.00
Total 800 · Local Grants & Contracts	111,081.10
900 · Asset Maintenance Fund	
40502 · Rent Income	13,500.00
40503 · Vehicle Mileage Reimbursements	211.33
Total 900 · Asset Maintenance Fund	13,711.33
Total Income	549,555.66
Gross Profit	549,555.66
Expense	
a. Personnel	
50000 · Payroll Expenses	1,051.05
50001 · Wages & Salaries	92,205.43
Total a. Personnel	93,256.48
b. Fringe Benefits	
50002 · Employee FB	9,958.56
50004 · Payroll Taxes	7,804.62
50100 · Insurance	4,761.45
Total b. Fringe Benefits	22,524.63
c. Travel	
60108 · Registration	300.00
60200 · Travel & Per Diem	844.76
60201 · Mileage Costs	348.30
Total c. Travel	1,493.06
e. Supplies	
60100 · Office Supplies	1,015.06
60500 · Computer Software & Equipment	336.67
Total e. Supplies	1,351.73
f. Contractual	
60405 · Professional Services-Restrict	294,932.18
60406 · Professional Services-General	5,381.26
Total f. Contractual	300,313.44

Profit & Loss

October through December 2023

	<u>TOTAL</u>
h. Other	
Facility Expenses	
60404 · Rent Expense	6,750.00
60601 · Facility Insurance	4,423.15
60700 · Facility Maintenance	29,451.58
60701 · Utility	1,641.91
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Total Facility Expenses	42,266.64
Vehicle Expenses	
60602 · Vehicle Insurance	100.00
60704 · Fuels Expense	683.29
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Total Vehicle Expenses	783.29
60101 · Duplicating & Copying	1,060.03
60102 · Postage and Delivery	150.00
60103 · Telephone & Telecom	3,503.88
60104 · Subscription & Dues	5,340.64
60105 · Meeting	401.67
60107 · Advertising	372.58
60603 · Other Insurance	3,658.00
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Total h. Other	57,536.73
58000 · Grant Match Expense	48,304.79
60113 · Payroll Processing Fees	30.10
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Total Expense	524,810.96
Net Ordinary Income	24,744.70
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Net Income	24,744.70
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OSA-Connect

Online Portal

New Mexico Office of the State Auditor



Audit Report Details - Northwest N.M. Council of Governments 2023

Agency Name

Northwest N.M. Council of Governments

Agency Number

806

Date Received*

11/21/2023

Financial Statement Opinion

In Review

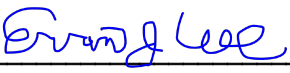
*"Date received" does not necessarily indicate the date the report was accepted in accordance with the OSA report review process and whether a late audit finding is required in the audit report.

NORTHWEST NEW MEXICO COUNCIL OF GOVERNMENTS

2024 HOLIDAY SCHEDULE

<u>DATE</u>	<u>HOLIDAY</u>
Monday, January 01	NEW YEAR'S DAY (OBSERVED)
Friday, March 29	SPRING/EASTER BREAK
Monday, May 27	MEMORIAL DAY
Thursday, July 04	INDEPENDENCE DAY
Monday, September 02	LABOR DAY
Monday, October 14	INDIGENOUS PEOPLES' DAY
Monday, November 11	VETERANS' DAY (OBSERVED)
Thursday, November 28-29	THANKSGIVING BREAK
Tuesday, Dec 24 & Wednesday, Dec 25	CHRISTMAS BREAK
Tuesday, December 31	NEW YEAR'S BREAK

APPROVED BY BOARD OF DIRECTORS:

SIGNED: p.p. 
Board Chair

DATE: 11/20/2023



Northwest New Mexico Council of Governments

Board Meeting Calendar | Fiscal Year 2024

QUARTERLY BOARD MEETINGS

DATE	TIME	LOCATION
August 2, 2023	Board Meeting: 10AM – 12PM Luncheon: 12 – 2PM	San Juan Area (TBD)
October 18, 2023	10AM – 1PM	Milan Village Hall Milan, NM
January 10, 2024	10AM – 1PM	McKinley Area – Gallup El Morro Event Center 210 S. Second Street, Gallup
April 17, 2024	10AM – 1PM	San Juan Area (TBD)
August 7, 2024	Board Meeting: 10AM – 12PM Luncheon: 12 – 2PM	Cibola Area (TBD) Milan, NM

NOTES:

- (1) The Board of Directors of the Northwest New Mexico Council of Governments generally meets on the third Wednesday one month after the quarter ends (July, October, January, and April) at 10AM.
- (2) Executive Committee meets an hour prior to the Board Meeting.
- (3) Meeting Business is typically scheduled for two hours with lunch after.
- (4) COG will continue to offer a hybrid meeting with the ability to participate in-person or virtual.

ANNUAL LUNCHEONS:
 2024 (52nd): Cibola Area;
 2025 (53rd): McKinley Area
 2026 (54th): San Juan Area

OTHER ANNUAL EVENTS, TRAININGS, & CONFERENCES



DATE	EVENT	LOCATION
March 10-13, 2024	NADO Washington Conference	Arlington, VA
May 15-17, 2024	SWREDA Annual Conference	Oklahoma City, OK
July 30 – August 1, 2024	National Regional Transportation Conference	Greenville, SC
October 22-25, 2024	NADO Annual Training Conference	New Orleans, LA

NOTES:

- (1) The COG does encourage and welcome Board members to travel and participate to these conferences to understand what regional development organizations (RDO's) are doing throughout the country.
- (2) Typically, travel is worked out through and reimbursed via your local governments and COG handles registration.

NM Legislative Session 2024: January 16 – February 15