

LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY

Minutes—REGULAR BOARD OF DIRECTORS MEETING

9:30 a.m. Wednesday, February 19, 2014 at LRGPWWA Berino Office, 1150 Berino Rd., Berino, NM

- I. **Call to Order, Roll Call to Establish Quorum:** Sign-in sheet and agenda are attached. Directors present were Chairman Robert “Marty” Nieto (District 5), Secretary Santos Ruiz (District 2), Director Arturo Terrazas (District 1), Director Cali Tellez (District 3), Director Mike McMullen (District 6) and Director Furman Smith (District 7). Vice-Chairman John Holguin (District 4) was absent. Staff members present were General Manager Martin Lopez, Finance Manager Kathi Jackson, Operations Manager, Mike Lopez, Projects Manager Karen Nichols and Specialist Connie Arciniega. With a quorum established the meeting was called to order by Mr. Nieto at 9:30 a.m. {:33}
- II. **Pledge of Allegiance:** Postponed due to lack of a flag {:47}
- III. **Approval of Agenda:** Mr. Martin Lopez noted that approval of the 1/28/14 minutes will need to be postponed due to the lack of a quorum from that meeting present today, and that items VIII. A. and IX. A. need to be postponed because the documents are not yet available. Mr. Smith made a motion to approve the Agenda with those items postponed, Mr. McMullen seconded, and it carried on a vote of 6-0. {01:25}
- IV. **Approval of Minutes:**
 - A. 1/15/2014 Regular Meeting: There were no additions or corrections to the minutes. Mr. McMullen made a motion to approve the minutes of 1/15/14, Mr. Ruiz seconded, and it passed on a vote of 6-0. {01:56}
 - B. 1/28/2014 Special Meeting: POSTPONED
- V. **Guest Presentation—None** {02:13}
- VI. **Public Input—15 minutes total allotted for this item, 3 minutes time limit per person**
 - A. Orlando Jimenez, a member from La Mesa, addressed the Board concerning the LRGPWWA’s policies on disconnection & reconnection of service for late payments, only one notification of the disconnect date, 3:00 p.m. cut-off time, requirement to pay the account balance in full after the cut-off time, and the hardship he feels they create. He gave some examples of how other utilities provide additional notice before disconnection and use auto-dialers for that purpose. Mr. Jimenez noted that the LRGPWWA charges the Disconnect/Reconnect Fees automatically at the cut-off time, but if the customer pays the bill after 3:00, service is not actually disconnected. He said that appears to be charging for a service that is not performed, and he felt that it should not be charged, but if it is, that it should not be called a Disconnect/Reconnect Fee.
 - B. Maria Saenz, a member from La Mesa, addressed the board concerning the same issues, expressing her concern for the high level of poverty in the area, and concurring with the Mr. Jimenez. She asked if the LRGPWWA has a policy for this.
 - C. Mr. Nieto asked the General Manager if he would like to address some of the concerns raised, and Mr. Martin Lopez gave some information about the current LRGPWWA Member/Customer Policy which is available in the offices and on the LRGauthority.org website. He stated that the cut-off time was moved up to 3:00 to eliminate the overtime required to close out the accounts receivable and generate the disconnect list when it was done at the end of the day. Mr. Lopez asked the Finance Manager to respond to a question about how many accounts were affected. Ms. Jackson briefly reviewed the aged accounts receivables numbers from her written report and noted that 86% of our customers pay their bills before the cut-off time, and without these fees, the number of delinquent accounts would go up. She also mentioned that she is a customer of a mutual domestic association that was mentioned as an example, and their Disconnect/Reconnect Fee is far higher than the LRGPWWA’s fee. He noted that the policy is adopted by the Board and can be changed by the Board, and explained why the policies were established. He pointed out that to mail out an additional disconnect notice would cost money in supplies, postage

and staff time, and the notices would have to be sent out a week prior in order to account for time in the mail, so notices would have to be sent all of the accounts that had not yet been paid at that time. So many people pay on the last day or two before the cut-off time that the notices would have to go out to far more people than just those who are really affected. Mr. Lopez also noted that stopping the actual disconnection of service for those who have paid after the cut-time is done as a courtesy. {29:07}

VII. Managers' Reports

- A. General Manager:** Mr. Martin Lopez presented a written report and responded to questions from the board. Mr. Tellez asked why the Coyote Cable contract was less than the previous contract, and Mr. Lopez replied that there was a trade-off for GPS tracking off ten of our service vehicles. Mr. Smith asked about the easement issue in Organ, and Mr. Lopez explained that it pertained to a service line crossing a neighboring property and is being addressed through the project to relocate the meter. Mr. Smith also asked what a "smoke test" is, and Mr. Lopez explained how it works to determine which houses are connected to a sewer line and also to locate any leaks. Mr. Tellez asked about the Brazito federal mortgages, and Mr. Lopez replied that Brazito had about \$500k in federal debt and explained how federal debt precludes disposing of property we no longer need because the mortgage would follow the property and become attached to the new owner's adjacent properties. He noted that Ms. Jackson is looking into a consolidation loan to pay off the federal debt. Mr. Tellez asked about the cost of the driving school, and Mr. Lopez replied that it would be \$50/person held in Anthony. He also noted that we were pursuing the CPR classes as well, but it will be about \$99 per person plus a \$300 set up fee. Mr. Lopez mentioned that he and the Projects Manager had attended a San Pablo board meeting to discuss merger information. Mr. Terrazas asked if they will continue to buy water from Jornada Water Company. Mr. Lopez replied that they have a PER in development that will address the possibility of a new well, but they have no water rights either. Mr. Smith asked about the next step, and Mr. Lopez replied that it is up their board to review the information and make a formal request if they wish to pursue a merger. {43:34}
- B. Operations:** Mr. Mike Lopez presented a written report and responded to questions from the board. Mr. Tellez asked about the line break, and Mr. Mike Lopez said it was last month. Mr. Tellez asked about the insurance claim on the hydrant, and Mr. Lopez noted that he had obtained the police report. Mr. Nieto asked about the closure of the Mesquite wetlands, and Mr. Lopez discussed what steps need to be taken. He also noted that he would have a water loss report for next month.
- C. Finance:** Ms. Kathi Jackson presented a written report and responded to questions from the board. Ms. Jackson reported that she had written off just under \$90,000 in delinquent accounts that were long-term delinquencies that had been continuing to accrue late fees. She is also trying to get some of the shorter term delinquent accounts resolved as well. She noted that we are on track with the budget and reviewed the aged accounts receivables in more detail. She said that her staff is working on some procedures to stay in compliance with audit rules and mentioned that she is working with NMFA on refinancing our debt. {58:07}
- D. Projects:** Ms. Karen Nichols presented a written report and responded to questions from the board. Mr. Smith asked about the Timberline work, and Ms. Nichols said they were working on it as of the last she heard from the engineer, and she would follow up again. Mr. Tellez asked if the problem brought up that email from the cable company was resolved. Ms. Nichols explained that it is the contractor's issue, not ours, and Mr. Lopez said that the contractor has the documentation showing he called for locates and they did not fully locate their lines. Mr. Nieto asked how close the Mesquite Wastewater Project is to completion. Ms. Nichols replied that the Colonias Infrastructure Funds have been fully spent, and that they had crews still working on Monday. Mr. Lopez noted that the final walk-through is tomorrow, and we will put together a punch list. Mr. Lopez asked Ms. Nichols to talk about the Alto de Las Flores Interconnected Project. Ms. Nichols reported that the final disbursement request was sent in. NM DFA refused to let us use the remaining funds from that project, and it would have helped a lot with the design for the Veterans Road area line extension. {01:06:36}

VIII. Unfinished Business

A. Audits—for approval - POSTPONED

1. LRGPWWA

2. Brazito

3. Organ

B. Payroll increase—for approval: Mr. Lopez noted that the board asked to revisit this item, and he stated that it has been some time since the staff had an increase. He said he would like to see 5% based on the budget and felt that the staff deserved it, and he noted that it would not apply to his salary. Mr. Nieto said that he would like to see 7%, and Mr. Tellez suggested making it 3% for now. Mr. Nieto asked Ms. Jackson what would be affordable, and she replied that we would be safe with 5%, especially in light of the hiring freeze and the fact that we are short several positions. Mr. Nieto asked if the 401k would be fully funded this year. Ms. Jackson replied that it is in the budget, and Mr. Lopez pointed out that the 401k contribution had been cut as part of the budget cuts requested by the board for last year. Mr. Terrazas stated that he wished the funds were there to fully bring staff pay up to standard and asked when a raise would become effective. Ms. Jackson noted that her staff is working on payroll today, so the next pay period would be the soonest. Mr. McMullen made a motion to approve a 5% increase in payroll effective as of the next pay period. Mr. Smith seconded the motion, and it passed on a vote of 5-1 with Mr. Tellez opposing. {1:15:34}

IX. New Business

A. Resolution 2014-10 NMFA Planning Grant—for approval - POSTPONED

B. Resolution 2014-11 Authorizing and Approving Submission of a Completed Application for Financial Assistance and Project Approval to the New Mexico Finance Authority for the Colonias Infrastructure Fund for the Mesquite-Brazito Sewer Project—for approval: Mr. Lopez discussed the project begun in 2007 by Brazito and Mesquite mutual domestics, and he noted that Mr. Jimenez is a Colonias Infrastructure Board. He also noted that a public hearing for these applications is being held February 25th at 6:00 pm at the Mesquite Fire Station. Mr. Jimenez complimented staff on doing a great job with Colonias Infrastructure applications. Mr. Lopez described the areas covered by the project, and Ms. Nichols noted that this project will bring economies of scale to the Mesquite wastewater system. Mr. McMullen made a motion to adopt the Resolution, Mr. Terrazas seconded, and it carried on a vote of 6-0. {01:21:39}

C. Resolution 2014-12 Authorizing and Approving Submission of a Completed Application for Financial Assistance and Project Approval to the New Mexico Finance Authority for the Colonias Infrastructure Fund for Water System Improvements Project—for approval: Mr. Lopez explained that this application includes the line extension south of Veterans Road and Bosque, Three Saints and Opitz Roads in Berino including the section of Bosque that is Additive Alternate #14 in the Berino/Mesquite-Del Cerro Project. Mr. Tellez made a motion to adopt the motion, Mr. Smith seconded, and it carried on a vote of 6-0. {1:23:08}

D. Amendment to Schedule of Rates and Fees—for approval: Mr. Jimenez asked which rate proposal the Board adopted, and Mr. Lopez explained that it was not any of the proposals that were presented, the Board had him prepare an alternate proposal to implement the increase over three years. Mr. Lopez explained that the rates do not yet apply to Organ, Butterfield Park or Brazito until the RD transfer & assumption is approved or that debt is refinanced. He discussed the changes to the Schedule of Rates & Fees so that it now reflects the new rates currently in effect, the addition of a fire-flow test fee, a change for a copy of the customer's current bill, a copy charge for providing account history. Mr. Terrazas said the copy fee seemed low and indicated it could be \$1.25 per page. Mr. McMullen said he would make that motion. Ms. Nichols clarified the per page fee he was requesting we be an additional dollar over the proposal for the customer history and copy fees. Mr. Smith seconded the motion. Ms. Nichols clarified that the motion was to approve the proposed amendment with the change of price to \$1.25/page for

letter size copies including customer account history and \$1.40 for legal size. The directors making the motion concurred, and the vote was 6-0 in favor. {01:33:43}

- E. **Amendment to Member–Customer Policy**—for approval: Mr. Lopez reviewed the proposed amendment with the board, noting that it breaks out three steps in dealing with delinquent accounts. Mr. Tellez made a motion to approve the amendment, Mr. McMullen seconded, and it passed on a vote of 6-0. {01:36:31}

- X. **Other discussion and agenda items** for next meeting, 9:30 a.m. 3/19/14 at the East Mesa Office: Ms. Nichols noted that the next agenda would include the postponed item from this one, audits, Resolution FY2014-10 and Mr. McMullen mentioned the 1/28/14 minutes. Ms. Jackson mentioned there might be an item related to the refinance. Mr. Lopez asked if the Board wished to pursue and items related to Mr. Jimenez’ comments. Mr. Tellez requested a copy of the policy.

- XI. **Adjourn:** Mr. McMullen made a motion to adjourn, Mr. Smith seconded, and it carried on a vote of 6-0. Mr. Nieto adjourned the meeting at 11:12 a.m.

Minutes approved March 19, 2014

Roberto Nieto, Chairman (District 5)

Absent

John Holguin, Vice-Chairman (District 4)

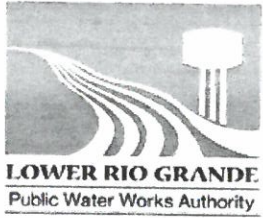
Santos Ruiz, Secretary (District 2)

Arturo Terrazas, Director (District 1)

Carlos Tellez, Director (District 3)

Michael McMullen, Director (District 6)

Furman Smith, Director (District 7)



Lower Rio Grande Public Water Works Authority
Sign In Sheet Page 1 of 2

Date: FEB 19, 2014 Time: 9:30 Places: BERINO Event: REGULAR Mtg

Signature	Print Name, Title, Company or Agency Represented	Contact Information	Email Address
<i>Mike McMullen</i>	^{LR5WA} MIKE MC MULLEN		
<i>Art Terrazas</i>	LRG WWA		
<i>Karen Nichols</i>	LRG PWWA	cell 915 203 2057	Karen.nichols@ LRGauthority.org
<i>Orlando Jimenez</i>	<i>Orlando Jimenez</i>	575-649-8644	not
<i>MARIA E. SAENZ</i>	<i>[Signature]</i>	575-571-6598	liberto@q.com
<i>[Signature]</i>	Connie Garcilazo	233 5742	
<i>[Signature]</i>	Charles Torres	233-4140	
<i>Santos Ruiz</i>	<i>Santos Ruiz</i>	882 5937	
<i>Furman Smith</i>	FURMAN SMITH	382 5982	SOME
<i>[Signature]</i>	Robert Nieto	75636 3851	
<i>[Signature]</i>	Kathy Jackson Finance Manager LRG PWWA		
<i>MARTIN G LOPEZ</i>	<i>[Signature]</i>	575 571 3628	

LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY

Meeting Notice & DRAFT Agenda—REGULAR BOARD OF DIRECTORS MEETING

9:30 a.m. Wednesday, February 19, 2014 at our Berino Office, 1150 Berino Rd., Berino, NM

Agendas are final 72 hours prior to the meeting and may be obtained at any LRGPWWA Office—call 575-233-5742 for information

- I. Call to Order, Roll Call to Establish Quorum
- II. Pledge of Allegiance
- III. Approval of Agenda
- IV. Approval of Minutes of 1/15/2014 Regular Meeting & 1/28/2014 Special Meeting
- V. Guest Presentation—None
- VI. Public Input—15 minutes total allotted for this item, 3 minutes time limit per person
- VII. Managers' Reports
 - A. General Manager
 - B. Operations
 - C. Finance
 - D. Projects
- VIII. Unfinished Business
 - A. Audits—for approval
 - 1. LRGPWWA
 - 2. Brazito
 - 3. Organ
 - B. Payroll increase—for approval
- IX. New Business
 - A. Resolution 2014-10 NMFA Planning Grant—for approval
 - B. Resolution 2014-11 Authorizing and Approving Submission of a Completed Application for Financial Assistance and Project Approval to the New Mexico Finance Authority for the Colonias Infrastructure Fund—Mesquite-Brazito Sewer Project—for approval
 - C. Resolution 2014-12 Water System Improvements—for approval
 - D. Amendment to Schedule of Rates and Fees—for approval
 - E. Amendment to Member—Customer Policy—for approval
- X. Other discussion and agenda items for next meeting, 9:30 a.m. 3/19/14 at the East Mesa Office
- XI. 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 LRGPWWA office at 575-233-5742, PO Box 2646, Anthony NM 88021 OR 215 Bryant St., Mesquite NM 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 LRGPWWA 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 llame ha la oficina LRGPWWA, 575-233-5742, PO Box 2646, Anthony NM 88021 O 215 Bryant St., Mesquite NM 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 LRGPWWA si un resumen o otro tipo de forma accesible es necesario.

LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY

Minutes—REGULAR BOARD OF DIRECTORS MEETING

9:30 a.m. Wednesday, January 15, 2014 at our Berino Office, 1150 Berino Rd., Berino, NM

NOTE: Minutes are in DRAFT form until approved by the Board

- I. **Call to Order, Roll Call to Establish Quorum** Sign-in sheet and agenda are attached. Directors present were Chairman Robert “Marty” Nieto (District 5), Vice-Chairman John Holguin (District 4), Secretary Santos Ruiz (District 2), Director Arturo Terrazas (District 1), Director Cali Tellez (District 3), Director Mike McMullen (District 6) and Director Furman Smith (District 7). Staff members present were General Manager Martin Lopez, Finance Manager Kathi Jackson, Operations Manager, Mike Lopez, Projects Manager Karen Nichols and adm. asst. Joan Ferguson. Also present were Espy Holguin (HUD), Roberto Nava and Arturo Uribe. With a quorum established the meeting was called to order by Mr. Nieto at 9:35 a.m.
- II. **Pledge of Allegiance** {0:44}
- III. **Approval of Agenda** Two items on the agenda were postponed: item VIII.A in its entirety—audits—and item IX.I—CDBG Project—in its entirety. With the two postponed items, Mr. Smith moved to approve the agenda and Mr. Ruiz seconded the motion. The motion passed 7–0. {1:40}
- IV. **Approval of Minutes of 11/13/2013 and 12/11/2013 Regular Meetings** In the first item of the General Manager’s report (VII.A) of 11/13/2013 there is a typographical error: “MNDOT” should read “NMDOT.” Mr. Tellez moved to approve the minutes of 11/13/2013 with the aforementioned correction. Mr. Smith seconded the motion and it passed 7–0 with no further discussion. Mr. Tellez moved to approve the minutes of 12/11/13. Mr. Holguin seconded the motion and it passed 7–0. {6:03}
- V. **Guest Presentation—None** {6:10}
- VI. **Public Input—15 minutes total allotted for this item, 3 minutes time limit per person** Mr. Arturo Uribe asked about public meetings for the rate increase. It was explained that there had been two public hearings, one at the Vado Elementary School on January 8, and the second was in Organ at the Faith Community Fellowship Church on January 8. Mr. Uribe asked about the publicity. There is an extensive list on the website of places where the fliers were posted. He also asked about the number of people who attended the hearings: there were four members at the Vado hearing and three at the Organ hearing. {9:02}
- VII. **Managers’ Reports**
 - A. **General Manager** Mr. Martin Lopez submitted a written report to the Board and discussed it with them.
 1. Questions were asked about the NMDOT construction project at Mesquite and Vado. The GM said that the project’s total is \$12 million. The engineer’s projected cost of moving the Authority’s water line is \$120,000. The Authority’s engineering firm is Vencor. The project includes both Mesquite and Vado bridges.
 2. Mr. Tellez asked about FEMA response to the Berino office flooding. The GM estimates about \$2,000 in damage to equipment because of the flooding. There is also a question of mold in the building. FEMA reimburses an entity 75% of their loss and the state will reimburse an additional 15%.
 3. Mr. Nieto asked about the RCAC bridge loan. LRG will request a six month extension on the RCAC bridge loan because of complications with the bid on the Berino/Mesquite-del Cerro project. The project needs to be rebid. Mr. Tellez asked about financing issues. There is an interest component to the bridge loan.
 4. Mr. Nieto asked about a timeline on the rebid for the Berino/Mesquite-del Cerro project: The Authority’s engineer on the project (Vencor) expects to have the rebid documents to NMED-CPB and USDA-RD by Friday, Jan 17 (depending on the State’s wage rate update). Projects expects to

have placed all three advertisements and opened bids by March 1. This timeline is dependent on the wage rate update from the State and the funding agency reviews.

5. Mr. Holguin asked about the Berino office hours. Berino office hours have been expanded to Mon, Wed, Fri, 8 a.m.–4 p.m.
6. Mr. Nieto asked about the RCAC board training. Mr. Terrazas said he would be attending. Ms. Nichols asked who, in addition to Mr. Nieto, Mr. Holguin and Mr. Ruiz had board training certificates. Mr. Smith said that he had one and would look for it. {18:30}

B. Operations Mr. Mike Lopez submitted a written report to the Board and discussed it with them.

1. Mr. Tellez asked about the new meter at the Alto de los Flores well. The OM explained that it was reading 30% more than it was pumping. He replaced it with a Siemens meter. There is a chance that they are pumping more than their water rights allow.
2. Mr. Smith asked about the telemetry in Organ. He is concerned about having a pumping station that is not functioning. There is no schedule for Timberline, the company responsible for telemetry.
3. The new meters are still being installed. They are still in Mesquite but need to be finished by March. Operations is waiting on the delivery of check valves. Currently, there are no funds to replace meters in Brazito or Organ but the plan is to eventually replace them as well.
4. Mr. Nieto asked about the Desert Sands well vessel. A 4" pvc entrance broke and fell into the vessel breaking two drains. Operations recovered approximately 1,200 gallons of media (worth \$10,000), repaired the vessel and will backflush the media into the vessel.
5. The sewer hookups are continuing. As of Jan 1, 2014, 106 homes have been hooked up. Three hundred residences are waiting and are still on the wetlands system. Layne has been working on the weekends with permission from homeowners. {28:30}

C. Projects Ms. Karen Nichols submitted a written report to the Board and discussed it with them.

1. There is a complaint on the Organ project. The cable company didn't accurately locate all of their lines and a line was cut. The cable company is asking \$1500 in damages. It has been referred to the construction company who has referred it to their insurance company.
2. Mr. Tellez asked about the Veteran's Road issue. Projects has submitted a capital outlay request to local legislators for that area. For the other three areas with well difficulties, Projects is applying to Colonias Infrastructure for funding. Ms. Nichols also requested that if any Board member had contact with any legislators that they mention the projects and their importance.
3. Mr. Tellez asked about the census training that Ms. Nichols attended. She explained that most funding applications require census data. The website for the census has changed considerably, making it more difficult to find required data.
4. Ms. Espy Holguin announced that she had spoken with Sandra Alarcon at Rural Development about returned Colonias funds. She said that Ms. Alarcon would be willing to consider those monies for the areas with well difficulties.
5. Mr. Holguin asked about Colonias Infrastructure Trust Fund monies. They disperse around \$12 million per year. However, there is a date by which an entity must use those monies or they revert back to the Trust Fund. In past years, the Fund hasn't approved monies in a timely manner and those monies have reverted back because entities haven't had enough time to spend the funds. It appears that they may be more flexible this year.
6. There was a short discussion about northern communities trying to access Colonias Infrastructure Trust Fund monies even though they do not meet the federal colonias definition.
7. Mr. Terrazas asked about the surface water treatment plant. Ms. Nichols explained the complications with Water Trust Board and the NM Environment Department's Construction Programs Bureau. The engineers are finishing the planning phase and are almost ready to begin the design phase. She has asked the engineers if a capital outlay application would be appropriate for discreet parts such as test wells or soil studies. The Water Trust Board funding is \$750,000 which will not be enough for investigating brackish water. Mr. Terrazas brought up the

issue of water rights. The Authority has sufficient water rights to pump brackish water but at some point may need offsets. {43:45}

- D. Finance** Ms. Kathi Jackson submitted a written report to the Board and discussed it with them.
1. Reserves have not been funded. The Authority should have at least 15% of annual budget in reserve. Currently there is approximately \$150,000 in the reserve account. Approximately \$225,000 reimbursements are expected and will go towards the reserve account.
 2. Unexpected expenses include the lightning strike to a well and currently, repaving an intersection in Butterfield Park because of a line break.
 3. Audit was finished the end of December and will be available for Board approval pending the State Auditor's approval.
 4. Mr. Nieto asked about funding the 401K. The Authority has until 30 days after the close of the fiscal year to fund the 401K. In FY2013, it was funded at 5% instead of 10%. {56:07}

VIII. Unfinished Business

A. Audits—for approval Postponed

1. LRGPWWA
2. Brazito
3. Organ

IX. New Business

A. Public Hearing report

1. Bilingual fliers were posted around the communities. (The fliers and locations where they were posted are posted on the website.)
2. At the public hearings there were two comments and they were at the Vado hearing. The first was a request that the new rates be phased in. The second was for a small business category so that smaller churches that meet once a week and don't maintain kitchens don't end up paying commercial rates.
3. There were no comments at the Organ hearing.
4. There was an email request from a former board member from the Organ system who requested that the base rate include 2,000 gallons of water.
5. Mr. Tellez spoke to many people and urged them to come to the hearings. He reported that he got requests that the rates be eased in and that the first tier of the rates not be increased. There were also those that were against any rate increase.
6. Mr. Smith said he had heard much of the same thing.
7. Mr. Nieto said he disagreed with Ms. Morales' analysis. {1:01:35}

B. Rate Proposal

1. Mr. Martin Lopez presented six water rate proposals to the board. Three proposals had base rates with no gallons. The increases over a three-year period were 3%, 5% and 10%. The second set of proposals had the same percentage increases but included 2,000 gallons of water in the base rate. All six proposals included a new category of small commercial. The board recognized that 90% of the community's population was low income. The board also recognized the need to provide clean water and the costs involved. Mr. Nieto moved to approve a 10% increase over three years with 2,000 gallons. Mr. Smith seconded the motion. It passed 6–1 with Mr. Tellez voting against. It was unanimous that the new water rates be implemented March 1, 2014.
2. There was one proposal for Mesquite sewer rates which reflects the rate that Doña Ana County charges the Authority to discharge into their system. Mr. McMullen moved to accept the proposed sewer rates effective March 1, 2014. Mr. Terrazas seconded the motion and it passed 7–0.

- C. Take-home Vehicles** Mr. Tellez was concerned about the public perception of take-home vehicles that were being used by employees not on-call. There are eight Operations staff that are on-call at one time and four staff who are not on-call that use take-home vehicles. Mr. McMullen thought that the current situation was working fine and saw no reason to change. Mr. Smith asked if there had been any reported

abuse with the use of take-home vehicles. Mr. Terrazas saw the proposal as a token to the public. Mr. Holguin saw it as a trade-off for the rate hike. Mr. Holguin thought the replacement cost of the cars was \$30,000. The Ford Focus cars that the Finance Manager and the Projects Manager take home were bought for \$13,000. Ms. Jackson said that she was given the use of a car in lieu of salary. She would consider the loss of the company vehicle for take-home use as a demotion and respectfully asked the board to recompense her for the loss. Mr. Martin Lopez replied that nothing had been offered in lieu of salary. Ms. Nichols pointed out that they had already taken a pay cut when the 401K was funded at 50% last year. She only lives two miles from the office and giving up the car was not a difficulty but she asked that the retirement account be fully funded this year. She also requested that the board establish a policy to be taken home on circumstances that warranted. Mr. Tellez made a motion to limit the use of take-home vehicles to the supervisors. He later amended it to limit the use of take-home vehicles to the eight on-call water operators. The motion was seconded by Mr. Holguin. The vote was a roll call: Mr. Terrazas (District 1), no; Mr. Ruiz (District 2), yes; Mr. Tellez (District 3), yes; Mr. Holguin (District 4), yes; Mr. Nieto (District 5), yes; Mr. McMullen (District 6), no; Mr. Smith (District 7), no. The motion passed 4–3. Effective February 1, 2014, Mr. Martin Lopez, Ms. Nichols and Ms. Jackson will no longer have use of take-home Authority vehicles. Those vehicles will be kept at the managers' workplaces. {1:53:50}

- D. Cooperative Educational Services membership** CES is a cooperative purchasing agreement originally organized by the state's school districts which streamlines the procurement process by setting up contracts with approved vendors. There would be no cost to sign on with CES and take advantage of their contract agreements. Mr. Smith made a motion to authorize management to sign up with Cooperative Educational Services. Mr. Terrazas seconded the motion and it passed 7–0. {1:58:15}
- E. Authorization for General Manager to negotiate contract with Coyote Wireless** Coyote Wireless is an internet provider who wants to rent space on Authority tanks at Del Cerro and La Mesa for their equipment. Besides revenue it would provide internet services to areas in the community with poor or no services. Mr. Tellez moved to authorize the GM to negotiate a contract with Coyote Wireless. The motion was seconded by Mr. Holguin and the motion carried 7–0 with no further discussion. {2:00:45}
- F. Proposed amendment to Member-Customer Policy—for approval** The new amendment requires payment of outstanding balances before a new membership can be accepted. Additionally, there are some formatting changes. Mr. Tellez moved to approve the changes to the Member-Customer Policy. Mr. Holguin seconded the motion and it carried 7–0. {2:02:45}
- G. Authorization to rescind tentative award of contract to SmithCo and authorization to rebid the Berino/Mesquite-Del Cerro Water Systems Improvement Project** Because of the necessity of rebidding the Berino/Mesquite-Del Cerro project, the tentative award of contract that the board approved in November needs to be rescinded. Mr. Holguin moved to rescind the tentative award of contract to SmithCo. Mr. Tellez seconded the motion and it passed 7–0. {2:03:45}
- H. Resolution 2014-08—Application for NMFA Planning Grant (to replace scope of 3013-PG with appraisal & evaluation instead of PER)—for adoption** This planning grant voids a previous one and is for NMFA requirements. Mr. Smith moved to adopt Resolution 2014-08—Application for NMFA Planning Grant. Mr. Holguin seconded the motion. The motion carried 6–0. Mr. Ruiz was not present for the vote. {2:08:55}
- I. CDBG Project Postponed**

 - 1. Preliminary Engineering Report, Environmental Review, and Hydraulic Model for Water System Improvements—motion to approve
 - 2. Resolution 2014-09 Adopting the Preliminary Engineering Report, Environmental Review, and Hydraulic Model—motion to adopt
 - 3. Close-out Public Hearing for CDBG Project—motion to authorize proceeding with the hearing

J. Authorization for Staff to attend NM Legislature Mr. Holguin moved to authorize staff to attend the New Mexico Legislature. Mr. Smith seconded the motion. It carried 7–0.

X. Other discussion and agenda items for next meeting, 9:30 a.m. 2/19/14 at the Berino Office Mr. Martin Lopez had the following items he wanted the board to be aware of:

- A.** Josh Smith, the Authority’s current attorney will be moving to another firm. Mr. Martin wanted to know whether the board thought they he ought to retain the Authority’s files or his current firm should. The board decided that Mr. Joshua Smith ought to retain the Authority’s files.
- B.** Tierra del Sol will be developing 10 acres in Mesquite across from the Post Office. Formal notice is pending.
- C.** Because the transfer and assumption of the USDA loans from Organ and Butterfield Park has been held up for over a year in Washington D.C., the General and Finance Managers are researching refinancing those loans at the State level.
- D.** The San Pablo MDWA is requesting a merger presentation from LRG. There was a short discussion of the state of that system: there 300 connections, a vacuum wastewater system that discharges into the County’s system and they have no debt but they have no tanks or wells.
- E.** A special Board meeting will be called to close out CDBG funding (see item XI.I). Ms. Espy Holguin mentioned that it might be easier this year to allow the Authority direct access to CDBG funding.
- F.** Mr. Smith requested water loss reports.

XI. Adjourn Mr. Tellez made a motion to adjourn. Mr. Ruiz seconded the motion and it carried 7–0 with no discussion. The meeting adjourned at 12:01 p.m.

Minutes approved February 19, 2014

Roberto Nieto, Chairman (District 5)

John Holguin, Vice-Chairman (District 4)

Santos Ruiz, Secretary (District 2)

Arturo Terrazas, Director (District 1)

Carlos Tellez, Director (District 3)

Michael McMullen, Director (District 6)

Furman Smith, Director (District 7)

LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY

DRAFT Minutes—BOARD OF DIRECTORS SPECIAL MEETING

9:30 a.m. Tuesday, January 28, 2014 at our La Mesa Office, 521 St. Valentine, La Mesa, NM

Please note that minutes are in DRAFT form until approved by the Board of Directors

- I. **Call to Order, Roll Call to Establish Quorum** Sign-in sheet and agenda are attached. Directors present were Chairman Robert “Marty” Nieto (District 5), Vice-Chairman John Holguin (District 4), Director Mike McMullen (District 6) and on telephone, Director Furman Smith (District 7). Absent were Secretary Santos Ruiz (District 2), Director Arturo Terrazas (District 1), Director Cali Tellez (District 3). Staff members present were General Manager Martin Lopez and Projects Manager Karen Nichols. Also present was Tiffany Goolsby (SCCOG). With a quorum established the meeting was called to order by Mr. Nieto at 9:33.
- II. **Pledge of Allegiance** {0:50}
- III. **Approval of Agenda** Mr. Holguin made a motion to approve the agenda. Mr. McMullen seconded the motion and it passed 4–0. {1:09}
- IV. **CDBG Project**
 - A. **Preliminary Engineering Report, Environmental Review, and Hydraulic Model for Water System Improvements—motion to approve** Mr. Holguin made a motion to approve the Preliminary Engineering Report, Environmental Review and Hydraulic Model for Water System Improvements. Mr. McMullen seconded the motion. The motion passed 4–0 with no discussion. {2:02}
 - B. **Resolution 2014-09 Adopting the Preliminary Engineering Report, Environmental Review, and Hydraulic Model—motion to adopt** Mr. Holguin made a motion to adopt Resolution 2014-09 Adopting the Preliminary Engineering Report, Environmental Review and Hydraulic Model. Mr. McMullen seconded the motion. The motion passed 4–0. {3:30}
 - C. **Close-out Public Hearing for CDBG Project—motion to authorize proceeding with the hearing** Mr. Holguin made a motion to authorize proceeding with the hearing. Mr. McMullen seconded the motion and it passed 4–0. {3:55}
- V. **Adjourn** Mr. Holguin made a motion to adjourn. Mr. McMullen seconded the motion and it passed 4–0. The meeting was adjourned at 9:37 a.m.

Minutes approved February 19, 2014

Roberto Nieto, Chairman (District 5)

John Holguin, Vice-Chairman (District 4)

Absent

Santos Ruiz, Secretary (District 2)

Absent

Arturo Terrazas, Director (District 1)

Absent

Carlos Tellez, Director (District 3)

Michael McMullen, Director (District 6)

Furman Smith, Director (District 7)

LRGPWWA
Manager's Report
February 19, 2014

- Transfer of Assets from Associations
 - Berino: BLM permit assignment offered waiting BLM
 - Organ and Brazito Audits complete-waiting release by State Auditor
- NMDOT Vado Interchange water line relocation project bids due date was November 15, 2013; Waiting on NMDOT for acceptance of bids to see LRGPWWA cost
- LRGPWWA statute amendment (Cervantes) needed Message from Governor for any action
- Coyote Cable \$250.00 initial rent review at 1-year period, working to equip GPS equipment on vehicles in exchange for additional rent
- Mi Tierra Driving School is finally certified by State, 6-hour course, lower charge than another vendor, 1st class March 7th
- Have identified Organ Sewer-Only Customer, not be charged, smoke test to positively identify prior to
- Working with BHI to resolve a water line installation without easement off Tres Yuccas Road towards Hondo Road
- TDS Parque Subdivision is re-plat two commercial lots into 8 residential lots along Stern Drive
- Attended Colonias Day on January 23rd presented projects and need for Colonias Fund on behalf of LRGPWWA and SCCOG
- Working with US Congressman Pearce's staff to research the possible of removal of federal mortgages specify on a Brazito and Vado property
- USDA Deputy Under Secretary Doug O'Brien community meeting/visit to Berino office/area on February 4, 2014
- San Pablo MDWCA presented on merger process and LRGPWWA history, purchase water from Jornada Water, wastewater treated by City of Las Cruces, contract operations and bookkeeping, no

federal debt, planning funds from Colonias Infrastructure Trust Fund

- 2012 Audited Information
 - 1 finding-Report submitted late
 - \$2.7million in Assets
 - \$128K in cash
 - \$180K in Revenue
 - \$120K in Expenses
 - \$24K in Water Purchased
 - \$37K in Wastewater Treatment
 - \$13K in Water Operations
 - \$23K in Wastewater Operations
 - \$27K in Accounting
 - \$10K in System O&M
- Colonias Fund/USDA Intent to Apply Public Hearing scheduled February 25th, Mesquite Fire Station at 6:00 pm

San Pablo MDWCA as of 2/14/2014

Number of Connections:

Water Only – 13
Water & Sewer – 178
Stub Out Only – 3

Current Rates:

Water:

Base Fee - \$21.86 per month and includes 3,000 gallons
\$2.07 per thousand – 3,001 to 10,000
\$2.43 per thousand – 10,001 – 20,000 gallons
\$2.92 per thousand for each over 20,000 gallons

Wastewater:

Base Fee - \$25.75 per month
\$4.22 per thousand gallons

Wastewater rate is calculated every year based on water used during the months of November, December, and January.

Stub Out – No Meter:

Base Fee - \$15.00

Jornada Water Charges:

Base Fee - \$12.89 – no gallons included
Gallons used x 1.1779 per thousand
Gallons used x 0.0331 for Water Conservation Fee
Gallons used x 0.0651 for Power Cost Adjustment
Franchise Fee Tax – 2%

City of Las Cruces Charges:

Access Charge – number of active connections x \$2.74
Volume Charge – \$2.31 per thousand gallons
Wastewater Franchise Fee Tax – 2%

Lower Rio Grande PWWA

Operators Report

February 19, 2014

System Problems and Repairs.

- Backflow inspections are current.(Mesquite District)
- Sewer tanks have been decommissioned.
- My operators are installing meters in Mesquite we lack about 1200.
- We have also installed a Ultrasonic meter at the San Miguel Lift Station.
- JJ and I have installed a new cla-val check valve in Alto De Los Flores.
- We have been working on creating a base line on the H2s levels that are in our collection system.
- We had a four inch main line break on Vado Dr that took from 12:00am to 5 am.
- I have collected all the information needed to file a claim against Farmers Ins for the Brazito Fire Hydrant and Kathi has filed the claim.
- Vessel (C) at well #2 in Desert Sands is back on line.
- I'am proud to announce that Izaiah Herrera has passed his level I water.
- Steven King has also become Back-flow assembly Tester.

NMED: All of our Monthly Bac-T-Samples were taken and all samples were negative.

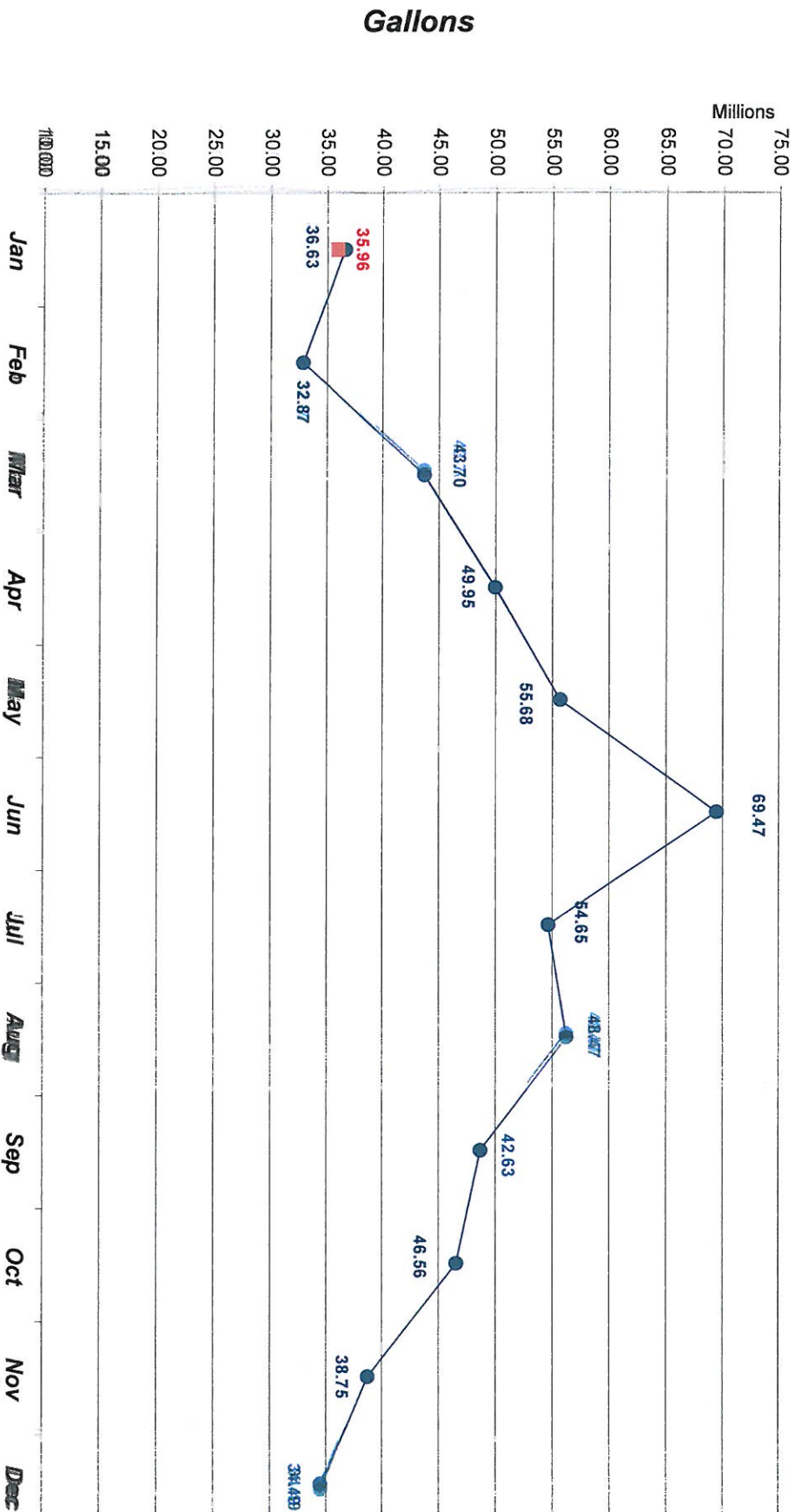
Mesquite district Wetlands: We will soon start rehab of the wetlands.

Mesquite Sewer Report. Sent February 6, 2014.

Chlorine: No problems.

Reports: NMED, State Engineers, and the water conservation reports have been sent.

Lower Rio Grande PWWA Water Production Report



● 2013 Production
 ■ 2014 Production

LRGPWWA
Profit & Loss
 January 2014

	Jan 14	Jul '13 - Jan 14
Ordinary Income/Expense		
Income		
Credit Card Fees	662.94	3,188.70
Interest	31.67	160.86
Non-Operating Revenue		
Copy/Fax	23.25	401.50
Other Income	235.00	27,595.60
Non-Operating Revenue - Other	0.00	460.61
Total Non-Operating Revenue	258.25	28,457.71
Operating Revenue		
Activation & Connection Fees	2,500.00	31,292.28
Contract Services	0.00	9,400.00
Impact Fees	1,600.00	8,542.20
Installation Fees	1,348.48	5,031.92
Membership Fees	660.00	3,030.00
Monthly Services	126,701.32	1,106,923.22
Monthly Services-Sewer	7,818.58	59,555.60
Other Income	0.00	1,374.99
Penalties-Sewer	229.64	1,766.28
Penalties-Water	3,240.35	12,294.16
Returned Check Fees	385.00	1,160.00
Tampering Fee/Line Breaks	0.00	4,270.36
Total Operating Revenue	144,483.37	1,244,641.01
Other Types of Income		
Miscellaneous Revenue	4,167.56	23,453.67
Other Types of Income - Other	275.40	275.40
Total Other Types of Income	4,442.96	23,729.07
Total Income	149,879.19	1,300,177.35
Gross Profit	149,879.19	1,300,177.35
Expense		
Accounting, Auditing, Legal		
Accounting Fees	0.00	1,436.44
Audit	0.00	20,813.50
Bad Debts	90,697.29	90,697.29
Bank Service Charges	657.57	3,644.92
Cash Short/Over	-36.79	256.45
Dues and Subscriptions	0.00	602.00
Engineering Fees	0.00	1,073.47
Legal Fees	919.66	5,292.08
Legal Notices	158.50	1,101.74
Licenses & Fees	0.00	1,050.00
Meals	0.00	36.18
Permit Fees	0.00	760.00
Postage	1,122.27	7,240.85
Training	560.00	2,021.16
Travel		
Meals Per Diem	80.00	129.59
Mileage/Parking Per Diem	0.00	24.60
Travel - Other	0.00	962.06
Total Travel	80.00	1,116.25
Total Accounting, Auditing, Legal	94,158.50	137,142.33
Debit Service		
Interest paid to NMED	59.17	539.77
Interest paid to NMFA	1,920.88	17,321.21
Interest paid to USDA	4,822.87	33,302.56
Total Debit Service	6,802.92	51,163.54
Depreciation Expense	64,897.43	445,058.20

LRGPWWA
Profit & Loss
January 2014

	Jan 14	Jul '13 - Jan 14
Lab, Chemicals		
Chemicals	1,263.27	12,389.99
Laboratory Fees	0.00	1,272.21
Total Lab, Chemicals	1,263.27	13,662.20
Salaries		
401K 10% Company Contribution	0.00	0.00
401K Employee Contribution	0.00	-47.30
Accrued Leave	3,610.79	8,987.29
Administrative Labor	19,096.73	144,025.09
Clerical Labor	12,184.65	113,306.02
Employee Benefits-401K Contrib	1,819.96	13,630.39
Federal Income Tax Withholding	0.00	127.00
HISC-Blue Medicare Rx.	85.40	657.90
Insurance-Dental	858.46	6,394.77
Insurance-Health	9,779.01	65,683.63
Insurance-Work Comp	4,500.00	8,304.00
Merit	0.00	3,031.97
Mileage	0.00	272.80
Operations Labor	26,654.33	213,292.39
Payroll Taxes-Federal Unemploy	0.00	827.74
Payroll Taxes-Medicare	887.29	6,927.52
Payroll Taxes-Social Security	3,793.79	29,759.46
Payroll Taxes-State Unemploymen	0.00	0.00
Payroll Taxes-Worker's Comp Fee	2.30	2.30
Total Salaries	83,272.71	615,182.97
Supplies		
Computer Maintenance	4,769.95	25,462.09
Fuel	6,410.30	49,327.41
Maint. & Repairs-Infrastructure	0.00	1,271.56
Maint. & Repairs-Office	0.00	1,625.19
Maintenance & Repairs-Other	1,301.98	30,423.37
Materials & Supplies	15,325.90	61,912.13
Office Supplies	429.67	4,106.22
Printing and Copying	778.00	2,924.51
Tool, Furniture	0.00	8.06
Uniforms-Employee	536.98	5,143.10
Total Supplies	29,552.78	182,203.64
Taxes, Liability, Insurance		
Cobra Fee	15.30	107.10
Government Penalties & Interest	1,087.51	2,286.69
Insurance-General Liability	13,179.00	39,727.00
Insurance-Vision	0.00	0.00
Property Taxes	0.00	2,306.40
State Taxes	0.00	23.00
Water Conservation Fee	1,034.62	10,465.13
Total Taxes, Liability, Insurance	15,316.43	54,915.32
Utilities		
Automobile Repairs & Maint.	2,801.42	42,717.55
Cell Phone	1,291.76	9,793.90
DAC Waste Water Flow Charge	1,780.40	2,325.53
Electricity	21,376.74	164,997.97
Garbage Service	204.00	1,245.00
Locates	0.00	2,328.11
Natural Gas	435.40	1,230.52
Security/Alarm	0.00	887.05

9:51 AM
 02/18/14
 Accrual Basis

LRGPWWA
Profit & Loss
 January 2014

	Jan 14	Jul '13 - Jan 14
Telephone	1,055.35	7,674.44
Wastewater	44.10	88.20
Total Utilities	28,989.17	233,288.27
Total Expense	324,253.21	1,732,616.47
Net Ordinary Income	-174,374.02	-432,439.12
Net Income	-174,374.02	-432,439.12

	January	Year to Date
Net Income	\$ (174,374.02)	\$ (432,439.12)
Bad Debts	\$ 90,697.29	\$ 90,697.29
Depreciation	\$ 64,897.43	\$ 445,058.20
	\$ (18,779.30)	\$ 103,316.37

Lower Rio Grande Public Water Works Authority

Aged Accounts Receivable

As of 12/31/2013

Service	0-30 days	31-60 days	61-90 days	91-120 days	Over 120 days	Balance
Grand Totals						
WATER	35022.98	2535.09	-262.13	1510.68	15369.85	54176.47
WATER Penalty	1977.90	587.06	350.19	357.24	68596.20	71868.59 *
WATER MISC	1560.41	7010.59	209.00	83.32	995.56	9858.88
WATER COU TAX	2176.02	383.17	31.62	104.44	889.56	3584.81
SEWER	1660.85	424.77	0.00	102.77	918.44	3106.83
SEWER Penalty	183.93	29.55	7.52	0.00	2790.03	3011.03 *
SEWER MISC	0.00	518.92	0.00	0.00	0.00	518.92
SEWER COU TAX	85.60	23.09	0.00	5.25	46.96	160.90
CONTRACT	1762.73	799.99	533.34	0.00	0.00	3096.06
CC FEE	0.00	-3.00	0.00	0.00	0.00	-3.00
Totals	44430.42	12309.23	869.54	2163.70	89606.60	149379.49
Number of Accounts in Each Column:	2270	429	101	129	153	

Total Number of Outstanding Accounts: 2,355

*1,768 paid in full
4850*

*83% Current
9% Past due (30-60)
8% Delinquent (60+)*

Lower Rio Grande Public Water Works Authority

Aged Accounts Receivable

As of 01/31/2014

Service	0-30 days	31-60 days	61-90 days	91-120 days	Over 120 days	Balance
Grand Totals						
WATER	31725.13	679.72	820.52	-712.53	1722.33	34235.17
WATER Penalty	1869.97	338.45	353.94	257.99	960.25	3780.60 *
WATER MISC	921.19	253.00	229.59	6106.81	215.35	7725.94
WATER COU TAX	2022.71	164.87	148.15	53.20	199.37	2588.30
SEWER	1686.60	290.11	292.58	30.93	101.38	2401.60
SEWER Penalty	201.74	15.70	22.37	3.09	17.72	260.62
SEWER MISC	0.00	0.00	0.00	463.72	0.00	463.72
SEWER COU TAX	87.25	16.40	14.99	1.93	5.44	126.01
CONTRACT	2272.77	266.67	266.67	266.67	0.00	3072.78
CC FEE	0.00	0.00	-3.00	0.00	0.00	-3.00
Totals	40787.36	2024.92	2145.81	6471.81	3221.84	54651.74
Number of Accounts in Each Column:	2078	224	198	147	99	

Total Number of Outstanding Accounts: 2,144

2,104 paid in full

4,850 customers

*86% Current
5% Past Due (30-60)
9% Delinquent (60+)*

after writing off \$90,697.29 in bad debts.

**LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY
PROJECTS REPORT – 2/19/14 BOARD OF DIRECTORS MEETING**

Authority Construction Projects:

LRG: 11-02.1 -Mesquite Wastewater Project – Gannett Fleming– CONSTRUCTION Stage – Layne Southwest - RD \$7,262,081, CITF \$1,670,257: The contractor has completed all of the service connections and will complete the remaining septic tank abandonments in the coming week. The change order to have the contractor pay for the additional engineering required after October 14 for the construction delay was executed. The contractor has tentatively scheduled to be completed in the next two weeks, but this will depend on two significant repairs that must be made to the installed main line. Final Requisition for the Colonias Infrastructure funds was submitted 1/14/14.

LRG-11-02.2 - Authority/Brazito Sewer Project – Vencor – Pre-Design/Funding Application Stage – NMFA/SAP funded Planning, CITF/RD Applications pending: PER & EID are complete and approved, NMFA Planning Grant funds have been received. Capital Outlay Request was submitted. Colonias Infrastructure Trust Fund and USDA Rural Development applications are in preparation.

LRG-11-03 – Interconnect & Looping Project – see 12-01 Authority PER

LRG-11-04 – Berino/ Mesquite-Del Cerro Water System Project WTB #223 – Vencor – Bid Stage – RD - \$5,420,147/WTB - \$4,371,630: Engineer completed the Re-Bid submittal with Bid Ad and Addendum #1 and provided copies to NMED & USDA-RD for approval on 1/24/14. USDA-RD approved Re-Bid documents as submitted on 1/30/14, NMED-CPB recommended approval to NMFA with four comments on 2/7/14. Bid ad is being published in the Las Cruces Sun News on 2/6, 2/9 & 2/10/14. Bid opening is 3/12/14.

LRG-11-05 – Surface Water Treatment Plant WTB #252– Bohannon Huston - Design stage - \$750,000 WTB – 10% Loan 10% Match – Project Team has completed the analysis and draft report sections for deep well brackish water sources and alternatives. Definition of water rights usages relative to surface water and brackish water sources and logistics surrounding that management are being integrated within the amendment report. A complete final draft report is being compiled and anticipated to be produced imminently. PER addendum was not yet far enough along to submit a Capital Outlay Request for this project before the deadline.

LRG-12-03 – Authority-Alto de Las Flores Interconnect– Vencor – Complete - \$86,400 Old Colonias Initiative/DFA + G F & Alto contributions – Final Disbursement Request was submitted to NM DFA-LGD. Project is complete.

Authority PERs/EAs/40 Yr. Water Plan, Equipment:

LRG-12-01 – Authority PER – Vencor – Planning Stage - CDBG Planning Grant \$50,000, NMFA Planning Grant \$37,500 & \$12,500 Local Match: NMED-CPB approval of the PER was received on 1/21/14. CDBG Close-Out Public Hearing was held on 2/4/14. Resolution for closing on the NMFA Planning Grant is on today's agenda. Tiffany Goolsby, SCCOG, is working on the close-out of the CDBG Planning Grant with Eric Walters at NM DFA-LGD, and that should be complete by the end of this month.

Forty-Year Water Plan – CE&M – complete – needs update for new mergers: pending NM-OSE comments/approval.

LRG-12-02 - Radio Read Meters – in-house/Rio Grande Pump & Supply – Installation Ongoing - 600,950 DWSRLF: : \$595,000 was approved at 50% subsidized + 25% grant = 75% grant, 25% loan at 0% plus fees approved by NMFA Board 4/27/12. All (7½ pallets) of the meters have been received, 7 funds requisitions have been submitted and 7 paid. 5% of the funding is withheld by NMFA until project completion. As of the report send to NMFA & NMED-CPB on 1/27/13, 1888 of the 3204 meters had been installed. First shipment of dual check valves has been received, so installations are moving forward again. Mr. Deal has not been out to inspect the installations as yet.

LRG-13-02 – System-wide Information Technology Standardization - \$175,000 NM STB: Third monthly report has been submitted. Tyler Technologies sent in a proposed software license agreement, and staff is reviewing it. LRGPWVA has been accepted as a member of CES purchasing cooperative.

LRG-13-03 – Water System Purchase Project – for RFP – Planning Stage - \$37,500 NMFA Planning Grant – on DWSRLF Priority List: New NMFA Planning Grant has been approved by NMFA Board. Mr. Johnson at NMFA is reviewing a proposed scope of work for RFPs for engineering and appraisal firms, and RFPs will be issued once they are confident of the scope and procedure.

Individual MDWCA Projects:

LRG-12-04 - Organ Water & Sewer Project – Bohannon Huston – Construction Phase – Morrow - \$2,990,382 RD Colonias Grant, \$101,000 RD Loan: At our last progress meeting January 16, 2014, Change Order #6 was issued and the contractor began ordering material to complete the additional work. Since that time, no work has been completed on site. The current schedule from the contractor is to resume construction on 2/24/14. The additional work will involve modifications to the new booster pump control panel to accept SCADA control from the Tierra Alta storage tank, installation of additional flow meters and check valves at the booster station and the Tierra Alta tank, installation of a support bracket in the dosing station and repaving of Fifth St. and Furnace intersection. After the contractor completes these work items, then Timberline Electric will be scheduled to complete any adjustments or additions needed to the SCADA system.

LRG-13-01 – Brazito Water System Improvements – Engineers Inc. – Design Phase - \$523,354 NM CTF Grant, \$58,150 Loan, \$58,150 Match Requirement: Engineering Services Agreement has been executed. The data collection process has begun and New Mexico One Call has been notified for utility locates. Field surveying of existing utilities is planned to be completed on or before 2/28/14.

Other projects:

USDA-RD Transfer & Assumption Application Packages: Application packages for Butterfield Park, Organ & Brazito were submitted 1/7/13 and are still under review at RD at national level.

Infrastructure Capital Improvements Plan 2015-2019: Complete, adopted, submitted and approved.

Documents Retention & Destruction – Sorting of old association documents for storage or destruction is ongoing, and staff is implementing approved retention/destruction schedules for LRGPWVA

documents. Administrative Assistant met with Finance Staff to review retention/destruction schedules and develop some additional procedures.

Website and Email – Notices and Board Minutes pages are current. Revised & new policies have been posted on the Documents page. Rate Implementation Schedule adopted at the last meeting is posted. The Schedule of Rates & Fees will be re-posted with updated rates at each step of implementation.

Training –

Funding Applications Pending:

- A **Project Interest Form** and supplemental documents were submitted to NMED for CWSRLF funding to decommission the wetlands in Mesquite on 5/7/13. This is a regulatory requirement/condition of the permit and must be done.
- **USDA-RD Water Rights Purchase Project:** \$1.8 million Application and PER were submitted to USDA-RD on 6/26/13. We can reduce the amount of water rights that need to be purchased based on the NM-OSE correction to our Combine & Commingle Permit in order to add a construction component and keep the amount requested the same. RD has advised that a few of the application documents will need to be updated, but it will not be a whole new application package.
- Capital Outlay Requests have been submitted for the Mesquite-Brazito Sewer Project, SCADA portion of Information Technology Project, and Waterline Extension Project (including Veterans Road)

Lower Rio Grande Public Water Works Authority

Resolution Number FY2014-11

AUTHORIZING AND APPROVING SUBMISSION OF A COMPLETED APPLICATION FOR FINANCIAL ASSISTANCE AND PROJECT APPROVAL TO THE NEW MEXICO FINANCE AUTHORITY FOR THE COLONIAS INFRASTRUCTURE FUND – MESQUITE-BRAZITO SEWER PROJECT

WHEREAS, the Lower Rio Grande Public Water Works Authority (“Governmental Unit”) is a qualified entity under the New Mexico Finance Authority Colonias Infrastructure Act, Sections 6-30-1 through 6-30-8, NMSA 1978 (“Act”), and the Board of Directors (“Governing Body”) is authorized to borrow funds and/or issue bonds for financing of public projects for benefit of the Governmental Unit; and

WHEREAS, the New Mexico Finance Authority (“Authority”) has instituted a program for financing of projects from the Colonias Infrastructure fund created under the Act and has developed an application procedure whereby the Governing Body may submit an application (“Application”) for financial assistance from the Authority for public projects; and

WHEREAS, the Governing Body intends to undertake design, construction and improvements of the LRGPWWA Mesquite-Brazito Sewer Project for the benefit of the Governmental unit and its citizens; and

WHEREAS, the application prescribed by the Authority has been completed and submitted to the Governing Body and this resolution approving submission of the completed Application to the Authority for its consideration and review is required as part of the Application.

NOW THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY:

Section 1. That all action (not consistent with the provision hereof) heretofore taken by the Governing body and the officers and employees thereof directed toward the Application and the Project, be and the same is hereby ratified, approved and confirmed.

Section 2. That the submission of the application requesting funding from the Colonias Infrastructure Fund, be and the same is hereby approved and confirmed.

Section 3. That the officers and employees of the Governing Body are hereby directed and requested to submit the completed Application to the Authority for its review, and are further authorized to take such other action as may be requested by the Authority in its consideration and review of the Application and to further proceed with arrangements for financing the Project.

PASSED, APPROVED and ADOPTED by the Board of Directors of the Lower Rio Grande Public Water Works Authority at its meeting of February 19, 2014.

Roberto Nieto, Board Chair

SEAL:

ATTEST:

Santo Ruiz, Secretary

Lower Rio Grande Public Water Works Authority

Resolution Number FY2014-12

AUTHORIZING AND APPROVING SUBMISSION OF A COMPLETED APPLICATION FOR FINANCIAL ASSISTANCE AND PROJECT APPROVAL TO THE NEW MEXICO FINANCE AUTHORITY FOR THE COLONIAS INFRASTRUCTURE FUND – WATERLINE EXTENSION PROJECT

WHEREAS, the Lower Rio Grande Public Water Works Authority (“Governmental Unit”) is a qualified entity under the New Mexico Finance Authority Colonias Infrastructure Act, Sections 6-30-1 through 6-30-8, NMSA 1978 (“Act”), and the Board of Directors (“Governing Body”) is authorized to borrow funds and/or issue bonds for financing of public projects for benefit of the Governmental Unit; and

WHEREAS, the New Mexico Finance Authority (“Authority”) has instituted a program for financing of projects from the Colonias Infrastructure fund created under the Act and has developed an application procedure whereby the Governing Body may submit an application (“Application”) for financial assistance from the Authority for public projects; and

WHEREAS, the Governing Body intends to undertake design, construction and improvements of the LRGPWWA Water System Improvements Project for the benefit of the Governmental unit and its citizens; and

WHEREAS, the application prescribed by the Authority has been completed and submitted to the Governing Body and this resolution approving submission of the completed Application to the Authority for its consideration and review is required as part of the Application.

NOW THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE LOWER RIO GRANDE PUBLIC WATER WORKS AUTHORITY:

Section 1. That all action (not consistent with the provision hereof) heretofore taken by the Governing body and the officers and employees thereof directed toward the Application and the Project, be and the same is hereby ratified, approved and confirmed.

Section 2. That the submission of the application requesting funding from the Colonias Infrastructure Fund, be and the same is hereby approved and confirmed.

Section 3. That the officers and employees of the Governing Body are hereby directed and requested to submit the completed Application to the Authority for its review, and are further authorized to take such other action as may be requested by the Authority in its consideration and review of the Application and to further proceed with arrangements for financing the Project.

PASSED, APPROVED and ADOPTED by the Board of Directors of the Lower Rio Grande Public Water Works Authority at its meeting of February 19, 2014.

Roberto Nieto, Board Chair

SEAL:

ATTEST:

Santo Ruiz, Secretary



LOWER RIO GRANDE

Public Water Works Authority

325 Holguin Road

Vado, New Mexico 88072

(575) 571-3628

SCHEDULE OF RATES & FEES

Water Rates

Adopted January 15, 2014

Implementation Date March 1, 2014 *

Residential Water Rates *

Minimum Bill		\$ 12.50	for			2,000	gallons
Tier 1	2,001–5,000	gallons	for	\$ 2.00	per	1,000	gallons
Tier 2	5,001–10,000	gallons	for	\$ 2.50	per	1,000	gallons
Tier 3	10,001–15,000	gallons	for	\$ 3.00	per	1,000	gallons
Tier 4	15,001–20,000	gallons	for	\$ 3.50	per	1,000	gallons
Tier 5	Over 20,000	gallons	for	\$ 4.00	per	1,000	gallons

Small Commercial Water Rates—12 month average 3,000 gallons or less *

Minimum Bill		\$ 20.00	for			2,000	gallons
Tier 1	2,001–5,000	gallons	for	\$ 2.00	per	1,000	gallons
Tier 2	5,001–10,000	gallons	for	\$ 2.50	per	1,000	gallons
Tier 3	10,001–15,000	gallons	for	\$ 3.00	per	1,000	gallons
Tier 4	15,001–20,000	gallons	for	\$ 3.50	per	1,000	gallons
Tier 5	Over 20,000	gallons	for	\$ 4.00	per	1,000	gallons

Commercial Water Rates *

Minimum Bill		\$ 32.00	for			2,000	gallons
Tier 1	2,001–5,000	gallons	for	\$ 3.00	per	1,000	gallons
Tier 2	5,001–20,000	gallons	for	\$ 3.50	per	1,000	gallons
All over	All over 20,000	gallons	for	\$ 4.00	per	1,000	gallons

*These Rates are scheduled to increase on the following schedule:

- * July 1, 2014
- * January 1, 2015
- * July 1, 2015
- * January 1, 2016
- * July 1, 2016



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FOR BULK WATER RATE & FEES

See Bulk Water Agreement Form (Attachment 15)

Sewer Rates

Adopted January 15, 2014
Implementation Date March 1, 2014

Residential Sewer Rates (If Sewer Service is from LRGPWWA)

Minimum Bill	\$ 12.00		for			0	gallons
Tier 1	0–2,000	gallons	for	\$ 1.75	per	1,000	gallons
Tier 2	All over 20,001	gallons	for	\$35.00	per	1,000	gallons

Commercial Sewer Rates (If Sewer Service is from LRGPWWA)

Minimum Bill		\$15.75	for			0	gallons
Tier 1	0–10,000	gallons	for	\$ 2.00	per	1,000	gallons
Tier 2	10,001–20,000	gallons	for	\$ 2.25	per	1,000	gallons
Tier 3	All over 20,001	gallons	for	\$ 3.00	per	1,000	gallons

These sewer rates only apply to people who receive sewer service from the LRG PWWA.



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Residential Connection Fees

Membership fee:	\$50.00
Water Connection fee (Residential):	\$500.00
Water Rights Acquisition fee (Residential):	\$1,600.00 (see Water Rights Acquisition Policy)
Sewer Connection fee:	\$2,500.00
Other applicable fees:	(As determined by Board or Designee)

Please note that the above fees are for a simple installation only. Costs for permits, paving, boring, etc. will be estimated and charged in advance. If installation cost exceeds the amount specified above, the Member shall pay the balance due within 30 days of connecting.

Commercial and Industrial Connection Fees

Commercial and Industrial Connection Fees and Water Rights Acquisition Fees shall be approved by the Board on a case by case basis.

Penalty & Other Fees

Disconnection fee:	\$20.00
Open or Close water service (When requested after normal business hours & in addition to Disconnection fee)	\$20.00
Service Activation fee:	\$50.00
Service Deactivation fee:	\$50.00
Renters Deposit (mandatory)	\$100.00



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Cross Connection Policy Waiver Re-inspection Fee:	\$25.00
Backflow Prevention Assembly Annual Testing Fee:	\$75.00
Backflow Prevention Assembly Installation/Repair/Replacement Fee:	Cost of Labor + Materials
Fire-flow Testing Fee (per test)	\$200.00
Water/Sewer facility Tampering fee: (in addition to repair/replacement costs)	\$500.00
Insufficient Funds (Bounced Check): (after 3 times, customer is put on cash-only basis)	\$35.00
Late penalty on overdue accounts	15% of the overdue bill
Copy of Current Bill	\$2.00
Customer History	\$0.25 per page
Dona Ana County Service Letter	\$5.00
Copying per page	\$0.25 letter (8½ X11) \$0.40 legal (8½ X14) .two-sided copies are charged as two pages
IPR Request Copies/per page (see Inspection of Public Records Policy)	\$1.00
Faxes (Local/Toll free) per page	\$2.00
Faxes (Long Distance) per page	\$3.00
Convenience Fee for Payment by Credit Card	\$3.00 minimum or 3% of transaction



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BILLING, DUE DATES, DISCONNECTION SUMMARY

Billing Cycle #1 – Brazito, Butterfield, Organ La Mesa & Mesquite areas

Billing date – 1st of the month

Due date – 25th of the month

Late Penalty – 26th of the month – 15% of overdue amount

Disconnection – 16th of the next month

Billing Cycle #2 – Vado, Berino & Desert Sands areas

Billing date – 15th of the month

Due date – 10th of the next month

Late Penalty – 11th of the next month – 15% of overdue amount

Disconnection – 26th of the next month

Water service will be disconnected when accounts become delinquent with a 15 day grace period.

Service will be reconnected upon payment of the delinquent amount and applicable reconnection fee.

Three (3) returned checks (Insufficient Funds or Closed Account) will result in the customer being placed on a cash-only basis.

The Authority will cancel the Membership of a Member whose delinquent account remains unpaid for twelve (12) months after the service is disconnected. The property owner will then be required to re-apply for membership and pay the current Membership Fee and Connection Fee.

Multiple connections to a single meter are prohibited by the Authority and will result in disconnection and potential loss of membership.

Connections between the Authority's water distribution and a Member's private system/well or between the Authority's wastewater collection system and a Member's private system are prohibited and will result in immediate disconnection of service until the situation is corrected.



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MEMBER - CUSTOMER POLICIES

These policies are issued in compliance with NMSA 1978 73-26-1 and the Governance Document of the Lower Rio Grande Public Water Works Authority and are designed to govern the supplying and taking of services rendered by the Authority. These policies are subject to change from time to time to ensure the proper management of the Authority and until the Authority is no longer indebted to the United States of America, all changes must be approved by the State Director of Rural Development, Department of Agriculture) (hereinafter called "Director"). If a provision of the Member & Customer Policies should conflict with a provision of the Governance Document, the Governance Document provision shall prevail.

1. MEMBER APPLICATION FOR WATER/SEWER SERVICE.

A. Application. Water/Sewer service will be available subject to the capacity of the Authority's facilities. All persons wishing to obtain Membership/water/sewer service from the Authority must be property owners within the Authority's service area as defined in the Authority's Governance Document Article II Section 2.01. Corporations and co-owners of a property are entitled to one Membership/one vote and must make a written designation of the individual person who is eligible to vote or run for office in their application. Renters shall obtain water/sewer service as stated in Paragraph 1.D. below.

B. Applicants must provide:

- i. Completed and signed MEMBER APPLICATION FOR WATER/SEWER SERVICE (Attachment #1)
- ii. Completed and signed WATER/SEWER USERS AGREEMENT for each connection to the Authority's water or sewer system (Attachment #2)
- iii. Copies of Applicants' photo identification, proof of property ownership, parcel ID number, map code and county designated street address for the property where the service connection will be located.
- iv. Payment of non-refundable Membership Fee, hookup fee, and all other applicable fees from the FEE SCHEDULE (Attachment #3) established by the Authority
- v. If a mobile home is to be placed on the property, the Applicant must provide the Authority with a copy of an approved MHP (mobile home



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installation permit) from Dona Ana County's Mobile Home Section. This permit shall be for residency and not for storage purposes. For site built homes, a copy of the building permit shall be provided. For applicants who cannot provide proof of either of these county permits, a Conditional Service Connection may be approved, as long as the service is in compliance with USDA Rural Development regulations. Should the County subsequently take action subsequently to remove the structure from the Applicant's property; the property owner will not be reimbursed by the Authority for any fees or costs incurred as a Member, nor does the Authority assume any liability for providing service conditionally without proof or a permit from the County.

- vi. The Applicant shall check with the Lower Rio Grande PWWA regarding any outstanding account balances. Service will not be provided until all outstanding balances are paid in full. See Attachment #8 Real Estate Contract Policy.

C. Approval of Application. Upon submitting of an Application, Water/Sewer Users Agreement, all required documentation and payment of a membership fee, the General Manager or Designee shall promptly review and make a decision on the application. If the application is not approved, the Membership fee shall be refunded. Once the membership application is approved, the fee is not refundable and a non-transferrable Membership Certificate will be issued after the service is installed. Incomplete applications may be grounds for denial of service. A Membership fee must accompany the Application (if applicable). Water/Sewer service will not be available until these forms have been completed, approved by the Authority and all applicable fees have been paid in full. **Please note that this is for a simple installation.**

D. Water/Sewer Services for Rental Property. Applications for renters' water/sewer service may be approved by the General Manager or Designee of the Authority, but only if the property owner's Membership is current and in good standing. The property owner shall be the Member and responsible for all bills incurred, but the Authority will send bills to renters if requested by the Member. However, landlords renting properties serviced by the Authority must have each renter come in and complete a Renter's Application for water/sewer service. Both the Member and the renter must sign the Application. All renters must first pay a Renter's Deposit before service is made available. The deposit



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shall be refunded when the renter leaves, provided that the renter submits a Renter's Exit Form, account balance and any pending charges are paid in full. Upon receiving Renter's Exit Form, the Authority will obtain a final meter reading, issue a prorated final bill, apply the Renter's Deposit to the account balance, and refund any credit balance to the Renter.

- E. Water Rights and Fees.** New Members or current Members requesting additional service connections will be required to provide water rights transferable to the Authority or pay a fee associated with the acquisition of additional water rights.

2. WATER/SEWER SERVICE.

- A. Water/Sewer Service Ready to be Connected.** Once the application process has been completed by the property owner and the application has been approved by the Authority and all applicable fees have been paid in full, hook-up will be installed by a certified operator employed by the Authority consisting of a water metering facility at the main water line easement or a sewer line stub-out will at the collection line easement, whichever is applicable.
- B. Shut-off Valve.** Each water metering facility shall have a shut-off valve on the Member/customer-side of the meter. This valve shall be installed and maintained by the Member/customer. The intent of the valve is for the Member/customer to be able to shut off and reopen their service in the event of an emergency or when they make repairs on their service lines within their property. After normal business hours, the Authority shall assess a fee to open or close the service when requested by the Member and/or customers.
- C. Additional facilities required for Service.** Service connections requiring additional facilities as required by the Authority's Policies and/or system design criteria and/or by State or Federal agencies, shall be installed by the Authority or by the Member(s)/customer(s) requesting or receiving the service. The Member(s)/customer(s) are responsible for costs and fees associated with the additional facilities to include the maintenance, repair and replacement of the additional facility.



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- D. Sale of service(s).** Water and wastewater service is for the sole use of the Member or customer, who applied for and was approved to receive service. Members or customers are prohibited from re-selling service(s) being provided by the Authority.
- E. Connection to Private System.** There shall be no physical connection between any private water system/well and the water system of the Authority and there shall be no physical connection between any private sewage disposal system and the sewer system of the Authority. A representative of the Authority shall have the right at all reasonable hours to enter upon Member's premises for the purpose of inspection and enforcement of this provision. Violation of this provision is cause for immediate disconnection of a member's water service. If a backflow prevention valve is installed, the Member will pay for all expenses incurred.
- F. Continuity of Service.** The Authority will make all reasonable efforts to supply continuous, uninterrupted service. However, it shall have the right to interrupt service for the purpose of making repairs, connections, extension, or for other necessary work. Efforts will be made to notify Members and customers who may be affected by such interruptions, but the Authority will not accept responsibility for losses, which might occur due to such necessary interruptions of service or shortage of water supply.
- G. Water Shortage.** In the event of a shortage of water, the Authority shall take appropriate measures, (such as restrictions to water use and acquisition of additional water) to meet the needs of the Authority.
- H. Rates and Fees.** The Authority FEE SCHEDULE (Attachment #3) and RATE SCHEDULE (Attachment #4) are attached to and made a part of this Policy.
- I. Minimum Charge.**
- i. Water/Sewer services shall be considered ready to use when the Authority maintains the water supply at normal pressure at the point of delivery in readiness for the Member's use, regardless of whether or not the Member makes use of it or when collection line is ready to convey



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sewage. Charges shall be made for services as of the date service is ready to use.

- ii. All Authority members/customers are subject to at least the minimum water/sewer charge as long as water/sewer service is connected and ready to use. Failure to pay for the minimum water service within the time provided herein and after due notification by the Authority shall be grounds for a penalty and/or disconnection of service.
- iii. An active Member may voluntarily activate or deactivate their water service for a fee. However, Activation or Deactivation of service is required unilaterally for both water and sewer and requires a signed statement by the member requesting the meter being activated or deactivated. During Deactivation the member will not be assess a minimum charge for deactivated service. Activation commences the initiation of billing for that service. **Any recorded water/sewer usage on a Deactivated service is a violation of this policy and is grounds for a penalty fee (See FEE SCHEDULE—Attachment #3) or disconnection of service at any facility in service for the Member.**

J. Legal/Illegal Water/Sewer Service Connection. Water/Sewer service shall consist of facilities to supply water at normal operating pressure of the system to one dwelling or commercial unit at the meter or sewer stub-out. Water/Sewer service is for the sole use of the member, his agent(s) or tenant(s) **at the location requested only**, and does not permit the transfer or cross-connection of water by any means to another dwelling or commercial unit. Multiple connections are prohibited by the Authority and are unfair to the Members of the Authority. A representative of the Authority shall have the right at all reasonable hours to enter upon a Member's premises for the purpose of inspection and enforcement of this provision. **A violation of this policy is grounds for a penalty (See FEE SCHEDULE—Attachment #3) or disconnection of service at any facility in service for the Member.** An **Additional Minimum Policy** has been adopted to address certain types of multiple connections for both water and sewer connections.

3. METERING FACILITIES.



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- A. Metering of Water Service.** Water service will be metered at each individual dwelling or place of business. Multiple dwellings **shall not** be connected to one service connection unless as outlined in the **Additional Minimum Policy**. Meter facilities shall be installed by the Authority.
- B. Metering Facilities/ Tampering.** Metering facilities shall be installed, owned and maintained by the Authority and shall be paid for by the Member. These shall consist of service clamp, corporation stop, service line, meter yoke, meter box, backflow device, and meter. Metering facilities are for the sole use of the Authority. **A violation of this policy is grounds for a penalty (See FEE SCHEDULE—Attachment #3) or disconnection of service at any facility in service for the Member. Tampering with meter facilities is a violation of Authority Policy and in some cases a violation of State and/or Federal law which may be reported to the appropriate law enforcement agency and prosecuted.**
- C. Location of Metering Facilities.** Metering facilities shall be located at the main line or at the member's property line. In special cases where this is not practical, the location shall be agreed upon jointly by the General Manager or Designee and the Member. Should the location be within the member's property, he/she shall grant the Authority an easement of right-of-way and the right of ingress and egress to said property for the purposes of servicing or removing the metering facilities.
- D. Meter Accuracy.** Water meters, where errors do not exceed two (2%) percent fast or slow, shall be considered as being within the allowable limits of accuracy for billing purposes.
- E. Meter Testing.** Meter testing requested by Members will be performed without cost to the Member, if the meter is found to be off in excess of two (2%) percent. Otherwise, the Member for whom the required testing was made will be charged for the cost of making the test.
- F. Meter Reading.** Meters will be read by the Authority on a regular monthly schedule, and different areas of the system may be on different meter reading and billing cycles. If a meter cannot be read, the Authority will bill the Member for the average water used during the prior three months until such time as adjustments can be made for actual water used.



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4. BILLING AND PAYMENT FOR WATER/SEWER SERVICE.

A. Dates:

Bill Date Cycle #1 bills are sent on the 1st of the month. Cycle #2 bills are sent on the 15th of the month. Additional Cycles may be added as the needed due to growth of the customer base.

Due date is twenty-five days after the billing date for the cycle. Cycle #1 bills are sent on the 1st of the month, and the due date is the 25th. Cycle #2 bills are sent on the 15th with a due date of the 10th of the following month.

Overdue date is 3:00 p.m. on the due date.

Delinquency date is thirty (30) days after the bill date

Fees for Disconnection of Service, Bad Checks, Meter Tampering, and Open or Close Water Service After Hours are due immediately and are subject to overdue and delinquent penalties.

B. Billing of Water/Sewer Service. All Authority Members are subject to at least the minimum water and minimum sewer charges as soon as water/sewer service is available, as defined in "Water/Sewer Service". The Authority shall bill the membership **monthly** for water/sewer service from actual meter readings and/or at the rates set forth on the approved water/sewer rate schedule attached to this Policy. All water metered as used by the member shall be subject to the rate schedule, including water leaked from a member's line.

C. Payment of Water/Sewer Service Bills. Bills for water/sewer service are due and payable at the location indicated on the bill or at the location determined by the Board of Directors. Payment of a bill is due on the **due date** and becomes **overdue at 3:00 p.m. on that date**. To be timely, payments must be received in the Authority's offices on or before **3:00 p.m. on the due date** to avoid overdue penalties.



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D. Overdue Accounts. Overdue amounts are assessed a **penalty of 15% of the amount due per month**. Failure to pay for water/sewer service will result in disconnection of water service SEE below.

E. Delinquent Accounts/Notification & Disconnection of Service. Accounts become delinquent and subject to disconnection of water service thirty (30) days after the billing date. **Delinquent notice is outlined in the printed bill, no further notice will be provided.** Payment to the account which does not pay the delinquency in full will be insufficient to avoid disconnection unless arrangements for a payment plan have been approved in writing by the Customer Service Specialist at the request of the member prior to water being shut off. The Customer Service Specialist has discretion regarding whether to agree to a payment plan.

F. Negotiation of Payment Agreement. To avoid disconnection of services, the Customer Service Specialist and a current customer and/or Member may negotiate a monthly payment schedule for the delinquent amount, provided that at the time of the agreement, the customer and/or Member shall pay as an initial deposit fifty percent (50%) of the overdue amount.

If services are disconnected, the Customer Service Specialist and the customer and/or Member may still negotiate a monthly payment schedule for the delinquent amount. Services will be reinstated provided that the current account holder and/or member pays the disconnection fee and fifty percent (50%) of the overdue amount.

G. Returned Checks/Delinquent Accounts. If a payment by check for disconnection or delinquency is returned for insufficient funds, the balance due, returned check fee, and any other applicable fees shall be added to the member's delinquency, which thereafter will be required to be paid in cash.

H. Disconnection of Water Service. Any water service which has been disconnected due to a delinquent account shall not be reconnected until the account has been paid in full.

The disconnection fee is applied after the delinquency date has occurred and the disconnection list is generated, which is thirty (30) days after billing date and



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whether services have or have not been physically terminated through closing, locking or removing of water meter.

I. ~~Cancellation of Membership/Delinquent Accounts.~~ When an account balance reaches sixty (60) days, the customer will be required to pay a deposit of one-hundred dollars (\$100.00) which will be refundable after the account balance has been kept current for a period of twelve (12) consecutive months.

J. ~~Membership in Default.~~ When an account balance reaches six (6) months, the membership is deemed to be in default, and collection procedures will be initiated.

K. ~~Termination of Membership & Liens.~~ If a member's account is delinquent for twelve (12) months after disconnection of water service, the amount due shall may be considered uncollectible and the membership in default, and the membership shall be cancelled. Water service for all accounts associated with the terminated membership will be terminated. Any amount due will be reported to a collection agency and a lien will be placed on the property. The Authority may file a lien against property owned by the member, initiate further collection procedures, and/or use any other available means to collect the amount owned and resolve the default. After that date a membership is terminated, a request for reconnection shall be subject to payment of a new **membership fee and connection fees.**

J. ~~Water/Sewer Service to the Seriously Ill.~~ The Authority will not terminate water/sewer service to any residence where a seriously ill person resides provided that:

i. _____ A letter from a practitioner of the healing arts stating that discontinuance of service will endanger that person's life or health is filed with the Authority and such letter is updated and filed with the Authority every **ninety (90) days** thereafter and;

ii. _____ An Affidavit in a form approved by the Authority is filed with the Authority by the Member/customer stating that he/she is without income or property sufficient to pay water/sewer charges and no one in the residence has



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sufficient income or property to do so and said Affidavit is updated and filed with the Authority every **ninety (90) days** thereafter.

The Authority **will not terminate sewer service** even if the Member/customer fails to comply with 4.JI.i. and 4.JI.ii. Yet, the Authority will use any and all legal methods to obtain water/sewer charges due the Authority including but not limited to termination of water service; placement of lien on property; and use of a collection agency.

5. SERVICE CONNECTIONS BEYOND THE DISTRIBUTION/COLLECTION SYSTEM/SERVICE AREA

A. Extension of Water Mains/Sewage Collection Lines for One Individual.

Mains/Collection lines and service lines laid beyond the Authority's existing water/sewer system will **be installed to the Authority's specifications and paid for by the individual applying for Membership**. Individuals are not authorized to add service lines to the water and/ or wastewater system. The individual must provide easements to the Authority as needed.

B. Extension of Water Mains/Sewage Collection Lines for a Group of Individuals.

In cases where a group of individuals is applying for membership, the General Manager will consider such extension provided that the cost of such an extension does not cause hardship to the Authority's current members. Landowners seeking Membership into the Authority shall provide easements to the Authority as needed.

C. Extension of Water Mains/Sewage Collection Lines Not Covered Above.

The Board of Directors may enter into special service contracts in cases where the applicant has unusual service requirements. However, in no case will the Authority enter into such a contract before obtaining approval from any funding agency review and approval of the contract from the Authority has indebtedness.

ATTACHMENTS:

1. MEMBER APPLICATION FOR WATER/SEWER SERVICE



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2. SCHEDULE OF RATES & FEES
3. ADDITIONAL MINIMUM POLICY
4. WATER USERS AGREEMENT
5. SEWER USERS AGREEMENT
6. RENTER'S APPLICATION FOR SERVICE
7. RENTER'S EXIT FORM
8. REAL ESTATE CONTRACT POLICY
9. OWNER ACCOUNT INFORMATION FORM
10. WATER LEAK ADJUSTMENT POLICY
11. PAYMENT AGREEMENT – DELINQUENT ACCOUNTS
12. PAYMENT AGREEMENT – SERVICE INSTALLATION
13. SERVICE ACTIVATION/DEACTIVATION STATEMENT
14. BILLING ADJUSTMENT REQUEST FORM
15. BULK WATER AGREEMENT
16. CROSS CONNECTION PREVENTION AND CONTROL POLICY