

**AMENDMENT No. 1 TO
MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF DEMING
AND
THE INTERSTATE STREAM COMMISSION**

WHEREAS, the New Mexico Central Arizona Project (“CAP”) Entity (hereafter the “Entity”) was formed on July 27, 2015 through a Joint Powers Agreement between thirteen local governments from the Southwest region of New Mexico and the New Mexico Interstate Stream Commission (“ISC”);

WHEREAS, both the Joint Powers Agreement creating the Entity and the Entity’s Bylaws outline responsibilities for a First Fiscal Agent and a Second Fiscal Agent;

WHEREAS, the Joint Powers Agreement designates the ISC as the First Fiscal Agent;

WHEREAS, the City of Deming (“Deming”) subsequently agreed to act as Second Fiscal Agent for the Entity;

WHEREAS, on December 29, 2015, Deming and the ISC entered into a Memorandum of Understanding (“MOU” or “Agreement”) to delineate the responsibilities between the ISC as First Fiscal Agent for the New Mexico CAP Entity and Deming as Second Fiscal Agent for the Entity;

WHEREAS, the original term of the MOU expires on June 30, 2016, but contains a provision that the term of the MOU may be extended by amending the MOU;

WHEREAS, the Parties desire to extend the term;

WHEREAS, the Parties have also identified other provisions in the original MOU which should be amended.

THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS AND UNDERSTANDINGS set forth herein, the MOU is hereby amended as follows:

I. TERM

The term of this Agreement expires on June 30, 2018, or earlier upon sixty (60) days’ notice of termination by the Party wishing to terminate. The term of this Agreement may be extended by a written amendment agreed upon by the Parties prior to June 30, 2018.

IV. DUTIES AND RESPONSIBILITIES

K. All staff employed by the Second Fiscal Agent on behalf of the Entity shall be governed by the employment policies of the Second Fiscal Agent and compensation

for such staff shall be paid from the budget approved by the Entity and managed by the Second Fiscal Agent, subject to reimbursement by the First Fiscal Agent, if applicable. Before employment of an employee on behalf of the Entity begins, and every year thereafter for the duration of such employment, the Second Fiscal Agent shall provide the ISC an estimated amount of liability cost for each such employee. ~~The ISC shall then disburse this estimated amount to the Second Fiscal Agent.~~ Upon termination of either the employee or this Agreement, or in August of a new Fiscal Year, the ISC and the Second Fiscal Agent shall reconcile the liability amount paid by the ISC to the Second Fiscal Agent and the Second Fiscal Agent shall return any unexpended funds from the previous Fiscal Year to the ISC. Upon termination of this Agreement, all staff employed by the Second Fiscal Agent on behalf of the Entity must stop working and may be terminated. All employment contracts entered into by the Second Fiscal Agent with staff employed on behalf of the Entity shall clearly explain that such employment is subject to the existence of this Agreement.

- L. The Second Fiscal Agent shall receive an annual administrative fee for the services provided, as reflected in the Entity's budget. The administrative fee must be approved by a vote of the Entity, annually, when the Entity approves its budget.

Except as specifically provided herein, this Amendment Number One to the MOU shall not modify the Agreement, the terms of which shall remain in full force and effect.

This Amendment No. 1 becomes effective as of the date of last signature.

CITY OF DEMING



Aaron Sera
Deming City Administrator

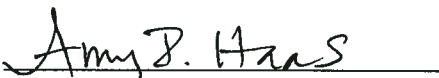
5-25-16
Date

NM INTERSTATE STREAM COMMISSION



Deborah Dixon
ISC Director

5/19/2016
Date



Amy I. Haas
General Counsel

5/19/16
Date