

**LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY**  
**MINUTES OF REGULAR BOARD OF DIRECTORS MEETING**  
**10:00 a.m. Wednesday, May 18, 2011 at the Vado Office, 325 Holguin Road**  
{NOTE: Minutes are a DRAFT until approved and signed by the Board}

- I. **Sign in, establish quorum and call to order:** Sign-in sheet and Agenda are attached. Board members present were Chairman Roberto “Marty” Nieto, Vice-chairman John Holguin, Secretary Santos Ruiz, and Director Rosaura Pargas. Staff present were General Manager Martin Lopez, Finance Manager Kathi Jackson, Operations Manager Mike Lopez, Projects Manager Karen Nichols and Payroll/HR Specialist Connie Garcilazo. Mr. Nieto called the meeting to order at 10:06 a.m.
- II. **Approval of agenda:** Ms. Holguin made a motion to approve the Agenda with the following changes: take off Lower Rio Grande Mutual Water Association and change time from 4:00 p.m. to 10:00 a.m. Mr. Ruiz seconded motion and it carried on a vote of 4-0. {30}
- III. **Approval of Minutes of 5/4/11:** Ms. Pargas made a motion to approve the Minutes and Mr. Ruiz seconded motion and it carried on a vote of 4-0. {1:29}
- IV. **Guest Presentations – None** {3:39}
- V. **Public Input – 15 minutes total allotted for this item, 3 minute time limit per person, may be continued after Item VIII by board action:** None {3:52}
- VI. **General Manager’s Report:** Mr. Lopez reviewed written report with the board and made draft budget presentation (attached) there was some discussion regarding salaries, uniforms, vehicles and equipment. This item will be on the agenda for the next board meeting. {4:10}
- VII. **Unfinished Business:** Mr. Holguin asked on status of taking over the Mesquite Park Mr. Lopez will follow up as of today no answer from Doña Ana County. {32:19}
  - A. **Closed Session:** Motion made by Mr. Holguin to postpone the close session for next board meeting. Mr. Ruiz seconded, and it carried on a vote of 4-0. {3:53}
  - B. **Audit RFP – Committee recommendation – for approval:** Ms. Pargas made a motion to approve the committee recommendation for to select White, Samaniego & Campbell. Mr. Ruiz seconded motion and it carried on a vote of 4-0. Committee meeting documents and recommendation are attached. {34:39}
  - C. **Appointment of new Director for the La Mesa area:** Mr. Holguin made a motion to postpone item for next board meeting, Mr. Ruiz seconded and it carried on a vote of 4-0. {44:00}
- VIII. **New Business: NONE** {44:44}

- IX. Other discussion and agenda items for next meeting: Next meeting 6/1/11 at 4:00 p.m.,**  
Resolution re: NMFA refinancing and Resolution for Board Meeting dates. Other Discussion Mr. Nieto asked about water payment from La Union Water O& M contract, and Ms. Jackson informed the Board that payment was received for the January and February invoices. Mr. Martin Lopez informed the board of a high water bill for the Bonestroo Dairy due to water leak on customer side. {44:55}
- X. Adjourn: Motion to adjourn was made by Ms. Pargas and seconded by Mr. Holguin. It carried on a vote of 4-0. Mr. Nieto declared the meeting adjourned at 11:05 a.m. {58:35}

Date Minutes Approved: \_\_\_\_\_

Directors Present:

\_\_\_\_\_  
Chairman Roberto M. Nieto

\_\_\_\_\_  
Vice- Chairman John Holguin

\_\_\_\_\_  
Secretary Santos Ruiz

\_\_\_\_\_  
Director Rosaura Pargas

# Lower Rio Grande Public Waterworks Authority

## Sign In Sheet

Date: May 18, 2011

Time: 10 AM

Place: Vado

Meeting Type: Regular

Name, Title - Print Sign	Company or Agency Represented	Mailing Address	Telephone	Email
<u>John Holguin</u>	<u>LRG PWWA</u>	<u>225 Holguin Rd Vado, NM</u>	<u>635.9007</u>	<u>Jholguin@lrpwwa.com</u>
<u>Rafael M. Mestas</u>	<u>LRG PWWA</u>	<u>325 Holguin Rd Vado, NM</u>	<u>575 621.9299</u>	<u>rafael.mestas@lrpwwa.com</u>
<u>MARTIN LOPEZ</u>	<u>LRG PWWA</u>	<u>325 Holguin Rd Vado, NM</u>	<u>575 571-3628</u>	<u>martin.lopez@lrpwwa.com</u>
<u>Rosauro Pargas Rosauro Pargas</u>	<u>Desert Sands</u>	<u>325 Holguin Rd Vado, NM</u>	<u>882.3120</u>	<u>rosauro.pargas@lrpwwa.com</u>
<u>Kathleen Ferguson Kathleen Ferguson</u>	<u>LRG PWWA</u>	<u>PO Box 2666 Anthony NM 88021</u>	<u>233-3947</u>	
<u>Mike Lopez</u>	<u>LRG PWWA</u>	<u>P.O. Box 713 Vado, NM 88021</u>	<u>(575) 635-3921</u>	<u>mlopez@lrpwwa.com</u>
<u>Connie Gardiga</u>	<u>LRG PWWA</u>	<u>PO BOX 2114 ANTHONY, NM</u>	<u>882-5510 72</u>	<u>connie.gardiga@lrpwwa.com</u>
<u>Antonio R. Hite</u>	<u>LRG PWWA</u>	<u>PO Box 106 Vado, NM</u>	<u>575 582-5933</u>	
<u>Karen Nicks</u>	<u>LRG PWWA</u>	<u>PO Box 2644 Anthony NM 88021</u>	<u>575 203-2057</u>	<u>karen.nicks@lrpwwa.com</u>

**LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY**  
**MEETING NOTICE & AGENDA**  
**REGULAR BOARD OF DIRECTORS MEETING**  
**10:00 a.m. Wednesday, May 18, 2011 at the Vado Office, 325 Holguin Road**

- I. Sign in, establish quorum, call to order
- II. Approval of agenda
- III. Approval of Minutes of 5/4/11
- IV. Guest Presentations – none
- V. Public Input – 15 minutes total allotted for this item, 3 minute time limit per person, may be continued after Item VIII by board action:
- VI. General Manager’s Report
- VII. Unfinished Business:
  - A. Closed Session:
    - 1. Motion to convene in closed session pursuant to NMSA 1978 10-15-1 (H)(7) regarding threatened or pending litigation – Roll Call Vote
    - 2. Motion to resume the open meeting and statement by the Chair that affirming that the matters discussed in the closed meeting were limited to those stated in the motion to
  - B. Audit RFP – Committee recommendation – for approval
  - C. Appointment of new Director for the La Mesa area
- VIII. New Business:
- IX. Other discussion and agenda items for next meeting – Next meeting 6/1/11 at 10:00 a.m., Resolution re: NMFA refinancing
- X. Adjourn

If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aide or service to attend or participate in the hearing or meeting, please contact the LRG PWWA office at 575-233-3947, 325 Holguin Rd, Vado NM 88072 at least one week prior to the meeting or as soon as possible. Public documents, including the agenda and minutes, can be provided in various accessible formats. Please contact the LRG PWWA office if a summary or other type of accessible format is needed.

*Si es un individuo con una incapacidad esta en necesidad de un lector, amplificador, lenguaje por senas, o cualquier otra forma de asistencia o servicio para atender o participar en las juntas, por favor lame ha la oficina LRG PWWA office at 575-233-3947, 325 Holguin Rd, Vado NM 88072 una semana antes de la junta o en cuanto posible. Documentos públicos, incluyendo la agenda y minutos, están disponibles en varios formatos. Por favor opóngase en contacto con la oficina LRG PWWA si un resumen o otro tipo de forma accesible es necesario*

**LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY**  
**MINUTES OF REGULAR BOARD OF DIRECTORS MEETING**  
**4:00 p.m. Wednesday, May 4, 2011 at the Vado Office, 325 Holguin Road**  
{NOTE: Minutes are a DRAFT until approved and signed by the Board}

- I. **Sign in, establish quorum, call to order:** Sign-in sheet and Agenda are attached. Board members present were Chairman Roberto “Marty” Nieto, Vice-chairman John Holguin, Secretary Santos Ruiz, and Director Rosaura Pargas. Staff present were General Manager Martin Lopez, Finance Manager Kathi Jackson, Operations Manager Mike Lopez, Projects Manager Karen Nichols and Payroll/HR Specialist Connie Garcilazo. Also present were Ms. Espie Holguin, Mr. Matt Dyer, Mr. Mark Sanchez, Mr. Keith Rutherford, and Mr. Gilbert Andujo of Parkhill, Smith & Cooper. Mr. Nieto called the meeting to order at 4:05 p.m.
- II. **Approval of agenda:** Mr. Nieto noted that item VII was going to be moved after Item IV., and Ms. Pargas made a motion to approve the Agenda with that change, Mr. Holguin seconded motion and it carried on a vote of 4-0. {47}
- III. **Approval of Minutes of 4/6/11:** Mr. Holguin made a motion to approve the Minutes with the following corrections item VIII C. change from “are boundaries” to “as boundaries”, and Item VII. A1. Add an “s” to “Ms. Parga”, Mr. Ruiz seconded motion and it carried on a vote of 4-0. {1:30}
- IV. **Guest Presentations – Matt Dyer, Parkhill, Smith & Cooper:** Mr. Dyer, Mr. Sanchez, Mr. Rutherford and Mr. Andujo made a presentation of their experience in groundwater development, water and wastewater funding, and water treatment plants. {5:42} [item VII taken next]
- V. **Public Input – 15 minutes total allotted for this item, 3 minute time limit per person, may be continued after Item VIII by board action:** NONE
- VI. **General Manager’s Report**
  - A. **Management Report:** The General Manager's written report was in the board packet (attached), and Martin Lopez reviewed it with the board. Mr. Lopez informed the Board of a customer requesting a 24 hour notice for delinquent accounts. There was a brief discussion and no action was taken. {51:45}
  - B. **Projects Report:** Ms. Karen Nichols reviewed her written report (attached) with the Board of Directors. {1:04:29}
  - C. **Operations Report:** Mr. Mike Lopez reviewed his written report (attached) with the Board of Directors stating that no major problems with the Lower Rio Grande PWWA system, and reporting that a part of the chain link from the Desert Sands tank site was stolen. {1:15:06}
  - D. **Finance Report:** Ms. Jackson reviewed her written report (attached) with the board.

- i. **3<sup>rd</sup> Quarter Budget Report – for signature:** The report (attached) was included in the Board Packet and the Chairman and Secretary signed it. {1:22:43}

**VII. Unfinished Business:**

**A. Closed Session:**

- 1. Mr. Holguin made a motion at 4:52 p.m. to convene in closed session pursuant to NMSA 1978 10-15-1 (H)(7) regarding threatened or pending litigation and 10-15-1 (H)(8) Discussion of purchase, acquisition or disposal of water rights, Mr. Ruiz seconded motion. Mr. Nieto took a roll call, Mr. Holguin voted yes, Mr. Nieto voted yes, Mr. Ruiz voted yes and Ms. Pargas voted yes. On a vote of 4-0, motion carried. The Authority's attorney and managers attended the closed session. {45:27}
- 2. Mr. Holguin made a motion and Mr. Ruiz seconded to resume the open meeting at 5:22 p.m. Mr. Nieto stated that the matters discussed in the closed meeting were limited to those stated in the motion to close.

- B. A motion was made by Mr. Holguin and seconded by Mr. Ruiz to instruct Mr. Martin Lopez to take action as advised by the attorney pertaining to the discussion in the closed session. Motion carried on a vote of 4-0. {47:35}

- C. **Audit RFP** –Ms. Jackson updated the Board regarding the audit and a committee meeting was scheduled for Wednesday at 10:30 a.m. to open, review and rank the proposals. {48:36} [resume the Agenda in order with item V]

**VIII. New Business:**

- A. **Resignation of Director Jim Pugh:** Mr. Nieto reported that Mr. Pugh sent him an email resigning from the board and stated that under the Governance Document, the Board has 45 days to appoint replacement. Mr. Holguin made a motion to accept the resignation of Director Jim Pugh, Mr. Ruiz seconded and it carried on a vote of 4-0. {1:33:31}

- B. **Resolution 2011-12 SCCOG Membership:** Ms. Pargas made a motion and Mr. Ruiz seconded to adopt Resolution 2011-12. After some discussion, a motion was made by Mr. Holguin and seconded by Mr. Ruiz to appoint Ms. Jackson as delegate and Mr. Nieto as Alternate. Motion carried on a vote of 4-0. {1:36:15}

- IX. **Other discussion and agenda items for next meeting:** The next meeting will be 5/18/11 at 10:00 a.m. at the Vado Office. Mr. Lopez noted that the Audit RFP Committee recommendation and NMFA refinance of USDA Loans will be on the agenda. {1:41:26}

- X. **Adjourn:** Motion made by Ms. Pargas to adjourn the meeting, Mr. Holguin seconded, and it carried with a vote of 4-0. Mr. Nieto declared the meeting adjourned at 6:20p.m. {1:44:04}

Date Minutes Approved: \_\_\_\_\_

**Directors Present:**

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Chairman Roberto M. Nieto

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Vice- Chairman John Holguin

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Secretary Santos Ruiz

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Director Rosaura Pargas

RESIGNED

Director Jim Pugh

**LRG PWWA**  
**Manager's Report**  
**May 18, 2011**

Tasks

- Employee Policies-Continue to work on policies
- Configure Intranet network-new server is in and will be installed in the next couple of days
- Transfer of Assets (bank funds) from Associations
  - Mesquite Operating account with over \$8,000 pending transfer; waiting on 401K rollovers
  - Vencor Engineering and Zia Engineering are coordinating with BLM to assign permits-Desert Sands Permit# 64776 is priority
- Transfer long and short term debt
  - USDA RD-NMFA Refinance resolution and application for June 1, 2011 BOD meeting
  - NMFA-Desert Sands vehicle loan assumptions resolution and application for June 1, 2011 BOD meeting
- Project Funding Applications
  - No word from USDA on the Berino-Del Cerro Water Project
  - No work from Water Trust Board on the Berino-Del Cerro Water Project
  - Project Interest Form submitted for Hwy 404 Loop
  - USDA has issued a "Notice of Unfavorable Action" pertaining to the Mesquite sewer project Reconsideration Meeting with Clyde Hudson went



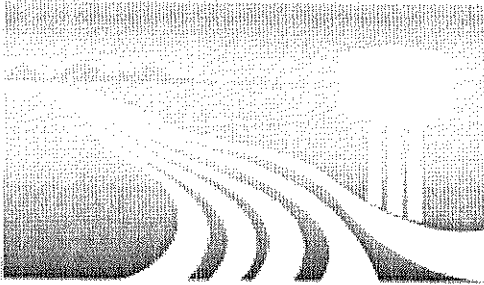
well but no indication; Mediation Request went out  
May 17, 2011

- Update ICIP
  - Management Staff will meet with Tiffany Bloom from SCCOG on May 19, 2011 to commence process
- Budget Reports
  - Draft Budget Presentation approval set for June 1, 2011 for FY2012

FY12 (July 11-June 12) LRG PWWA				
Revenue-Combined	PROJ. 2011 REVENUE	FY-11 YTD 2ndQ	% of Budget	Prop.2012 Budget
Water	\$ 1,258,804.53	\$ 676,484.71	53.74	\$1,656,926.00
Water Connection, fees, etc.	\$ 312,972.33	\$ 14,470.22	4.62	\$63,000.00
Membership	\$ 4,562.29	\$ 650.00	14.25	\$5,500.00
Non Operating (Water-Billing Adjustments)	\$ 21,571.35	\$ 33,882.02	157.07	\$21,500.00
Non Operating (Transfers, Towers, Contract Work)	\$ 208,957.48	\$ 12,682.26	6.07	\$100,000.00
<b>Total Water</b>	<b>\$ 1,806,867.98</b>	<b>\$ 738,169.21</b>	<b>40.85</b>	<b>\$1,846,926.00</b>
		<b>FY-11 YTD 2ndQ</b>	<b>% of Budget</b>	
Sewer	\$ 63,092.03	\$ 36,751.64	58.25	\$63,100.00
Sewer Connection, fee, etc.	\$ 3,312.00	\$ -	0.00	\$2,500.00
Non Operating (Sewer-Billing Adjustments)	\$ 1,200.00	\$ 1,472.94	122.75	\$1,200.00
Non Operating (Transfers, Towers, Contract Work)	\$ 222.75	\$ -	0.00	\$0.00
<b>Total Sewer</b>	<b>\$ 67,826.78</b>	<b>\$ 38,224.58</b>	<b>56.36</b>	<b>\$66,800.00</b>
<b>Interest Earned</b>	<b>\$ -</b>	<b>\$ 295.63</b>		<b>\$300.00</b>
		<b>FY-11 YTD 2ndQ</b>	<b>% of Budget</b>	
<b>TOTAL REVENUE (Non-Operating)</b>	<b>\$ 552,798.20</b>	<b>\$ 48,658.88</b>	<b>8.80</b>	<b>\$194,000.00</b>
Water	\$ 548,063.45	\$ 47,185.94	8.61	\$190,000.00
Sewer	\$ 4,734.75	\$ 1,472.94	31.11	\$3,700.00
		<b>FY-11 YTD 2ndQ</b>	<b>% of Budget</b>	
<b>TOTAL REVENUE (Water/Sewer sales)</b>	<b>\$ 1,321,896.56</b>	<b>\$ 776,393.79</b>	<b>58.73</b>	<b>\$1,913,726.00</b>
Water	\$ 1,258,804.53	\$ 738,169.21	58.64	\$1,846,926.00
Sewer	\$ 63,092.03	\$ 38,224.58	60.59	\$66,800.00
<b>COMBINED REVENUE</b>	<b>\$ 1,874,694.76</b>	<b>\$ 776,689.42</b>	<b>41.43</b>	<b>\$1,914,026.00</b>
		<b>FY-11 YTD 2ndQ</b>	<b>% of Budget</b>	
<b>Depreciation Expense</b>	<b>\$ 524,652.63</b>	<b>\$ 524,952.00</b>	<b>100.06</b>	<b>\$525,000.00</b>
Water	\$ 500,000.00	\$ 1,062,436.50	212.49	\$500,000.00
Sewer	\$ 24,652.63	\$ 118,048.50	478.85	\$25,000.00
		<b>\$ -</b>		
<b>Expense Item</b>	<b>PROJECT EXPENSES</b>	<b>FY-11 YTD 2ndQ</b>	<b>% of Budget</b>	
<b>Salaries</b>	<b>\$ 734,920.00</b>	<b>\$ 274,663.02</b>	<b>37.37</b>	<b>\$769,226.00</b>
Administrative Labor	\$ 203,000.00	\$ 86,532.47	42.63	\$226,095.00
Clerical Labor	\$ 193,440.00	\$ 69,579.01	35.97	\$184,968.00
Operations Labor	\$ 298,480.00	\$ 106,606.16	35.72	\$313,163.00
Accrued Leave	\$ 40,000.00	\$ 11,945.38	29.86	\$45,000.00
		<b>FY-11 YTD 2ndQ</b>	<b>% of Budget</b>	
<b>Accounting, Auditing, Legal</b>	<b>\$ 215,874.96</b>	<b>\$ 153,269.88</b>	<b>71.00</b>	<b>\$129,900.00</b>

Advertising	\$	8.30	\$	2,408.65	29019.88	\$2,500.00
Bank Fees	\$	3,980.62	\$	1,910.43	47.99	\$1,000.00
Cash Short (Over)	\$	4.35	\$	(31.28)	-719.08	\$100.00
Due and Subscriptions	\$	323.33	\$	822.65	254.43	\$3,000.00
Government Penalties & Interest	\$	8.65	\$	256.22	2962.08	\$500.00
Interest Expense (debt service, loans, etc.)	\$	103,283.78	\$	14,237.91	13.79	\$50,000.00
Licenses, Fees & Permits (Return Flow Credit)	\$	13,170.94	\$	2,707.60	20.56	\$2,500.00
Postage-Billing	\$	11,707.94	\$	3,788.20	32.36	\$4,000.00
Postage-Other	\$	4,000.00	\$	4,238.79	105.97	\$4,000.00
****Bad Debt Expense	\$	125.76	\$	18,244.14	14507.11	\$2,500.00
Professional Fees-Accounting	\$	36,000.00	\$	24,424.31	67.85	\$5,000.00
Professional Fees-Legal Services	\$	5,500.00	\$	11,577.61	210.50	\$10,000.00
Professional Fees-Engineering	\$	10,320.60	\$	59,986.48	581.23	\$12,000.00
Professional Fees-Retirement Account	\$	-	\$	-	#DIV/0!	\$1,200.00
Training	\$	11,178.99	\$	2,531.31	22.64	\$10,000.00
Travel (Per Diem): Airfare	\$	-	\$	1,715.86	#DIV/0!	\$1,000.00
Travel (Per Diem): Lodging	\$	500.00	\$	3,188.29	637.66	\$3,500.00
Travel (Per Diem): Meals	\$	500.00	\$	1,262.71	252.54	\$1,500.00
Travel (Per Diem): Mileage/Parking	\$	261.70	\$	-	0.00	\$100.00
Travel (Per Diem): Vehicle Rental	\$	-	\$	-	#DIV/0!	\$500.00
Audit	\$	15,000.00	\$	-	0.00	\$15,000.00
				<b>FY-11 YTD 2ndQ</b>	<b>% of Budget</b>	
<b>Taxes, Property, Liability, Fidelity Bond Insurance</b>	<b>\$</b>	<b>414,153.29</b>	<b>\$</b>	<b>136,049.57</b>	<b>32.85</b>	<b>\$440,000.00</b>
Insurance-Liability (Total Insurance)	\$	46,165.24	\$	28,374.87	61.46	\$47,000.00
Insurance-Vehicles	\$	10,355.17	\$	145.10	1.40	\$10,000.00
Payroll Taxes-Medicare	\$	99,000.00	\$	3,741.65	3.78	\$16,000.00
Payroll Taxes-Social Security	\$	80,392.00	\$	16,065.42	19.98	\$50,000.00
Payroll Taxes-State Unemployment	\$	60,000.00	\$	15,019.72	25.03	\$15,000.00
Payroll Taxes-Worker's Compensation Fee	\$	10,000.00	\$	6,698.90	66.99	\$13,000.00
Employee Benefits-Retirement: 401 (k) Company Contribution	\$	8,000.00	\$	687.50	8.59	\$75,000.00
Employee Benefits-Retirement: 401 (k) Company Match	\$	7,500.00	\$	-	0.00	\$30,000.00
Insurance-Health/Dental	\$	58,622.40	\$	59,305.19	101.16	\$84,000.00
Taxes-Water Conservation Fees, State Taxes	\$	19,118.48	\$	6,011.22	31.44	\$30,000.00
Reserves	\$	15,000.00	\$	-	0.00	\$70,000.00
				<b>FY-11 YTD 2ndQ</b>	<b>% of Budget</b>	
<b>Utilities</b>	<b>\$</b>	<b>262,161.46</b>	<b>\$</b>	<b>154,484.70</b>	<b>58.93</b>	<b>\$308,700.00</b>
Fuel	\$	45,440.76	\$	29,005.64	63.83	\$65,000.00
Garbage Service	\$	111.36	\$	811.50	728.72	\$2,000.00
Maintenance & Repairs-Other, Contract Services	\$	-	\$	1,296.63	#DIV/0!	\$1,500.00

Maintenance & Repairs-Equipment/rental	\$ 8,869.89	\$ 151.88	1.71	\$200.00
Maintenance & Repairs-Infrastructure	\$ 49,868.89	\$ 11,570.84	23.20	\$30,000.00
Maintenance & Repairs-Office	\$ -	\$ 1,720.40	#DIV/0!	\$2,000.00
Maintenance & Repairs-Vehicles	\$ 6,403.98	\$ 20,216.21	315.68	\$12,000.00
Security (Alarm System)	\$ 1,073.53	\$ 4,623.93	430.72	\$5,000.00
Utilities: Electricity-Office	\$ 19,244.27	\$ 3,965.91	20.61	\$8,000.00
Utilities: Electricity-Operations	\$ 131,148.78	\$ 79,367.27	60.52	\$180,000.00
Utilities: Natural Gas/sewer	\$ -	\$ 1,754.50	#DIV/0!	\$3,000.00
Vehicles-Truck	\$ -	\$ -	#DIV/0!	
		<b>FY-11 YTD 2ndQ</b>	<b>% of Budget</b>	
<b>Supplies</b>	<b>\$ 124,029.42</b>	<b>\$ 144,803.98</b>	<b>116.75</b>	<b>\$241,000.00</b>
Computer Maintenance, Hardware, Software	\$ 3,690.09	\$ 20,556.35	557.07	\$20,000.00
Materials & Supplies (pipe, fittings, meters, etc.)	\$ 90,921.25	\$ 98,181.98	107.99	\$150,000.00
Office supplies, cleaning & miscellaneous	\$ -	\$ 807.13	#DIV/0!	\$20,000.00
Office Expense-Printing	\$ 2,329.10	\$ 4,237.77	181.95	\$6,000.00
Telephone Service-Cell Phone/Beeper	\$ 7,300.00	\$ 11,281.52	154.54	\$24,000.00
Telephone Service-Office Telephone/Internet	\$ 10,559.64	\$ 5,415.21	51.28	\$11,000.00
Tool, Furniture	\$ 2,201.87	\$ 1,573.57	71.47	\$2,000.00
Board Expenses (Uniforms, other)	\$ 5,052.32	\$ -	0.00	\$2,000.00
Uniforms: Employee Uniforms	\$ 1,975.15	\$ 2,750.45	139.25	\$6,000.00
		<b>FY-11 YTD 2ndQ</b>	<b>% of Budget</b>	
<b>Lab, Chemicals</b>	<b>\$ 24,952.05</b>	<b>\$ 9,913.28</b>	<b>39.73</b>	<b>\$25,200.00</b>
Chemicals (Treatment Expense)	\$ 22,783.33	\$ 8,897.39	39.05	\$23,000.00
Laboratory Fees	\$ 2,168.72	\$ 1,015.89	46.84	\$2,200.00
		<b>FY-11 YTD 2ndQ</b>	<b>% of Budget</b>	
<b>Total Expenses</b>	<b>\$ 1,776,091.18</b>	<b>\$ 873,184.43</b>	<b>49.16</b>	<b>\$1,914,026.00</b>
<b>Total Revenue</b>	<b>\$ 1,874,694.76</b>	<b>\$ 776,689.42</b>	<b>41.43</b>	<b>\$1,914,026.00</b>
<b>Total Expenses Less Depreciation</b>	<b>\$ 1,776,091.18</b>	<b>\$ 873,184.43</b>	<b>49.16</b>	<b>\$1,914,026.00</b>
<b>Depreciation</b>	<b>\$ 524,652.63</b>	<b>\$ 524,952.00</b>	<b>100.06</b>	<b>\$525,000.00</b>
<b>Total Operating Expenses w/Depreciation</b>	<b>\$ 2,300,743.81</b>	<b>\$ 1,398,136.43</b>	<b>60.77</b>	<b>\$2,439,026.00</b>
<b>Profit (Loss) W/ Depreciation Expense</b>	<b>\$ (426,049.05)</b>	<b>\$ (621,447.01)</b>		<b>-\$525,000.00</b>
<b>Profit (Loss) W/o Depreciation Expense</b>	<b>\$ 98,603.58</b>	<b>\$ (96,495.01)</b>		<b>\$ -</b>



# LOWER RIO GRANDE

## Public Water Works Authority

325 Holguin Road Vado, New Mexico 88072 (575) 571-3628

### IPA Review Committee Report

May 13, 2011

To the Board of Directors  
Lower Rio Grande Public Water Works Authority

We have compiled the accompanying evaluation of proposals submitted for the FY 2010-2011 audit of the LRGPWWA. The proposals were evaluated using the process outlined in the 2011 Audit Rule from the Office of the State Auditor.

All of the proposals submitted were less than the budgeted amount of \$15,000. The committee feels that since all proposals were under the budgeted amount that cost was not the deciding factor in choosing our recommendation for IPA. Instead more weight was given to experience and capability of the firms.

It is the committee's unanimous recommendation that White, Samaniego & Campbell be selected as the IPA.

White, Samaniego & Campbell's qualifications surpassed the other firms and their prior work with the founding entities were the deciding factors in our choice. They proposed the shortest amount of time to complete the audit and are minority and female owned.

The committee's second choice was Strickler & Prieto, LLP. They were the next most qualified and also the lowest in price.

The committee feels that due to Burt & Company CPA's location and peer review they not be selected and that John A Ciavarella CPA is too small and may not be able to complete the work.

The objective of the review committee is to assist the board in its decision not to make the decision and we respectfully submit the accompanying evaluation.

Respectfully,

Kathi Jackson, Finance Manager  
Karen Nichols, Projects Manager  
Angie Meza, Customer Service Specialist

Accounting Firm	Cost	(a) The capability of the JPA	(ii) The results of the JPA's most recent external quality control review (peer review)	(iii) The organization and completeness of the JPA's proposal or bid for audit services
White, Samaniego & Campbell	\$11,340	Located in El Paso, 21 staff members, 120 hours for audit Minority and female owned	Pass	Want to perform an analytical review in order to understand significant changes, look at internal control structure
Strickler & Prieto, LLP	\$7,191	Located in El Paso, 25 staff members, 130 hours for audit	Pass	Complete and well organized
Burt & Company CPAs, LLC	\$10,641 price includes travel	Located in Albuquerque, 22 Staff members, 117 hours for audit	Unqualified	Strange organization, shortest of all the proposals
John A. Ciavarella CPA, PC	\$9,750	Located in El Paso, 2 staff members, 105 hours for audit	Pass	Seems complete and organized

Accounting Firm	(b) The work requirements and audit approach of the IPA			(iv) If the proposal or bid is for a multi-year contract, the IPA's approach for planning and conducting the work efforts of subsequent years
	(i) The IPA's knowledge of the agency's need and the product to be delivered	(ii) Whether the IPA's proposal or bid contains a sound technical plan and realistic estimate of time to complete the audit	(iii) Plans for using agency staff, including internal auditors	
White, Samaniego & Campbell	Prior experience with Desert Sands and Mesquite audits	One week to complete field work, audit completed in 2 weeks after field work	Minimal	Same for all 3 years
Strickler & Prieto, LLP	Skilled in transition issues	July, Aug, Sept	Minimal	Cost increases in subsequent years
Burt & Company CPAs, LLC	Not covered	No time line given, will establish if awarded the contract	Will schedule time for audit with staff	Same for all 3 years
John A. Ciavarella CPA, PC	No idea of what type of entity we are. He wants to go back to mutuals and recreate the past, no prior experience with water utility	Number of hours estimated to complete audit is lower than other proposals	Proposal states minimal but received multiple phone calls and questions prior to submitting proposal.	Subsequent years would take less time

Accounting Firm	(c) The IPA's technical experience	(ii) The IPA's attendance at continuing professional education seminars or meetings on auditing, accounting and regulations directly related to state and local government audits and the agency.
White, Samaniego & Campbell	Desert Sands MDWC and Mesquite MDWC audits	80 CPE's annually, 24 of them in governmental
Strickler & Prieto, LLP	Alto Lakes Water & Sanitation District	40 CPE's annually
Burt & Company CPAs, LLC	Santa Fe Solid Waste Authority	Didn't list specific number of hours or dates when training was taken
John A. Ciavarella CPA, PC	Only 4 years experience in private practice, partner only 2 years in private practice	Information not provided in proposal



AUTHORITY AUDITING SERVICES RFP No. 2011-04 April. 29, 2011 3:00PM

	NAME OF COMPANY	BID AMOUNT
1	THOMAS SHAWWELK CPA, PC	\$177500
2	Prout & Company CPAs, LLC	\$101241
3	Schrickler & Priebe	\$711911 \$13711 \$7555
4	White Seaman & Company LLP	\$11,346
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 Bid # 14  
 Bid # 15  
 Bid # 16

April 13, 2011 1:30 pm - Board of Directors Meeting - Room 101  
New RFP Committee - 2011

Tom Stahl

Tom Stahl - Project Manager

Kathie Jackson

Kathie Jackson - Finance Manager

Angela Meza

Angela Meza - Customer Service Specialist